

# ROYAL CROWN INSURANCE CO LTD

## Solvency and Financial Condition Report

### Disclosures

31 December

**2019**

(Monetary amounts in EUR thousands)

## General information

Undertaking name	ROYAL CROWN INSURANCE CO LTD
Undertaking identification code	213800OEXQ1KPSBJXC52
Type of code of undertaking	LEI
Type of undertaking	Non-life undertakings
Country of authorisation	CY
Language of reporting	en
Reporting reference date	31 December 2019
Currency used for reporting	EUR
Accounting standards	IFRS
Method of Calculation of the SCR	Standard formula
Matching adjustment	No use of matching adjustment
Volatility adjustment	No use of volatility adjustment
Transitional measure on the risk-free interest rate	No use of transitional measure on the risk-free interest rate
Transitional measure on technical provisions	No use of transitional measure on technical provisions

## List of reported templates

- S.02.01.02 - Balance sheet
- S.05.01.02 - Premiums, claims and expenses by line of business
- S.05.02.01 - Premiums, claims and expenses by country
- S.17.01.02 - Non-Life Technical Provisions
- S.19.01.21 - Non-Life insurance claims
- S.23.01.01 - Own Funds
- S.25.01.21 - Solvency Capital Requirement - for undertakings on Standard Formula
- S.28.01.01 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

## S.02.01.02

## Balance sheet

		Solvency II value
		C0010
<b>Assets</b>		
R0030	Intangible assets	
R0040	Deferred tax assets	
R0050	Pension benefit surplus	
R0060	Property, plant & equipment held for own use	3,976
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	10,303
R0080	<i>Property (other than for own use)</i>	871
R0090	<i>Holdings in related undertakings, including participations</i>	
R0100	<i>Equities</i>	298
R0110	<i>Equities - listed</i>	298
R0120	<i>Equities - unlisted</i>	
R0130	<i>Bonds</i>	0
R0140	<i>Government Bonds</i>	
R0150	<i>Corporate Bonds</i>	
R0160	<i>Structured notes</i>	
R0170	<i>Collateralised securities</i>	
R0180	<i>Collective Investments Undertakings</i>	
R0190	<i>Derivatives</i>	
R0200	<i>Deposits other than cash equivalents</i>	9,134
R0210	<i>Other investments</i>	
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	0
R0240	<i>Loans on policies</i>	
R0250	<i>Loans and mortgages to individuals</i>	
R0260	<i>Other loans and mortgages</i>	
R0270	Reinsurance recoverables from:	1,523
R0280	<i>Non-life and health similar to non-life</i>	1,523
R0290	<i>Non-life excluding health</i>	1,520
R0300	<i>Health similar to non-life</i>	3
R0310	<i>Life and health similar to life, excluding index-linked and unit-linked</i>	0
R0320	<i>Health similar to life</i>	
R0330	<i>Life excluding health and index-linked and unit-linked</i>	
R0340	<i>Life index-linked and unit-linked</i>	
R0350	Deposits to cedants	
R0360	Insurance and intermediaries receivables	2,215
R0370	Reinsurance receivables	405
R0380	Receivables (trade, not insurance)	321
R0390	Own shares (held directly)	
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	1,824
R0420	Any other assets, not elsewhere shown	
R0500	<b>Total assets</b>	<b>20,567</b>

## S.02.01.02

## Balance sheet

<b>Solvency II value</b>		
C0010		
R0510	Technical provisions - non-life	10,595
R0520	<i>Technical provisions - non-life (excluding health)</i>	10,568
R0530	<i>TP calculated as a whole</i>	0
R0540	<i>Best Estimate</i>	9,843
R0550	<i>Risk margin</i>	725
R0560	<i>Technical provisions - health (similar to non-life)</i>	27
R0570	<i>TP calculated as a whole</i>	0
R0580	<i>Best Estimate</i>	25
R0590	<i>Risk margin</i>	2
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	<i>Technical provisions - health (similar to life)</i>	0
R0620	<i>TP calculated as a whole</i>	
R0630	<i>Best Estimate</i>	
R0640	<i>Risk margin</i>	
R0650	<i>Technical provisions - life (excluding health and index-linked and unit-linked)</i>	0
R0660	<i>TP calculated as a whole</i>	
R0670	<i>Best Estimate</i>	
R0680	<i>Risk margin</i>	
R0690	Technical provisions - index-linked and unit-linked	0
R0700	<i>TP calculated as a whole</i>	
R0710	<i>Best Estimate</i>	
R0720	<i>Risk margin</i>	
R0740	Contingent liabilities	
R0750	Provisions other than technical provisions	
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	
R0780	Deferred tax liabilities	549
R0790	Derivatives	
R0800	Debts owed to credit institutions	
R0810	Financial liabilities other than debts owed to credit institutions	181
R0820	Insurance & intermediaries payables	545
R0830	Reinsurance payables	669
R0840	Payables (trade, not insurance)	325
R0850	Subordinated liabilities	0
R0860	<i>Subordinated liabilities not in BOF</i>	
R0870	<i>Subordinated liabilities in BOF</i>	0
R0880	Any other liabilities, not elsewhere shown	732
R0900	<b>Total liabilities</b>	<b>13,597</b>
R1000	<b>Excess of assets over liabilities</b>	<b>6,971</b>





Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance											Accepted non-proportional reinsurance				Total Non-Life obligation	
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance		Non-proportional property reinsurance
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
R0010	<b>Technical provisions calculated as a whole</b>		0		0	0	0	0	0				0					0
R0050	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole																	0
<b>Technical provisions calculated as a sum of BE and RM Best estimate</b>																		
<b>Premium provisions</b>																		
R0060	Gross		15		1,279	530	20	242	-42					-5				2,039
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default		3		1	9	2	47	-113					-16				-66
R0150	<b>Net Best Estimate of Premium Provisions</b>		12		1,278	521	18	194	71				11					2,106
<b>Claims provisions</b>																		
R0160	Gross		10		5,552	455	22	533	1,257				0					7,828
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default		0		954	0	13	444	179				0					1,589
R0250	<b>Net Best Estimate of Claims Provisions</b>		10		4,598	455	9	89	1,078				1					6,239
R0260	<b>Total best estimate - gross</b>		25		6,831	986	42	774	1,215				-5					9,868
R0270	<b>Total best estimate - net</b>		22		5,876	976	27	283	1,149				12					8,345
R0280	<b>Risk margin</b>		2		512	85	2	25	100				1					727
<b>Amount of the transitional on Technical Provisions</b>																		
R0290	Technical Provisions calculated as a whole		0		0	0	0	0	0				0					0
R0300	Best estimate		0		0	0	0	0	0				0					0
R0310	Risk margin		0		0	0	0	0	0				0					0
R0320	<b>Technical provisions - total</b>		27		7,343	1,071	44	799	1,315				-4					10,595
R0330	<b>Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total</b>		3		955	9	15	491	66				-17					1,523
R0340	<b>Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total</b>		24		6,388	1,061	29	308	1,249				13					9,072

S.19.01.21

Non-Life insurance claims

Total Non-life business

Z0020 Accident year / underwriting year

Gross Claims Paid (non-cumulative)														
(absolute amount)														
Year	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180	
	Development year										In Current year	Sum of years (cumulative)		
	0	1	2	3	4	5	6	7	8	9			10 & +	
R0100	Prior											178	178	178
R0160	2010	2,591	870	345	196	20	363	76	15	42	-4	-4	4,513	
R0170	2011	2,487	1,213	514	67	78	146	28	78	93		93	4,705	
R0180	2012	2,298	1,290	254	99	66	31	62	33			33	4,133	
R0190	2013	1,971	841	125	12	15	40	53				53	3,056	
R0200	2014	2,132	940	229	22	292	9					9	3,624	
R0210	2015	2,028	960	68	65	89						89	3,211	
R0220	2016	2,152	860	111	111							111	3,234	
R0230	2017	2,319	1,003	98								98	3,420	
R0240	2018	2,148	987									987	3,135	
R0250	2019	2,351										2,351	2,351	
R0260												<b>Total</b>	3,997	35,560

Gross Undiscounted Best Estimate Claims Provisions													
(absolute amount)													
Year	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360	
	Development year											Year end (discounted data)	
	0	1	2	3	4	5	6	7	8	9	10 & +		
R0100	Prior											125	126
R0160	2010	0	0	0	0	0	134	124	68	31		31	
R0170	2011	0	0	0	0	0	705	610	511	388		391	
R0180	2012	0	0	0	0	763	736	638	615			619	
R0190	2013	0	0	0	982	942	887	561				565	
R0200	2014	0	0	678	742	601	545					549	
R0210	2015	0	917	774	917	1,042						1,049	
R0220	2016	1,901	942	757	587							591	
R0230	2017	1,995	925	765								770	
R0240	2018	2,033	815									821	
R0250	2019	2,304										2,317	
R0260												<b>Total</b>	7,828



S.23.01.01  
Own Funds

Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35

R0010	Ordinary share capital (gross of own shares)
R0030	Share premium account related to ordinary share capital
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings
R0050	Subordinated mutual member accounts
R0070	Surplus funds
R0090	Preference shares
R0110	Share premium account related to preference shares
R0130	Reconciliation reserve
R0140	Subordinated liabilities
R0160	An amount equal to the value of net deferred tax assets
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above

R0220	<b>Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds</b>
R0230	<b>Deductions for participations in financial and credit institutions</b>
R0290	<b>Total basic own funds after deductions</b>

Ancillary own funds

R0300	Unpaid and uncalled ordinary share capital callable on demand
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand
R0320	Unpaid and uncalled preference shares callable on demand
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC
R0390	Other ancillary own funds
R0400	<b>Total ancillary own funds</b>

Available and eligible own funds

R0500	Total available own funds to meet the SCR
R0510	Total available own funds to meet the MCR
R0540	Total eligible own funds to meet the SCR
R0550	Total eligible own funds to meet the MCR

R0580	<b>SCR</b>
R0600	<b>MCR</b>
R0620	<b>Ratio of Eligible own funds to SCR</b>
R0640	<b>Ratio of Eligible own funds to MCR</b>

Reconciliation reserve

R0700	Excess of assets over liabilities
R0710	Own shares (held directly and indirectly)
R0720	Foreseeable dividends, distributions and charges
R0730	Other basic own fund items
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds
R0760	<b>Reconciliation reserve</b>

Expected profits

R0770	Expected profits included in future premiums (EPIFP) - Life business
R0780	Expected profits included in future premiums (EPIFP) - Non- life business
R0790	<b>Total Expected profits included in future premiums (EPIFP)</b>

Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
C0010	C0020	C0030	C0040	C0050
5,000	5,000		0	
0	0		0	
0	0		0	
0		0	0	0
0	0			
0		0	0	0
0		0	0	0
1,971	1,971			
0		0	0	0
0				0
0	0	0	0	0
0				
0				
0				
0	0			
0				
0				
6,971	6,971	0	0	0

0				
0				
0				
0				
0				
0				
0				
0				
0				
0				
0				
0				
0				
0				
0			0	0

6,971	6,971	0	0	0
6,971	6,971	0	0	
6,971	6,971	0	0	0
6,971	6,971	0	0	

5,389
3,700
129.35%
188.40%

C0060
6,971
0
5,000
0
1,971

0

## S.25.01.21

## Solvency Capital Requirement - for undertakings on Standard Formula

	Gross solvency capital requirement	USP	Simplifications
	C0110	C0090	C0120
R0010 Market risk	2,240		
R0020 Counterparty default risk	1,737		
R0030 Life underwriting risk	0		
R0040 Health underwriting risk	12		
R0050 Non-life underwriting risk	2,804		
R0060 Diversification	-1,706		
R0070 Intangible asset risk	0		
R0100 <b>Basic Solvency Capital Requirement</b>	5,087		
<b>Calculation of Solvency Capital Requirement</b>			
R0130 Operational risk	302		
R0140 Loss-absorbing capacity of technical provisions	0		
R0150 Loss-absorbing capacity of deferred taxes	0		
R0160 Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	0		
R0200 <b>Solvency Capital Requirement excluding capital add-on</b>	5,389		
R0210 Capital add-ons already set	0		
R0220 <b>Solvency capital requirement</b>	5,389		
<b>Other information on SCR</b>			
R0400 Capital requirement for duration-based equity risk sub-module	0		
R0410 Total amount of Notional Solvency Capital Requirements for remaining part	0		
R0420 Total amount of Notional Solvency Capital Requirements for ring fenced funds	0		
R0430 Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	0		
R0440 Diversification effects due to RFF nSCR aggregation for article 304	0		
<b>Approach to tax rate</b>			
R0590 Approach based on average tax rate	No		
<b>Calculation of loss absorbing capacity of deferred taxes</b>			
<b>LAC DT</b>			
C0130			
R0640 LAC DT	0		
R0650 LAC DT justified by reversion of deferred tax liabilities	0		
R0660 LAC DT justified by reference to probable future taxable economic profit	0		
R0670 LAC DT justified by carry back, current year	0		
R0680 LAC DT justified by carry back, future years	0		
R0690 Maximum LAC DT	0		

## USP Key

## For life underwriting risk:

- 1 - Increase in the amount of annuity benefits
- 9 - None

## For health underwriting risk:

- 1 - Increase in the amount of annuity benefits
- 2 - Standard deviation for NSLT health premium risk
- 3 - Standard deviation for NSLT health gross premium risk
- 4 - Adjustment factor for non-proportional reinsurance
- 5 - Standard deviation for NSLT health reserve risk
- 9 - None

## For non-life underwriting risk:

- 4 - Adjustment factor for non-proportional reinsurance
- 6 - Standard deviation for non-life premium risk
- 7 - Standard deviation for non-life gross premium risk
- 8 - Standard deviation for non-life reserve risk
- 9 - None

S.28.01.01

Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

R0010 MCR<sub>NL</sub> Result

C0010

1,339
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Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
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C0020

C0030

R0020	Medical expense insurance and proportional reinsurance	0	
R0030	Income protection insurance and proportional reinsurance	22	36
R0040	Workers' compensation insurance and proportional reinsurance	0	
R0050	Motor vehicle liability insurance and proportional reinsurance	5,876	3,236
R0060	Other motor insurance and proportional reinsurance	976	1,347
R0070	Marine, aviation and transport insurance and proportional reinsurance	27	58
R0080	Fire and other damage to property insurance and proportional reinsurance	283	846
R0090	General liability insurance and proportional reinsurance	1,149	981
R0100	Credit and suretyship insurance and proportional reinsurance	0	
R0110	Legal expenses insurance and proportional reinsurance	0	
R0120	Assistance and proportional reinsurance	0	
R0130	Miscellaneous financial loss insurance and proportional reinsurance	12	45
R0140	Non-proportional health reinsurance	0	
R0150	Non-proportional casualty reinsurance	0	
R0160	Non-proportional marine, aviation and transport reinsurance	0	
R0170	Non-proportional property reinsurance	0	

0	
22	36
0	
5,876	3,236
976	1,347
27	58
283	846
1,149	981
0	
0	
0	
12	45
0	
0	
0	
0	

Linear formula component for life insurance and reinsurance obligations

R0200 MCR<sub>L</sub> Result

C0040

0
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Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
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C0050

C0060

R0210	Obligations with profit participation - guaranteed benefits		
R0220	Obligations with profit participation - future discretionary benefits		
R0230	Index-linked and unit-linked insurance obligations		
R0240	Other life (re)insurance and health (re)insurance obligations		
R0250	Total capital at risk for all life (re)insurance obligations		


Overall MCR calculation

R0300	Linear MCR	1,339
R0310	SCR	5,389
R0320	MCR cap	2,425
R0330	MCR floor	1,347
R0340	Combined MCR	1,347
R0350	Absolute floor of the MCR	3,700
R0400	<b>Minimum Capital Requirement</b>	<b>3,700</b>

C0070

1,339
5,389
2,425
1,347
1,347
3,700
3,700