SUOMEN KESKINÄINEN
POTILASVAKUUTUSYHTIÖ

SOLVENCY AND FINANCIAL CONDITION REPORT 2021 (unofficial translation)

FINNISH MUTUAL PATIENT INSURANCE COMPANY

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SUOMEN KESKINÄINEN POTILASVAKUUTUSYHTIÖ

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Summary

2021 was Finnish Mutual Patient Insurance Company's first operating year as an insurance company. The company was granted authorisation on 14 December 2020, and the actual insurance business thus commenced on 1 January 2021. Premiums written for the first operating year stood at EUR 27 million. The combined ratio was 88.64%.

Important events and other key figures for the financial year:

- The company's system of governance was developed and documentation was complemented and updated
- The building of the company's organisation was finalised in 2021
- The company's strategy was updated and specified for years 2022–2026
- A concept was drawn up during the financial year for insuring other than university hospital districts
- Operating profit stood at EUR 2.8 million and profit for the financial year at EUR 826,000.
- The company's own funds amounted to EUR 33.6 million and the ratio of own funds to solvency capital requirement was 158%.
- Return on invested capital at current values stood at 2.02%.

A. Business and performance

A.1 Business

Finnish Mutual Patient Insurance Company is a mutual insurance company whose domicile is Helsinki and geographical area of operations is Finland. The company specialises in patient insurance for the public medical care. The company was founded by the five university hospital districts in Finland, namely the Hospital District of Helsinki and Uusimaa, Pirkanmaa Hospital District, Northern Ostrobothnia Hospital District, Hospital District of Northern Savo, and Hospital District of Southwest Finland. The company offers patient insurance to its owners, and other hospital districts can become the company's customers by joining the insurance policy of a university hospital district as an insured entity. In addition, owner municipalities of hospital districts and other public medical care units and subsidiary corporations may be insured.

The company's operations are supervised and audited by the Financial Supervisory Authority (Snellmaninkatu 6, Helsinki, www.finanssivalvonta.fi) and the assigned supervisor in the Financial Supervisory Authority is Tony Airio.

The company's auditor is KPMG Oy Ab (Töölönlahdenkatu 3 A, 00101 Helsinki) and the auditor with principal responsibility is Marcus Tötterman, Authorised Public Accountant.

The ownership shares of the Finnish Mutual Patient Insurance Company's shareholders of the guarantee capital are listed below:

Hospital District of Helsinki and Uusimaa	33.5%
Hospital District of Southwest Finland	24.3%
Northern Ostrobothnia Hospital District	18.5%
Hospital District of Northern Savo	12.4%
Pirkanmaa Hospital District	11.3%

The company is not part of a group. The hospital districts of Helsinki and Uusimaa and Southwest Finland each own more than 20 per cent of the company's guarantee capital, and they are the company's related parties in accordance with the Insurance Companies Act.

The company's insurance business operations commenced on 1 January 2021 when the new Patient Insurance Act (948/2019) entered into force and at the same time the patient insurance policies of the founding shareholders were recorded in the company's insurance register. Thus 2021 was the company's first operating year as an insurance company. In the initial phase of its operations, the company joined as a member of e.g. the Patient Insurance Centre and Finance Finland. Net premiums written for the company's reporting period stood at EUR 25.9 million.

During the financial year, the company's system of governance was developed further, and its documentation was complemented and updated. The building of the company's organisation was completed during the year. Dedicated persons responsible were hired to Actuarial, Risk Management and Compliance functions, which were outsourced in the early phase of the operations. Of key control functions, only internal audit is outsourced.

The company's strategy for 2022–2026 was updated and specified, and during financial year 2021 a concept was drawn up for insuring other than university hospital districts. This is based on the agreements on organising catchment areas for highly specialised medical care through which hospital districts may be insured within the insurance policy of the relevant university hospital district. Furthermore, the company allowed for the joining of subsidiaries and affiliated companies of hospital districts in insurance policies.

A.2 Performance

Net premiums written for the company's reporting period stood at EUR 25.9 million. Claims incurred for the financial year totalled EUR 20.6 million. Due to the starting of operations and the long-term nature of patient insurance, the claims paid during the financial year amounted to just EUR 817,000, while the change in the provision for claims stood at EUR 19.8 million. In accordance with the above, the balance on technical account before change in equalisation provision was EUR 2.9 million euros. EUR 2.0 million was transferred to the equalisation provision. Thus the balance on technical account stood at EUR 977,000. Operating expenses recorded totalled EUR 2.4 million. Profit after taxes for the period under review under was EUR 826,000.

The figures for financial year 2020 and financial year 2021 are not comparable, as the loss for 2020 at EUR -771,000 at the beginning of the insurance operations on 1 January 2021 consisted exclusively of the company's founding costs.

A.3 Investment performance

Finnish Mutual Patient Insurance Company has outsourced the implementation of investment activities to two asset managers. In outsourcing asset management, only reputable partners operating in the industry with an established business model are used. The company started investment activities in February 2021, when EUR 25 million was allocated to the asset managers to be invested, in total EUR 50 million. In early 2021, the investment portfolio was developed in accordance with basic allocation, taking into account the effect of temporal diversification on decreasing the risk, and the diversification of the portfolio was carried out according to the verified investment plan. Only one of the asset managers has real property investments, so the allocation of the asset managers is not necessarily identical, although the assets to be invested were divided in equal shares between the asset managers.

The company's funds shall be invested in a securing way and profitably, taking the company's liquidity into account. The funds shall be invested in such a way that the security, quality, liquidity and profitability of the entire portfolio is ensured. The goal is to gain for the funds a profit that exceeds the technical rate of interest with a reasonable investment risk. The investment plan defines the basic allocation and the range within which the company's allocation can be adjusted.

All of the company's investments were made through investment funds. In the company's first year of operating the yield requirement was set at 1.5–2.5%. Net income from investments on invested capital at current values stood at 2.02% in 2021. The market value of the company's investment portfolio stood at EUR 53 million at year-end, divided into fixed income investments at 67%, equity investments at 17%, and real property investments at 16%.

Reductions in value and cost of the initial phase burdened the book net income from investments which showed a loss of EUR 137,000. The company has not recorded profit or loss in shareholders' equity, and the company has not made investments in securitisation. Valuation difference at year-end totalled EUR 1.5 million.

A.4 Performance of other activities

Finnish Mutual Patient Insurance Company has no other business activities except what is presented in section A1.

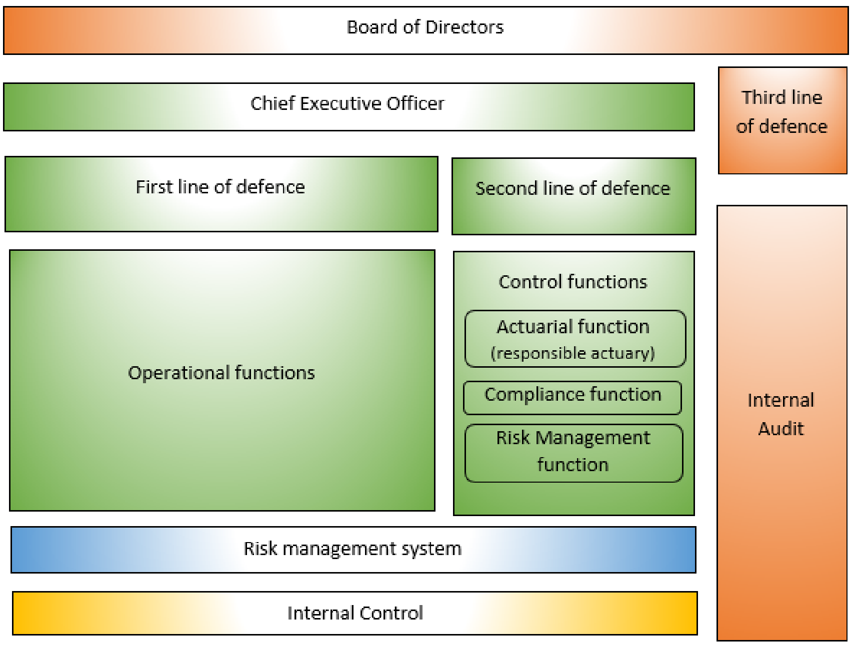
A.5 Other information

No other information.

B. System of governance

B.1 General information on the system of governance

Structure of Finnish Mutual Patient Insurance Company's system of governance



The General Meeting of shareholders appoints the Board of Directors and elects the company's auditor. The Board of Directors is responsible for the company's governance and appropriate organisation of operations. The Board of Directors has at least 5 and at most 7 members. The Board of Directors manages the company together with the CEO in a professional manner and gives instructions to the CEO. The work of the Board of Directors is guided by a charter.

The CEO is in charge of the company's operational activities, subject to the instructions and control of the Board of Directors. The CEO reports to the Board of Directors, and stipulations of the Limited Liability Companies Act, Insurance Companies Act and the Financial Supervision Authority are applied to him.

The Board of Directors has elected from among themselves an Audit Committee, the duty of which is to monitor and assess the company's financial reporting, monitor and assess the effectiveness of internal control and internal audit and risk management, and monitor and assess how the agreements and other legal transactions made between the company and its related parties meet the requirements on belonging to customary activities and market conditions. In addition, the Audit Committee prepares the election of the company's auditor, monitors and assesses the independence of the auditor and especially their offering of non-audit services, and monitors the audit of the company's accounts.

In addition, the Board of Directors has elected an Investment Committee to steer and prepare the company's investment activities. The members of the Investment Committee are the Chairman of the Board, CEO, CFO and an investment expert who acts as a consultant. The Director of Actuarial and Risk Management has the right to be present and speak in the meetings of the Investment Committee. The asset managers report to the Investment Committee.

The goal of Risk Management is to support the company's business strategy by identifying, measuring, monitoring, managing, reducing and reporting in advance about possible risks the realisation of which would have a negative effect on the company's financial and/or other business commitments and would thus limit the company's opportunities to implement its business strategy in full.

The duty of the Risk Management and Compliance functions is to steer, monitor and support the company and its personnel in the implementation of the risk management system. The Risk Management function is responsible for the company's risk management framework and maintains and develops the risk management methods and the company's contingency planning. The Risk Management function prepares the risk management system and the documents related thereto, such as the risk strategy, for verification by the Board of Directors, and monitors the risk position. The Compliance function supports the company's business operations in ensuring activities in accordance with regulation, reliable governance, and effectiveness and sufficiency of internal control. In addition, the responsible actuary from the Actuarial function is responsible for the correctness of mathematical calculations and the timeliness of the calculation methods.

Furthermore, the company has internal audit which is independent of the operational activities and whose duty is to assess the sufficiency of internal control and other governance. Internal audit shall be independent of the company's operational activities and taking into account the size of the company, internal audit is outsourced.

Of the company's other resources, Chief Information Officer and the asset managers are outsourced. In addition, IT administration, data protection officer, and part of financial administration are outsourced. The other resources are within the company.

Significant changes in the system of governance during the period under review
When the company was founded in 2020, the building of the system of governance and its documentation commenced, and the work continued in 2021 to its currently established form.

Company's salary and remuneration policy
The company complies in its remuneration policy with the remuneration principles confirmed by the Board of Directors. The universally binding collective agreement for the finance sector is complied with in the company's remuneration, in addition to which the remuneration for the company's management and other personnel is based on the legislation concerning the governance of insurance companies and limited liability companies, and the company's Articles of Association.

The fixed and variable remuneration elements included in the company's flexible remuneration policy are balanced in such a way that the fixed remuneration elements represent a large enough share of the overall remuneration, so that the personnel of the company would not be too dependent on variable elements of the salary. Thus the company applies mostly a fixed salary element. Fixed salary element means basic salary, ordinary increments and salary benefits, employment pension, and pay for the period of notice.

Variable salary element means payment by result which is linked to the employee's performance and reaching the determined goals in the company. In assessing individual performance, both financial and non-financial criteria are taken into account. The company's CEO and clerical employees have a variable salary element.

When deciding on remuneration, the company aims at ensuring that the remuneration would not under any circumstances lead to or encourage undesirable ways of working or unsustainable risk-taking.

The General Meeting decides on the remuneration to the Board of Directors and the committees and commissions set by the Board of Directors. The Board of Directors decides on the salaries, payment by result and any other benefits of the CEO and other directors and clerical employees it has appointed, and approves annually the indicators and realisation used as the basis for any payment by result to the other personnel of the company. The company does not offer a supplementary pension as part of the remuneration system.

During the financial year, the company has not concluded any significant transactions with the owners, those exercising significant power in the company or members of the governance, management or control systems.

B.2 Fit and proper requirements

All persons working in the company shall be fit and proper for their position, and they shall possess the professional competence required by their position. Regarding the Board of Directors, management and persons responsible for the key functions it is also a question of the propriety of governance which is a key requirement for operations subject to authorisation.

The company has introduced procedures and routines related to the appointment of persons responsible for management and key functions, assessment of the fitness and propriety of the persons, and the assessment of the collective competence of the Board of Directors, which include documentation, reporting and archiving.

The procedures are described in more detail in the fit and proper principles approved by the Board of Directors. Each module – fitness, propriety and competence – is assessed separately for each person responsible for management and key functions. Lack of propriety, for example, cannot be replaced with high competence. Any register information retrieved as background information, the information provided by the person and any other information that may be considered objectively reliable shall be taken into account in assessing fitness, propriety and competence.

In addition, Board members shall possess sufficient knowledge of the insurance markets and their regulation, financial reporting and the company's operating environment or they shall commit themselves in writing to take training to the extent as it is considered necessary based on their previous education and experience. Furthermore, Board members shall have independent ability for consideration and decision-making. They shall be able to question decisions in a constructive manner and monitor the company's operational management.

B.3 Risk management system including the own risk and solvency assessment

The company's risk management system is integrally linked to the company's business strategy and the company's operational activities that implement it. The goal of the risk strategy is to ensure the effectiveness and succession of the company irrespective of the fluctuation of the economy and the other operating environment.

The goal of the company's risk management system is to identify, assess and manage the risk directed at the company. The risks are monitored and reported regularly.

Company's risk classes
The company's risk classification is based on the following division of main and sub classes:

- Underwriting risks
    - Technical risks
    - Reinsurance risks
    - Operating environment risks
- Financial risks
    - Market risks
    - Credit risks
    - Liquidity risks
- Operational risks
    - Operative risks
    - Financial crime risks
    - Strategic risks
    - Sustainability risks

A key element of the company's risk management system is the risk management process. It is common to all risk classes and is implemented integrally with the other processes. At general level the risk management process comprises of

- identification of risks,
- assessment of risks,
- management of risks,
- monitoring of risks, and
- analysing and reporting of risks.

Identified risks, their seriousness, probability and any measures for reducing the risks are described in the company's risk register. As an outcome of the risk mapping the company forms a view of risks that threaten its operations and the required management measures.

Risk appetite
For steering the operations, the Board of Directors determines the strategic, financial and operational goals as well as the risk appetite for each risk class within the limits of which the business risk-taking is kept. In the area of financial risks, an internal solvency target is determined which is at the same time the definition of the risk appetite related to solvency. The risk appetite of operational risks is determined qualitatively.

Operational risks
Operational risks result from missing, deficient, incorrectly determined, incorrectly functioning or incorrectly implemented operational processes, persons, information and other systems, or events outside the company.

The risk appetite in the company's operational activities is low. Principles of prudence and diligence are complied with in the activities, and unnecessary risk-taking is avoided.

Underwriting risks
Underwriting risks mean risks resulting from offering, maintenance and implementation of insurance. Underwriting risk refers to the change in value that results from the deviation of final costs of contractual obligations compared to the originally estimated obligations. Underwriting risks identified by the company are risk related to underwriting insurance, premium risk and reserve risk.

Insurances are only offered to owners. Other hospital districts may be insured under the owners' policies. The customers are funded by the public sector, and hence the risks related to underwriting insurance and the premium risk are estimated to be low.

The company has limited its underwriting risk through reinsurance. The retention for reinsurance stood at EUR 5 million. Reinsurance is bought from international, reputable and solvent reinsurance companies.

Management of assets and liabilities
The company's goal is that the anticipated cash flows of assets and liabilities would correspond with each other closely enough. The operations are still in their early phase, so the number of known incidents is still relatively low. The share of permanent loss in the company's contingent liabilities will grow over time, and the duration of contingent liabilities will then increase.

Investment risks
The risk appetite of the company's investments is moderate. The company's funds are invested profitably and securely. The goal is to gain reasonable profit for the funds with moderate risk-taking. The company's Board of Directors approves annually the investment plan which determines the limits for the diversification and risk-taking of investments, the target or neutral allocation of the investment portfolio, and the limits for different investment instruments.

The company's asset management is outsourced to two asset managers who compile and submit a monthly report on the company's investments to help the company in forming an investment view.

Roles and responsibilities in implementing risk management
The company's Board of Directors and CEO bear overall responsibility for the organisation and effectiveness of the company's risk management system.

The Board of Directors
- determines the risk appetite and the limits concerning general risk bearing capacity,
- verifies the company's risk strategy at least once a year,

- ensures the effectiveness of the risk management system and sees to it that the Risk Management function has adequate resources for the development and maintenance of the risk management system and fulfilment of its goals.

The company's Board of Directors, and the Audit Committee in particular, continuously monitors the company's risk and solvency management. The purpose is to ensure that the management of the company has an overall view of the company's risks and the status and development of risk and solvency management. The Board of Directors has to have a comprehensive overall view of the company's risks and solvency to support its decisions that steer the company's business activities as well as risk and solvency management.

The CEO is responsible for the implementation of the risk strategy. The Director of Risk Management is responsible for the Risk Management function.

The duty of the Risk Management function is to assist the company's Board of Directors and other functions to ensure effective risk management. The function monitors the functioning of the risk management system and the company's risk profile on the whole and reports on exposure to risks. In addition, the function advises the Board of Directors in matters concerning risk management, and identifies and assesses emerging risks.

According to the company's processes, the risk mapping is reviewed regularly, at least once a year, and is updated as required. The mapping is carried out together with all staff, which increases the awareness of risks.

The Director of Risk Management reports on risks in Board meetings at least quarterly. Investment risks are assessed at least once a year.

Risk and solvency assessment
The company carries out annually an own risk and solvency assessment (ORSA). The statutory solvency calculation provides information on solvency and the solvency capital requirement at the time of calculation. ORSA complements the official solvency calculation as follows:

- ORSA looks forward. ORSA involves calculating an estimate on the development of solvency in the coming years, based on the approved strategy and business plan.
- ORSA examines solvency in several different scenarios. Regarding investment activities, assessments are made e.g. for a basic scenario and a serious investment scenario which combines simultaneous significant equity and real property stress.
- The insurance business is stressed e.g. with a catastrophe loss.
- The ORSA process assesses the need for capital and capital management in different scenarios.
- The ORSA report includes recommendations on the required measures.

The ORSA process creates the basis for forming the company's overall solvency need and links together solvency, risk management and enterprise resource planning processes. The ORSA report is compiled annually and updated without delay, if the risk profile changes significantly.

The process description of ORSA describes e.g. schedules, responsibilities, phases, and controls. The Director of Risk Management is responsible for the implementation and organisation of the ORSA process. All personnel participate in compiling the ORSA report. The ORSA report is approved by the Board of Directors. The sufficiency and quality of the ORSA process is assessed annually e.g. as part of the self-assessment of the company's system of governance.

B.4 Internal control system

The company's public supervision is the responsibility of the auditor and the Financial Supervision Authority in the way stipulated in the regulations concerning the company's operations. Internal control means the company's internal procedures and methods which aim at ensuring the reaching of the company's goals, the effectiveness of the use of the company's resources, compliance with the regulations, and the reliability of the information used as support for the managing of the company.

Internal control is directed at operational activities and is risk-based. The controls of the internal control system form an important element of the risk management measures. Internal control is directed both at the company's internally organised and outsourced activities, because in accordance with insurance regulations, the responsibility for the legal compliance in the organisation of outsourced services remains with the company. Furthermore, the company may also direct control measures at third parties and systems maintained by third parties.

The responsibility for the organisation of internal control lies with the company's Board of Directors and CEO. The company's Risk Management function supports the operational organisation in the implementation of internal control and is responsible for the documentation of the control system. In its internal control, the company focuses on previously determined risk-preventing processes for enhancing internal control. The company's key processes are mapped and described with adequate level of accuracy, to be able to state at which phases or sub-processes internal control is directed.

The Risk Management function controls and assesses the appropriateness and functioning of the processes and the controls integrated in them in accordance with the operating plan. The Risk Management function reports to the Board of Directors on the state of the internal control system and other risk management system as part of the regular risk reporting. The reporting includes e.g. informing on disturbances in internal control and other risk events observed.

The internal control environment comprises of control measures directed at the company's processes or integrated in them. These measures may be:

- instructive, such as determination of operating principles and other steering documents
- preventive, such as advance verifications and validations
- detective, such as assessments and inspections and other afterward controls

Regarding internal control, the responsibilities of the functions have been described and are known to the parties involved. The purpose of the measures is also to ensure that the control is systematic and regular.

The Board of Directors

- is responsible especially for ensuring the effectiveness of internal control
- ensures that the company has adequate financial and operational resources for the development and maintenance of internal control
- sees to it that the company has a clear organisation structure in which the responsibility and reporting relations have been determined unambiguously
- bears responsibility for keeping the internal control policy up to date and appropriate in relation to the company's business operations and strategy
- assesses and approves the internal control policy regularly and at least once a year

The Board of Directors handles in its meetings the company's internal control based on reporting of the Risk Management and other functions. The Board of Directors documents its decision-making based on internal control in accordance with the Board's charter. If necessary, the Board of Directors acts on its own initiative for acquiring the required information to be used as the basis of its decision-making.

CEO

- bears responsibility for the organisation and control of day-to-day business operations, based on the principles and instructions verified by the company's Board of Directors
- bears responsibility for the implementation and monitoring of internal control in the company's operational activities
- sees to it that the outsourced functions are also within the scope of internal control
- ensures that the control measures of internal control are integrated in the company's key operational processes

Director of Risk Management

- bears responsibility for the maintenance of the internal control policy
- bears responsibility for the methodical support to internal control practices and the documentation of controls
- hears the CEO and, if necessary, the Board of Directors about the development of the internal control system
- reports to the Board of Directors about essential observations made in internal control
- supports and advises the personnel of the company in matters concerning internal control and risk management

Chief Financial Officer

- sees to it for their part that the company's operations and use of resources are profitable and effective from the point of view of the company's goals
- bears responsibility especially for the planning, documentation and implementation of internal control in financial calculation and reporting
- bears responsibility for the co-ordination of the company's reporting to the authorities

Chief Legal Officer

- bears responsibility for the correctness of the minutes of the Board of Directors and the legal support to decision-making
- bears responsibility for the up-to-datedness and correctness of the systems of governance
- bears responsibility for legal support to other functions

Compliance Officer

- ensures that the company complies with the law, other regulation and administrative guidelines
- carries out monitoring in accordance with their own operating plan
- acts in co-operation with the Director of Risk Management, supporting them, in matters related to internal control

Director of Actuarial function (responsible actuary)

- implements internal control of valuation of assets and liabilities by ensuring the correctness of the calculations
- bears responsibility for the correctness of the company's other calculations

B.5 Internal audit function

The goal of internal audit is to produce an independent assessment of the company's risk management and organisation, appropriateness, adequacy and effectiveness of internal control and other governance. The internal audit function is independent of the company's operational and risk-taking functions. Internal audit supports the company in reaching its goals by providing a systematic way to approach the assessment and development of the effectiveness of the company's risk management, control, as well as management and governance processes.

Internal audit has the right to access all information required for performing the audit duties, including the minutes of meetings of the company's different governing bodies, management and Board of Directors. Internal audit shall see to it that the information received by it remains confidential.

The company has outsourced the internal audit function. The company is by organisation structure a small mutual insurance company, and due to the quality and scope of the operations the company considers that outsourcing of internal audit is a more appropriate solution than organising its own internal audit. Moreover, through outsourcing of internal audit it is possible for the company to ensure the complete independence of internal audit from the company's other key functions. Despite the outsourcing of the function, the company shall see to it that internal audit fulfils the obligations in accordance with the law and regulations and guidelines at a lower level than the law.

Internal audit has the right to receive information necessary from the point of view of its duties. It has the right, without being prevented by non-disclosure provisions, to get access without delay e.g. to all information and documents and user rights to information systems that it considers necessary for carrying out its duties. In addition, internal audit has the right to access all premises used by the company and interview the personnel and get the necessary help for carrying out its duties. To implement the right to receive information, internal audit also has the right to be present and speak in the company's working groups it considers necessary, such as meetings of the management board.

Internal audit draws up annually a risk-based audit plan for internal audit. The audit plan takes into account especially the company's goals and changes in the strategy as well as essential changes in the organisation, functions and systems. The audit plan presents an estimate on possible risks arising from the operating environment and the effectiveness of the risk management processes, as well as taking into account the factors arising from the audit environment and those that have come up in previous audits. The audit plan shall express the objective of the audits, the processes and functions to be audited, the sizing of resources, and the date. The audit plans shall be approved by the company's Board of Directors. Internal audit reports to the company's Board of Directors and CEO. If the report concerns the company's CEO, the internal auditor shall only report to the company's Board of Directors.

If necessary, internal audit may also carry out audits that are not included in the audit plan.

Remuneration to internal audit is implemented in the company in such a way that it does not endanger the objectivity of internal audit. In accordance with the company's remuneration policy, the remuneration paid to an external service provider shall be based on market conditions.

B.6 Actuarial function

The company's Actuarial function and the responsible actuary are key elements of the company's system of governance. The duties of the Actuarial function and the responsible actuary are determined in legislation and instructions of the authorities.

The core processes of the Actuarial function and the responsible actuary comprise of the following modules: calculation of and reporting on technical provisions and calculation of and reporting on the underwriting risk under Solvency II. The Actuarial function and the responsible actuary report to the company's management and Board of Directors on the company's technical provisions, solvency, reinsurance arrangements, insuring policy, investment activities, risk management, and ORSA. The key observations and conclusions of those reports are recorded as part of the minutes of the Board of Directors.

B.7 Outsourcing

The size of the company and the scope of its business operations are so small that it has considered it sensible to outsource some of its functions. Outsourcing must not obstruct the company's internal audit and risk management, business operations, implementation of internal control or the handling of other functions important to the company or prevent the realisation of effective control of the authorities.

Written agreements shall be drawn up on all outsourcing, and the company shall act in accordance with the outsourcing policy approved by the Board of Directors. An outsourcing agreement shall only be made if it can be made in accordance with the internal and external instructions and regulations, and the company's strategy and business plan valid at any given time.

Due to the above, special care shall be applied in outsourcing key functions. The greater significance the duty or function being outsourced has to the company's strategy or business operations, the more probably it is a key function. In accordance with the principle of prudence, in situations open to interpretation, the duty or function being outsourced shall as a general rule be determined a key duty or function. The final decision regarding the matter shall, however, be made by the company's Board of Directors based on decision materials and the opinion included in them compiled by the person responsible (client) of the function planning to outsource. The decision materials also include an assessment of the risk management function on the risks of outsourcing. The company and its control functions shall always have the opportunity to control the outsourced duties and functions. The outsourcing agreement can only be made after the Board of Directors' decision.

The company's outsourced functions and duties are internal audit, IT administration including Chief Information Officer, asset management, data protection officer, and part of financial administration. All service providers are located in Finland.

B.8 Other information

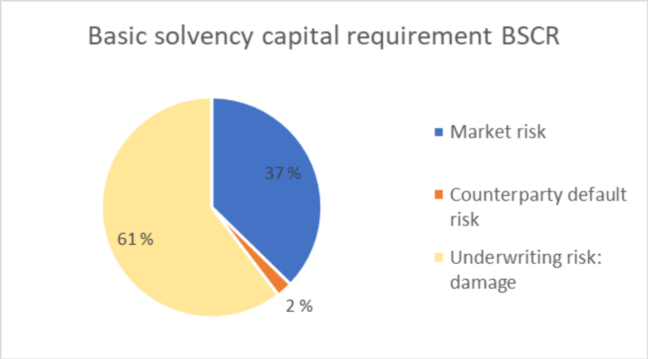
The company assesses the appropriateness and suitability of the system of governance and operating principles regularly. The assessment is carried out in accordance with the Board of Directors' charter. Strategic and business operation goals and risks are taken into account in the assessment. The company's Board of Directors shall decide on the required changes while the person responsible for the operating principles shall act as the rapporteur.

The Finnish Mutual Patient Insurance Company estimates that the system of governance is in accordance with the company's business operations and goals considering the nature, scope and complexity of the risks inherent in its business operations.

The Finnish Mutual Patient Insurance Company has not had other significant issues to report regarding the company's system of governance during the period under review.

C. Risk profile

The company's most significant risks are underwriting risk and market risk. The basic solvency capital requirement is presented in the following diagram:



The most significant market risk is the equity risk. The sub-categories of market risk are presented in the following diagram:

The most significant market risk is the equity risk which accounts for around 39% of the capital requirement for the entire market risk. The spread risk is the second biggest risk. There was no concentration risk at the end of 2021.

Operational risk is 7.6% of the solvency requirement. Liquidity risk is low, because the company knows in advance the biggest cash expenses which include, for example, reinsurance premiums, and advance and pay-as-you-go payments of the Patient Insurance Centre. The compensations are paid by the Patient Insurance Centre. The company has no other essential risks.

C.1 Underwriting risk

Underwriting risks mean risks resulting from offering, administration and implementation of insurance policies. Underwriting risk refers to the change in value that results from the deviation of final costs of contractual obligations compared to the originally estimated obligations. Underwriting risks identified by the company are risks related to underwriting, premium risk and reserve risk.

Policies are only offered to owners. Other hospital districts may be insured under the owners' policies. The customers are funded by the public sector, and hence the risks related to underwriting insurance and the premium risk are estimated to be low.

The most important methods for managing the underwriting risk are appropriate pricing and buying reinsurance cover. The company's retention for reinsurance stood at EUR 5 million. Statistical data obtained from the Patient Insurance Centre is used in the pricing of insurance policies.

Reserve risk means the risk that the provisions made turn out to be too small. Reserve risk is linked to the uncertainty of the assumptions made in the calculation of technical provision and unfavourable deviations in the estimated compensation amounts, operating costs and cash flows.

A non-life insurance company shall have securing technical bases for determining the technical provisions. The actuarial estimates used as the basis for calculations are derived from the data and estimates available on the financial statements date on losses that have occurred before the financial statements date. The factors being monitored include e.g. general claims experience, amendments to the law, legal praxis, decisions of the Patient Injury Board, and changes in the mortality rate. The company validates the calculation of the technical provisions at least once a year and also when there is reason to assume that the data, assumptions or methods used in the calculation of the technical provision or in determining its level are no longer applicable for the calculation. The Actuarial function monitors the level of the technical provisions to ensure that it is in accordance with the verified instructions. In addition, the Actuarial function develops methods and systems that support this process.

As the company commenced insurance operations on 1 January 2021 and patient insurance claims are adjusted slowly, the claims paid are still low, as is the amount of known provisions. The claims handling and case-specific reserves are done by the Patient Insurance Centre. The company monitors the development of the claims paid and the provisions on a monthly basis. The claims provision is presented to the Board of Directors quarterly.

The goal of management of underwriting risks is to ensure the sufficiency and reliability of technical bases in accordance with the requirements of the law. In order to manage risks, the insurance premium and technical provisions shall be dimensioned according to the average insurance portfolio in conjunction with the preparation of the technical bases.

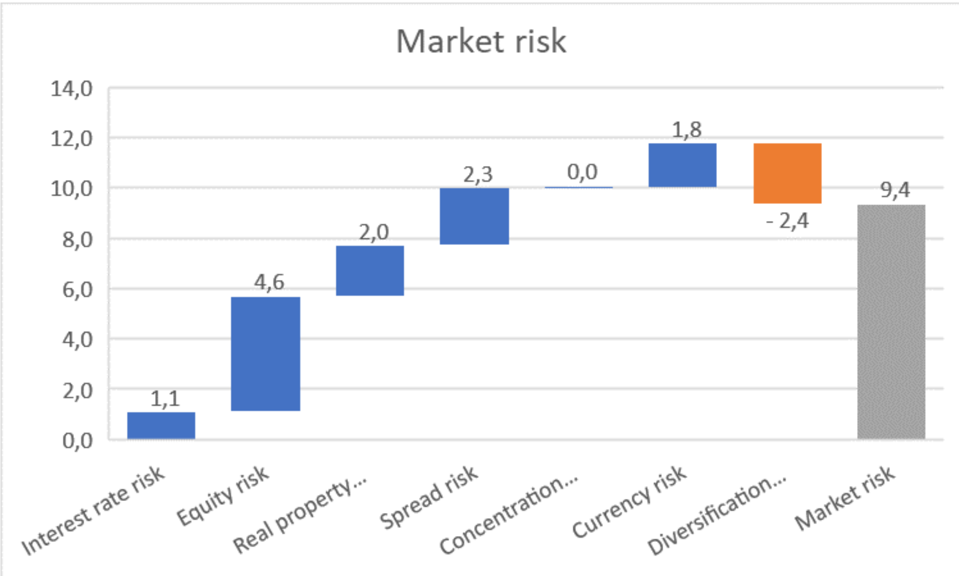
C.2 Market risk

Market risk means the reduction in value of investment assets due to general price variation on the market, which may result in fluctuation of the financial performance and solvency ratio through changes in the value of the investment assets.

The risk appetite of the company's investments is moderate. The company's funds are invested profitably and securely. The goal is to gain reasonable profit for the funds with moderate risk-taking. The company's Board of Directors approves annually the investment plan which determines the limits for the diversification and risk-taking of investments, the target or neutral allocation of the investment portfolio, and the limits for different investment instruments.

The capital requirement for the company's market risk on 31 December 2021, grouped according to risks, was formed as follows:

Market risk, EUR mill.	*31.12.2021*
Interest rate risk	1,1
Equity risk	4,6
Real property risk	2,0
Spread risk	2,3
Concentration risk	0,0
Currency risk	1,8
Total	11,8
Diversification benefit	-2,4
Market risk	9,4



Equity risk stems from the fluctuation of the value of and income from equities.

Interest rate risk stems from the changes in the value of fixed-income investments due to fluctuation; furthermore, in calculation under Solvency II the changes in the interest rate level affect essentially the technical provisions under Solvency II and, consequently, the amount of own assets. The spread risk describes the trust of the investors in the ability to repay concerning a corporate or government bond. Spread risk means the risk that stems from a change in the value of investments caused by an unexpected increase in the credit margins.

Real property risk means the risk that stems from changes in the current value of real property.

Currency risk means the risk of loss that stems from a change in the currency of an investment or technical provisions in relation to the euro.

Concentration risk means the risk of loss that stems from a risk cluster in insurance or investment activities which is significant considering the risk-bearing capacity. At the end of 2021, there was no concentration risk in the market risk. The concentration and counterparty default risk in reinsurance has been reduced by dividing the reinsurance between a few companies that provide reinsurance services.

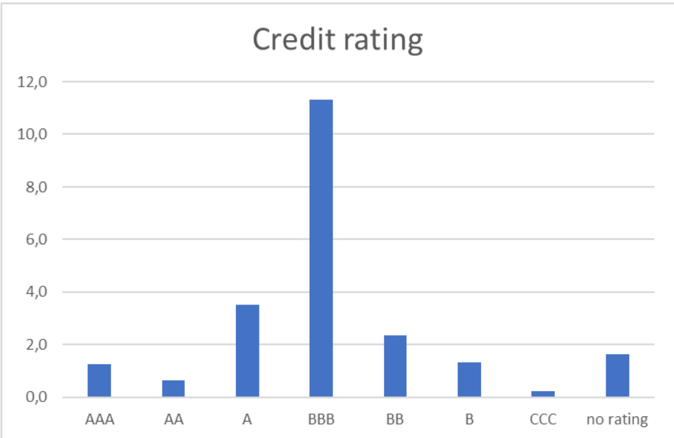
The capital requirements for the market risk amount to EUR 11.8 million, and after deducting diversification benefits come to a total of EUR 9.4 million. The capital requirement of for the market risk is monitored in accordance with the risk strategy.

The taking of market risk is steered with the principles and restrictions verified in the investment plan. ORSA analyses the effect of different income scenarios of investment activities on the company's solvency and the ability to continue operating securely.

C.3 Credit risk

The definition of credit risk is a risk related to the counterparty of a contract that they are unable to fulfil their contractual obligations, which will result in credit losses in the financial performance. Credit risk is linked to the bonds granted and the ability to repay of issuers of fixed-income investments made through investment funds.

The credit risk is limited in such a way that the company determines the limits for different investment instruments in the investment plan approved annually by the Board of Directors. The company's investment assets are divided into different credit ratings as follows:



C.4 Liquidity risk

Liquidity risk means the adequacy of assets for current expenditure, including the payment of pensions and other benefits. In addition, an individual investment instrument involves a liquidity risk: the lower the liquidity of the instrument is, the higher is the risk that the price obtained from the investment is low if the instrument is realised quickly.

Liquid assets mean the company's bank accounts and short-term fixed-income funds. The company has continuously liquid assets the amount of which corresponds to at least three months' average expenditure. The company's cash flows are predictable. The adequacy of liquid assets is regularly monitored through cash flow statements.

The company's liquidity was adequate throughout the period under review, and there was no need for specific measures regarding liquidity.

C.5 Operational risk

Operational risks result from missing, deficient, incorrectly determined, incorrectly functioning or incorrectly implemented operational processes, persons, information and other systems, or events outside the company.

The company's identified operational risks are compliance risks, including reputational risk. Reputational risk means a risk that the company's public image is damaged or the customers' trust decreases. Reputational risk may also result from the activities of outsourced functions or co-operation partners, if their values and/or operating principles deviate from the company's values and principles. Reputational risk is usually a result of other realised risks or events, such as realisation of operational risks.

The other identified risks are information system and cyber security risks, crime risks, person risks, and external risks. The company's key methods for the management of operational risks are clear and documented business processes, and appropriate definition of the responsibilities and duties of the personnel and outsourced parties. In addition, the company takes care of the maintenance and development of the professional competence of the personnel.

The aim is to identify and prevent operational risk events or decrease their impact. Important means for the management of operational risk also include compliance with the laws, regulations and provisions, and clear and well-considered external communication.

Operational risks are actively monitored and the risks are reported to the company's Board of Directors at least quarterly.

C.6 Other material risks

Catastrophe loss means a loss whose expected expenditure is EUR 5 million or more. Catastrophe loss may be directed at an individual injured party or a serial loss. The company has no opportunity to anticipate the occurrence of catastrophe losses. Since the beginning of the period of validity of the patient insurance, no company in Finland has encountered such a big loss. The company is prepared for catastrophe losses by reinsuring risks of over EUR 5 million. The company's goal is to keep its solvency so high that a catastrophe damage will not cause material fluctuation in the company's solvency position.

According to the company's ORSA, the company's solvency and financial position will decline significantly, if serious investment stress assumed in ORSA is realised or if a catastrophe loss and serious investment stress occur in the same year. The company actively monitors the development of the markets and, if necessary, will take immediate action to strengthen its solvency. The owner of the company has refinancing liability based on the Articles of Association. So far the refinancing liability is not included in the company's solvency capital. If required, the company will apply to the Financial Supervision Authority for a permission to include the refinancing liability or part thereof in the solvency capital. The other means for improving the solvency position: The risk of the investment portfolio is reduced by changing the allocation of the portfolio. The retention share for reinsurance is decreased.

Organising reinsurance and other means to reduce risks
The risk profile of patient insurance is such that it is necessary to acquire sufficient reinsurance cover. The company's reinsurance contracts are approved by the Board of Directors. The company's reinsurance is divided to several solvent international service providers, and the goal is to keep the concentration risk of an individual reinsurer moderate.

Reinsurance involves the counterparty default risk which is realised when the reinsurance cover is triggered and the reinsurer becomes insolvent. The counterparty default risk is decreased by selecting several reinsurers for reinsurance purposes. Those included in the reinsurance panel are required to have at least credit rating A. The aim is to include in the contracts such reinsurers that are already familiar with patient insurance.

Appropriateness of credit ratings

The company uses credit rating in assessing investments and the solvency of reinsurers. The company relies on such well-known and reputable credit rating agencies as Moody's and Standard & Poor's.

Analyses and assumptions, risk and solvency assessment

In 2021, the company carried out its first ORSA. The ORSA was done in late 2021.

The company's financial performance and solvency are significantly affected by the development of the value of investments. The effect of a catastrophe loss is limited by reinsurance, due to which the claims expenditure payable by the company is limited to EUR 5 million. After a catastrophe loss, reinsurance has to be reinstated for the remaining insurance period. The reinsurance for 2021 includes three reinstatements free of charge. In the basic scenario it is assumed that the reinsurance will remain as it is until 2028.

In case of serious stress on the investment markets, the values of investment instruments are assumed to fall as follows:

Equities	-40%
Real property	-20%
Fixed-income investments	+1%

In choosing stress tests, the aim was to test the development of the company's solvency with the most important stress types and by combining major loss and investment market stress. The stress is assumed to take place during 2022. There were a total of nine different types of stress, and the following three were the most important:

- Catastrophe loss in 2022
- Serious market disturbance in 2022
- Catastrophe loss and serious market disturbance in 2022

Key results of risk and solvency assessment

According to the risk and solvency assessment performed, the company fulfils the solvency requirements in the basic scenario. The following table shows the development of the company's solvency position in the basic scenario and serious scenarios.

	Own funds – solvency capital requirement							
EUR mill.	2021	2022	2023	2024	2025	2026	2027	2028
Basic scenario	12,6	13,7	11,9	11,7	12,8	15,0	18,0	21,8
Catastrophe damage	12,6	7,9	5,5	4,8	5,1	6,4	8,3	12,0
Serious market disturbance	12,6	2,1	-0,2	-0,3	0,8	2,8	5,6	9,2
Catastrophe damage and serious market disturbance	12,6	-3,9	-6,7	-7,4	-7,2	-6,0	-4,4	-0,8

The company started operating at the beginning of 2021. If a serious market disturbance described above were to occur in the early years of the company's existence, the company should reduce the risk level of its investment portfolio. If necessary, the company would also consider applying to the Financial Supervision Authority for a permission to use refinancing liabilities in the calculation of own funds.

C.7 Other information

No other information.

D. Valuation for solvency purposes

The following table shows a summary of the effects of adjustments made in solvency calculation on Solvency II balance sheet. The difference between calculation under Solvency II and the financial statements in euros and a brief explanation can be found in the comment field.

BALANCE SHEET VALUES OF SII ASSETS & LIABILITIES 31.12.2021	Solvency II	Financial statements	Difference	Comment
ASSETS	EUR	EUR	EUR	
Equities and shares in associated companies	8 995	8 995		
Other investments, equities and shares	52 976 099	51 504 138	1 471 961	Valuation in SII balance sheet is current value and in financial statements investments are valued at acquisition cost or current value, whichever is lower.
Receivables from policyholders	0	22 478 823		Insurance premium receivables are taken into account in SII provision for unearned premiums
Other receivables	3 661 855	3 661 855		
Tangible assets	62 022	62 022		
Cash in hand and at banks	5 622 231	5 622 231		
Total assets	62 331 202	83 338 064	-21 006 862	
LIABILITIES				
Technical provisions	21 353 733	19 750 863	1 602 870	SII value: calculated as the sum of the best estimate and risk margin, also future cash flows are taken into account in the calculation. Calculation differs from national calculation for technical provisions.
Equalisation provision	0	1 965 552	-1 965 552	No equalisation provision in SII balance sheet
Best estimate	13 651 848	0		
Risk margin	7 701 885	0		
Deferred tax liabilities	366 929	0	366 929	SII balance sheet: deferred tax liabilities for valuation differences and technical provisions.
Liabilities from direct business	4 457 170	26 935 993		Liabilities from direct business taken into account in SII provision for unearned premiums
Other liabilities	2 528 616	2 528 616		
Total liabilities	28 706 448	51 181 024	-22 474 576	
Excess of assets over liabilities	33 624 754	32 157 040	1 467 714	

More detailed descriptions in the following chapters.

D.1 Assets

Equities and shares in associated companies are valued at the acquisition cost of the equities at EUR 8,995. The company's associated companies are not listed in the stock exchange. Other investments, equities and shares are listed equity, fixed-income and real property funds which are valued at market price in the Solvency II balance sheet, in total EUR 53 million. Receivables from policyholders at EUR 22.5 million and liabilities from direct business activities at EUR 27 million comprise of the insurance premiums for 2022 which have been invoiced from the policyholders. In the Solvency II balance sheet receivables from policyholders are taken into account in calculation of the provision for unearned premiums and are offset.

The company has no intangible assets in its balance sheet. Property, plant and equipment amounting to EUR 62,000 are valued at acquisition cost less depreciation in both the SII balance sheet and the national financial statements. The depreciation period of machinery and equipment is 5 years. Cash in hand and at banks are valued at nominal value. The company only has bank accounts denominated in euro.

Other receivables amounting to EUR 3.7 million and other liabilities amounting to EUR 2.5 million do not differ from each other in solvency calculation and national financial statements. Assets and liabilities are valued at nominal value and comprise of ordinary events related to the company's business operations.

D.2 Technical provisions

Technical provisions for the financial statements are calculated according to the national regulations. For solvency purposes (Solvency II) technical provisions shall be valued at the amount for which the technical provisions could be exchanged between knowledgeable parties. In Solvency II the value of technical provisions is equal to the sum of a best estimate and a risk margin. The following table shows the valuation of the company's technical provisions in accordance with Solvency II and the financial statements.

EUR mill.	Solvency II	Financial statements
Provision for unearned premiums		
Best estimate (gross)	-3,6	0,0
Receivables from reinsurance contracts	0,0	0,0
Provision for unearned premiums (net)	-3,6	0,0
Provision for claims		
Best estimate (gross)	17,2	19,8
Receivables from reinsurance contracts	0,0	0,0
Provision for claims (net)	17,2	19,8
Risk margin	7,7	0,0
Equalisation provision	0	2,0
Total technical provisions	**21,4**	**21,7**

Insurance policies starting in the future shall not be taken into account in the calculation of technical provisions. In Solvency II, insurance policies starting after the period under review to which the insurance company has committed itself are also taken into account in the calculation of the technical provisions. As for the provision for unearned premiums, insurance premiums of policies starting after the period under review (1 January 2022) and claims incurred and other costs related to the policies are taken into account. Insurance premiums are higher than the estimated claim expenditure and other costs arising from the insurance, and hence the provision for unearned premiums is negative.

In calculating the technical provisions for the financial statements, claims and other costs to be paid in the future shall not be discounted. In Solvency II, all cash flows are discounted, which decreases the technical provisions.

Methods for calculation of technical provisions

Best estimates for technical provisions under Solvency II are calculated as the difference between the current values of claims and other cash flows against costs and the current values of cash flows against insurance premiums. The current values are calculated using risk-free interest rate published by EIOPA. The company does not use volatility adjustment.

The risk margin is calculated using a method in which the calculated forecasts on solvency capital requirements for future years are multiplied by the capital cost rate (6%) determined by the Commission. Forecasts on the solvency capital requirements for future years are approximated from the calculated capital requirement for the year under review per risk module by reducing it to the same extent as the corresponding risk modules of the technical provisions are expected to decrease per year.

Uncertainty of technical provisions
Technical provisions always involve uncertainty. The company's insurance business commenced at the beginning of 2021, so its own claims record is very small. The company receives statistical materials from the Patient Insurance Centre. Cash flow materials and claim-specific provisions under Solvency II are obtained from the Patient Insurance Centre.

The company receives statistical data as a direct transfer from the Patient Insurance Centre on a weekly basis. The company monitors the compensations paid and provisions recorded for known claims on a monthly basis. More detailed report on the technical provisions is prepared for the Board of Directors quarterly. The Actuarial function examines the adequacy of technical provisions at least once a year.

D.3 Other liabilities

Deferred tax liabilities comprise of the valuation differences of investments and technical provisions under SII. Deferred tax liabilities are calculated with a tax rate of 20%. Other liabilities and liabilities for direct business are explained in section D1.

D.4 Alternative methods for valuation

No alternative valuation methods are used by the Finnish Mutual Patient Insurance Company.

D.5 Other information

The Finnish Mutual Patient Insurance Company has no other essential information to report.

E. Capital management

The starting points for solvency management are valid legislation concerning solvency and the company's strategy. Based on those, the company has determined an internal solvency objective (risk appetite in terms of solvency management), taking into account the risk-bearing capacity in relation to statutory requirements. Risk tolerance and risk limits are determined on the basis of the risk appetite. In solvency management, risk tolerance is determined using zones in a traffic lights system. The company's solvency is currently at a strong level.

Solvency management is part of the company's risk management and it complies with the company's risk strategy. Another key factor for solvency management is the company's ORSA which assesses solvency in various stress situations.

E.1 Own funds

The company's own funds in solvency calculation comprise of basic own funds and ancillary own funds. Basic own funds are funds in the company's possession, and ancillary own funds comprise of items outside the insurance company's balance sheet that the company may demand to be paid. The Finnish Mutual Patient Insurance Company has no items that belong to ancillary own funds.

The company's own funds are calculated from shareholders' equity in the financial statements. Shareholders' equity is adjusted in solvency examination e.g. by the valuation differences of investments and technical provisions. The company's own funds on 31 December 2021 are presented in the following table:

Own funds	*31.12.2021*
Shareholders' equity	**32,2**
Guarantee capital	30,0
Invested unrestricted equity	2,1
Other shareholders' equity	0,1
Valuation differences	**1,8**
From investment assets	1,5
From technical provisions	0,4
Other items	**-0,4**
Deferred tax liability	-0,4
Own funds (EOF)	**33,6**

In own funds, the amount of reconciliation reserve is EUR 3.6 million. 2021 was the first year of insurance operations; the key changes in own funds during the year were as follows:

- one of the company's founding members invested EUR 2.1 million in the reserve for invested unrestricted equity, because one hospital district in the area of the university hospital district in question will be insured under the policy of the university hospital.
- valuation differences of the investments amounted to EUR 1.5 million.

Own funds comprise entirely of basic own funds and belong to category 1. Thus all own funds are eligible for covering both the solvency capital requirement and minimum capital requirement.

The company's solvency capital requirement on 31 December 2021 stood at EUR 21.3 million and the minimum capital requirement stood at EUR 5.3 million. Thus the ratio of the company's own funds to the solvency capital requirement was 158 per cent, and the ratio of own funds to the minimum capital requirement was 632 per cent.

E.2 Solvency Capital Requirement and minimum capital requirement

The company uses the standard formula in the calculation of the solvency capital requirement (SCR). In the calculation of SCR for non-life insurance the company does not use company-specific parameters for now. The following table shows the company's solvency capital requirement on 31 December 2021:

Solvency capital requirement, EUR mill.

Basic solvency capital requirements (BSCR)	31.12.2021
Market risk	9,4
Counterparty default risk	0,6
Underwriting risk: non-life	15,2
Underwriting risk: life	0,0
Diversification benefit	-5,1
Total (BSCR)	20,0
Operational risk	1,6
Provision for tax liability losses	-0,4
Solvency capital requirement SCR	**21,3**

The company's linear minimum capital requirement (MCR) based on premium income and technical provisions stood at EUR 5.3 million at year-end 2021.

E.3 Use of duration-based equity risk sub-module in calculation of solvency capital requirement

The company does not use duration-based equity risk sub-module in calculation of solvency capital requirement.

E.4 Differences between the standard formula and an internal model used

The company does not use an internal model for calculation of solvency capital requirement.

E.5 Non-compliance with the minimum capital requirement and solvency capital requirement

The company has complied with both the minimum capital requirement and solvency capital requirement throughout its reporting period 2021.

E.6 Other information

The company has no other essential information to report.

Attachments

SE.02.01.16.01 Balance sheet

SE.02.01.16.01 Balance sheet		Solvency II value	Statutory accounts value
		C0010	C0020
-	**Assets**		
R0060	Property, plant & equipment held for own use	62 022	62 022
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	52 985 094	51 513 133
R0090	Holdings in related undertakings, including participations	8 995	8 995
R0180	Collective Investments Undertakings	52 976 099	51 504 138
R0360	Insurance and intermediaries receivables		22 478 823
R0380	Receivables (trade, not insurance)	3 661 855	3 661 855
R0410	Cash and cash equivalents	5 622 231	5 622 231
R0500	**Total assets**	62 331 202	83 338 064
-	**Liabilities**		
R0510	Technical provisions - non-life	21 353 733	21 716 415
R0520	Technical provisions - non-life (excluding health)	21 353 733	21 716 415
R0540	Best Estimate	13 651 848	
R0550	Risk margin	7 701 885	
R0780	Deferred tax liabilities	366 929	
R0820	Insurance & intermediaries payables	4 457 170	26 935 993
R0840	Payables (trade, not insurance)	2 528 616	2 528 616
R0900	**Total liabilities**	28 706 448	51 181 024
R1000	**Excess of assets over liabilities**	33 624 754	32 157 040

S.05.01.01.01 Premiums, claims and expenses by line of business

Premiums, claims and expenses by line of business		
S.05.01.01.01		
Non-Life (direct business/accepted proportional reinsurance and accepted non-proportional reinsurance)	Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)	
	General liability insurance	TOTAL
	C0080	C0200
Premiums written		
Gross - Direct Business	27 000 046	27 000 046
Reinsurers' share	1 100 000	1 100 000
Net	25 900 046	25 900 046
Premiums earned		
Gross - Direct Business	27 000 046	27 000 046
Reinsurers' share	1 100 000	1 100 000
Net	25 900 046	25 900 046
Claims incurred		
Gross - Direct Business	22 533 040	22 533 040
Net	22 533 040	22 533 040
Changes in other technical provisions		
Expenses incurred	2 437 703	2 437 703
Administrative expenses		
Gross - Direct Business	1 443 992	1 443 992
Net	1 443 992	1 443 992
Investment management expenses		
Gross - Direct Business	47 314	47 314
Net	47 314	47 314
Claims management expenses		
Gross - Direct Business	819 705	819 705
Net	819 705	819 705
Acquisition expenses		
Gross - Direct Business	126 692	126 692
Net	126 692	126 692
Other expenses		0
Total expenses		2 437 703

S.17.01.01.01 Non-Life Technical Provisions

S.17.01.01.01	**Non-Life Technical Provisions**		
	Direct business and accepted proportional reinsurance	General liability insurance	Total Non-Life obligation
		C0090	C0180
-	Premium provisions		
R0060	Gross - Total	-3 550 786	-3 550 786
R0070	Gross - direct business	-3 550 786	-3 550 786
R0150	Net Best Estimate of Premium Provisions	-3 550 786	-3 550 786
-	Claims provisions		
R0160	Gross - Total	17 202 634	17 202 634
R0170	Gross - direct business	17 202 634	17 202 634
R0250	Net Best Estimate of Claims Provisions	17 202 634	17 202 634
R0260	Total Best estimate - gross	13 651 848	13 651 848
R0270	Total Best estimate - net	13 651 848	13 651 848
R0280	Risk margin	7 701 885	7 701 885
R0320	Technical provisions - total	21 353 733	21 353 733
R0340	Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total	21 353 733	21 353 733
-	Line of Business: further segmentation (Homogeneous Risk Groups)		
R0350	Premium provisions - Total number of homogeneous risk groups	1	
R0360	Claims provisions - Total number of homogeneous risk groups	1	
-	Cash-flows of the Best estimate of Premium Provisions (Gross)		
-	Cash out-flows		
R0370	Future benefits and claims	21 803 844	21 803 844
R0380	Future expenses and other cash-out flows	3 643 083	3 643 083
-	Cash in-flows		
R0390	Future premiums	28 997 713	28 997 713
R0410	Future benefits and claims	13 952 693	13 952 693
R0420	Future expenses and other cash-out flows	3 249 941	3 249 941
R0450	Percentage of gross Best Estimate calculated using approximations	0,00 %	0,00 %
R0460	Best estimate subject to transitional of the interest rate	0	0
R0470	Technical provisions without transitional on interest rate	21 353 733	21 353 733
R0480	Best estimate subject to volatility adjustment	0	0
R0490	Technical provisions without volatility adjustment and without others transitional measures	21 353 733	21 353 733

S.23.01.01.01 Own funds

S.23.01.01.01 Own funds		TOTAL	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
	Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35	C0010	C0020	C0030	C0040	C0050
R0040	Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	30 000 000	30 000 000		0	
R0130	Reconciliation reserve	3 624 754	3 624 754			
R0290	Total basic own funds after deductions	33 624 754	33 624 754	0	0	0
-	Ancillary own funds					
R0400	Total ancillary own funds	0			0	0
-	Available and eligible own funds					
R0500	Total available own funds to meet the SCR	33 624 754	33 624 754	0	0	0
R0510	Total available own funds to meet the MCR	33 624 754	33 624 754	0	0	
R0540	Total eligible own funds to meet the SCR	33 624 754	33 624 754	0	0	0
R0550	Total eligible own funds to meet the MCR	33 624 754	33 624 754	0	0	
R0580	SCR	21 272 812				
R0600	MCR	5 303 390				
R0620	Ratio of Eligible own funds to SCR	158,06 %				
R0640	Ratio of Eligible own funds to MCR	634,02 %				

S.25.01.01.01 Solvency Capital Requirement (SCR) – for undertakings on Standard Formula

S.25.01.01.01	**Basic Solvency Capital Requirement**			Allocation from adjustments due to RFF and Matching adjustments portfolios
		Net SCR	**Gross SCR**	
		C0030	C0040	C0050
R0010	Market risk	9 374 197	9 374 197	0
R0020	Counterparty default risk	587 568	587 568	0
R0030	Life underwriting risk	0	0	0
R0040	Health underwriting risk	0	0	0
R0050	Non-life underwriting risk	15 160 718	15 160 718	0
R0060	Diversification	-5 102 745	-5 102 745	
R0070	Intangible asset risk	0	0	
R0100	Basic Solvency Capital Requirement	20 019 738	20 019 738	
S.25.01.01.02	**Calculation of Solvency Capital Requirement**			
		Value		
		C0100		
R0130	Operational risk	1 620 003		
R0150	Loss-absorbing capacity of deferred taxes	-366 929		
R0200	Solvency Capital Requirement excluding capital	21 272 812		
R0220	Solvency capital requirement	21 272 812		

S.28.01.01.05 Minimum Capital Requirement (MCR)

S.28.01.01.05	**Overall MCR calculation**	
		C0070
R0300	Linear MCR	4 799 046
R0310	SCR	21 272 812
R0320	MCR cap	9 572 765
R0330	MCR floor	5 318 203
R0340	Combined MCR	5 318 203
R0350	Absolute floor of the MCR	3 700 000
R0400	Minimum Capital Requirement	5 318 203