Solvency and Financial Condition Report

2016

HELP Forsikring AS

Key figures

Written Premium	397 MNOK
Annual net profit	41 MNOK
Combined Ratio	91,4 %
Eligible Own Funds	251 MNOK
Solvency capital requirement	171 MNOK
Solvency ratio	146,6 %

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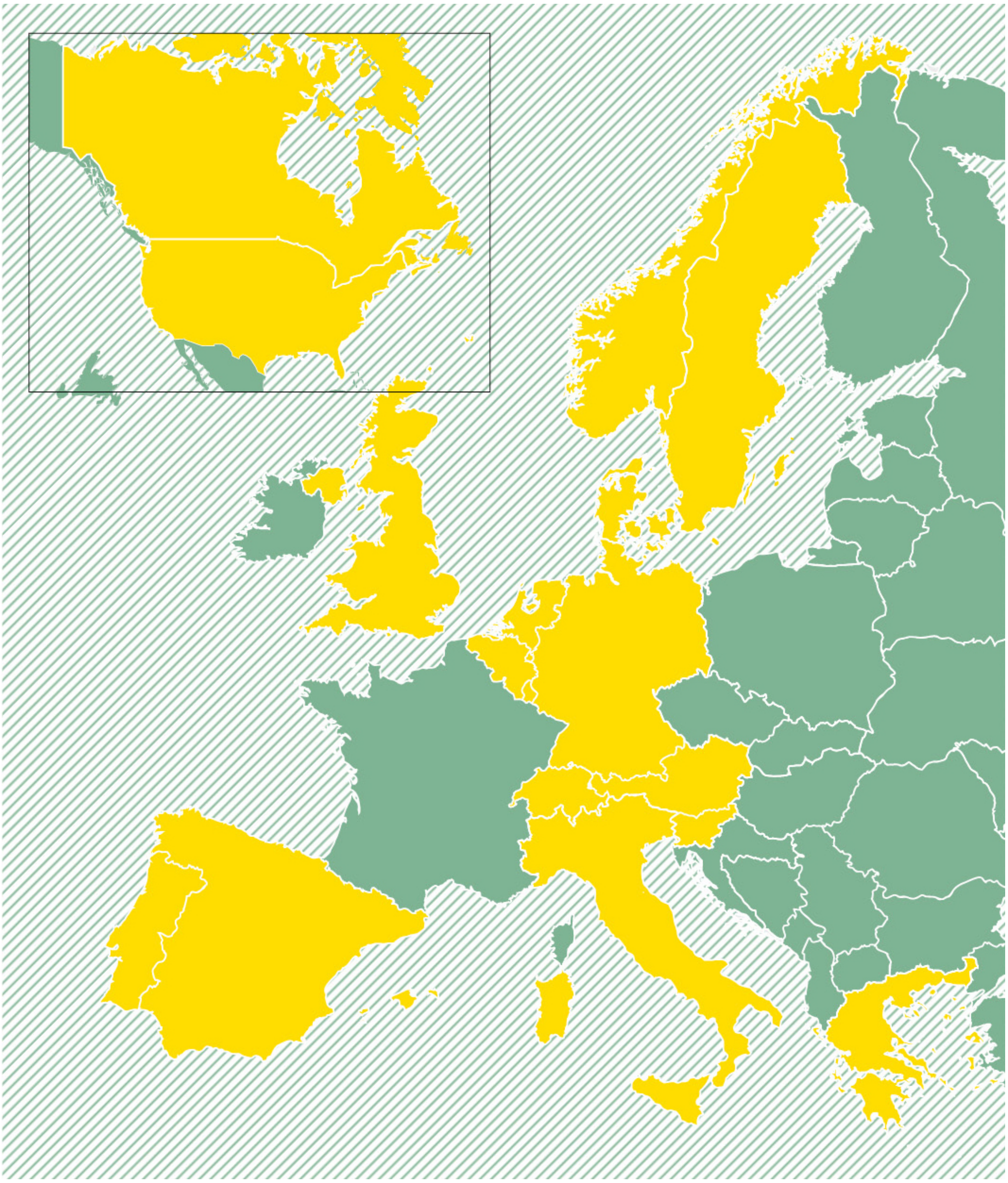
SUMMARY

The ARAG Group is the largest family enterprise in the German insurance industry and is one of the world's three leading providers of legal insurance. ARAG was established 80 years ago exclusively as a legal insurance company, but has now positioned itself as an international insurer of considerable renown offering innovative, high-quality insurance products.



The Group aims to generate growth across all insurance segments in Germany as well as exploit the potential for expansion in the international legal insurance business. Today, the ARAG Group operates in a total of 17 countries (Germany, 14 other European countries, and the US and Canada) through branches, subsidiaries, and equity investments. It generates sales revenue and premiums of approximately € 1.8 billion and employs more than 4,000 people. ARAG SE is responsible for strategic group management and the legal insurance operating business at both domestic and international levels. The other ARAG insurance and service companies are responsible for the operational management of their respective lines of business. ARAG Holding SE manages the assets and is the parent company of the Group from a company law perspective.

HELP was offering Homebuyers Insurance when the company was founded, but has developed a wider product range including Family Legal Insurance, mainly to unions.

Although financial and commercial markets are struggling high volatilities and uncertainties currently, HELP was able to achieve another successful year. The underwriting result shows that the core business is still growing.

The governance of HELP is clearly structured with explicit roles and responsibilities from the board of directors to the CEO and the other executive managers up to the key functions. The governance system is adequate to the scope of the company and all new regulations regarding Solvency II have been adopted properly.

Main risk HELP is exposed to be deriving from undertaking's underwriting risk, still the company is adequately funded with a Capital Adequacy Ratio of 147 percent. All risks are assessed and managed properly to their influence on HELP's business model and their sufficient capitalization.

A BUSINESS AND PERFORMANCE

A.1 Business

Corporate body

HELP Forsikring AS
Essendrops gate 3, Majorstua
Pb 1870 Vika
0124 Oslo
is a stock-based company in foreign-controlled fully ownership.

HELP Forsikring AS is subject to The Financial Supervisory Authority of Norway (FSA):

Finanstilsynet
Revierstredet 3
N-0107 Oslo
Phone: +47 22 93 98 00
Email: post@finanstisynet.no

Since HELP is part of a foreign group, the contact details for the German authority Bundesanstalt fuer Finanzdienstaufsicht (BaFin) are:

Bundesanstalt fuer Finanzdienstleistungsaufsicht
Graurheindorfer Str. 108
53117 Bonn, Germany
Phone: +49 228 4108 0
Email: poststelle@bafin.de

The responsible external auditor is

PwC AS
Dronning Eufemias gate 8
N-0191 Oslo
Phone: +47 95 26 00 00

Structure HELP Forsikring

HELP Forsikring AS is owned by the German insurance ARAG SE, located in Duesseldorf, which is part of the ARAG Group with the ultimate holding ARAG Holding SE, also located in Duesseldorf.

HELP was founded in Oslo in 2005 and is offering legal insurance in Norway, Sweden and Denmark. In Norway, HELP is offering Homebuyer Insurance, Family Legal Insurance, Consumer Goods Insurance, ID Theft Insurance, WebHELP and Business Legal Insurance for small companies.

The Swedish branch HELP Försäkring Filial opened 2012 in Stockholm and is offering Family legal insurance.

The branch HELP Forsikring in Denmark, Copenhagen opened in 2015 and is offering Family legal insurance.

A.2 Underwriting performance

The underwriting result in 2016 of TNOK 34,259 decreased slightly from the previous year (TNOK 37,222) mainly due to higher operating expenses.

There was a small increase in premiums which also lead to increased claims cost. The claims costs however did not grow as much (+1.5 percent) as the premiums (+5.8 percent). The operating expenses are mainly driven by personnel costs that can also explain most of the increase in operating expenses.

HELP Forsikring AS - 2016 and previous year *(in thousand NOK)*

	Fiscal year 2016	**Fiscal year 2015**
Earned premium	397,593	375,904
Claims incurred	-214,470	-211,242
Operating expenses	-148,784	-128,052
Oher technical charges	*-80*	*-7*
Underwriting result	**34,259**	**37,222**

A.3 Investment performance

The investment income of TNOK 8,421 increased with TNOK 1,275 compared to the previous year. The value adjustments also increased with TNOK 18,193 to TNOK 10,988. These factors contributed to an increase in total investment income of TNOK 14,262.Further details are explained in the table below:

Investment result *(in thousand NOK)*

	Fiscal year 2016	**Fiscal year 2015**
Investment income	8,241	6,966
Value adjustments on investments	10,988	-7,205
Gains and losses on realization of investments	-885	4,006
Administration expenses related to investments	-1,583	-1,088
Total investment income	**16,941**	**2,679**

A.4 Performance of other activities

The company has a tenancy contract in Norway that runs until 31. July 2023. This is irrevocable during the lease period.

The tenancy contract for Help Forsäkring filal runs until 31. September 2021, but can be terminated with nine months' notice.

The lease agreement for HELP Forsikring Filial in Denmark is not binding and can be terminated with two months' notice.

Rent for 2016 was TNOK 8.636 for HELP Forsikring.

A.5 Any other information

All material information regarding the business and performance of HELP is reported in the sections above.

B SYSTEM OF GOVERNANCE

B.1 General information on the system of governance

HELP has a clear vision and their organizational structure is established to enable every employee to fulfil the mission. Strategy and targets are mutually developed by the management and in line with the group's overall future strategy. The vision "HELP enables every citizen to assert their legal rights" is embedded in all business units to avoid conflict of interests and ensure a common steering. HELP is organized with the directorial CEO and its management team. The transparent organizational structure is clearly segregated into different roles and responsibilities to ensure sharing of information and consistency with the overall business strategy. All roles & responsibilities, their processes (among themselves) and reporting lines are written down, approved by the administrative, management or supervisory body and made available for everyone. Those written policies are reviewed annually. All individual members of the administrative, management and supervisory board have the necessary qualifications, competences, skills and professional experience to perform their assigned tasks properly. It is up to the administrative, management and supervisory board to challenge the required qualifications constantly and it is up to each member individually to update their competences with the development of the undertaking and their environment. The overall system of governance with its policies is reviewed annually and is also part of the regular internal audit. HELP ensures that all personnel are aware of the procedures for the proper carrying of their responsibilities. The established information systems produce complete, reliable, clear, consistent, timely and relevant information concerning the business activities, the commitments assumed and the risks which the undertaking is exposed to. The clear reporting lines ensure prompt transfer of information to all persons who need it in a way that enables them to recognize its importance in regards to their respective responsibilities. The security, integrity and confidentiality of information are meanwhile at all times safeguarded.

Management Structure

HELPs administrative, management or supervisory body (AMSB) is organized based on a two tier system with a Board of Directors, manned with four members from ARAG, one external expert and two highly qualified employee representatives in addition to HELP's CEO and CFO. The CEO is the chairman of the management team and receives instructions directly from the Board.

The Board has the overall responsibility for HELP's risk management and internal control system, the establishment of overall goals and strategies and setting of the overall risk appetite and risk tolerance level for HELP.

The CEO have to ensure that the risk management system and internal control system is established with a clear organizational structure and implemented within each business unit in compliance with policies issued by the Board, relevant laws, regulations, statutes and guidelines from FSA. Part of this is the proper and continual updated documentation of the risk management and internal control system, monitoring of the risks in responsible manner, providing the board with relevant and timely information regarding risk management, possible emerging risks and internal controls.

The Chief Officers of the Norwegian management team are in charge of an appropriate implementation of the risk management and the internal control system as well as the transfer of all policies into operating business processes within their responsible business. As the process owners, they participate in the annual control review and the ORSA process; contribute to risk exploration, handling, evaluation and reporting.

The Chief Officers of the Scandinavian team are in charge of all strategic measures regarding markets, products, sales channels and other decisions regarding HELP's development.

The Branch Managers of Denmark and Sweden are mostly responsible for the operative processes within the branches, sales, compliance to local law and to adapt all necessary risk management and internal control system parts.

The board is supported by committees on different management levels.

The Remuneration Committee prepares all matters on the remuneration policy to be decided by the board. The Remuneration Committee consists of the chairman of the board and another board member from ARAG.

The Investment Sub Committee consists of two members of the Board and regular participants with HELP's CEO and CFO, Head of ARAG Group Asset Management and further participants from Swedbank. The Investment Sub Committee's main tasks are quarterly reviews of the investment result, limit utilization and discussions about upcoming expectations and possible required changes.

Key functions

HELP's governance is based on the three lines of defense model. The management and the employees in operational units are the first line. Second line consists of the control functions risk management, compliance function and the actuarial function, third line of the internal audit. The first line of defense is primarily responsible for management of occurred and possible risks and control of operational processes within HELP. It is every employee's responsibility to carry out their work in accordance with the mandates, policies and guidelines applicable to the individual. Risk management, compliance and actuarial functions are defined as second line functions, with responsibility to monitor, assess, advice, aggregate and report on the risk situation, but without a mandate to change HELP's risk profile. The third line consists of the internal audit function, which on behalf of the board, revises the risk management and internal control system and reports to the board. All key functions have the right to address the board directly, when deemed necessary by the function, and will at least once a year submit a written report to the board documenting the tasks that have been undertaken by the function and its results.

The risk management function is responsible for monitoring HELP's risk management system, risk profile and keep oversight of all risks HELP is and can be exposed to. The risk management function will also make sure that the risk management system is in line with internal and external requirements.

The compliance function is responsible for advising the board and the chief officers on compliance with laws, regulations and internal policies. This includes an assessment of the possible impact of any changes in the legal environment on the operations of HELP and the identification and assessment of compliance risks.

The internal audit function is responsible for evaluating the effectiveness of HELP’s risk management, control and governance processes.

The actuarial function is responsible to assess whether the underlining assumptions used for the company's risk calculations are judicious.

HELP is a growing insurance company and is optimizing their processes continuously. In 2015 and 2016 the corporate governance adopted all essential requirements regarding Solvency II and founded the new branch in Denmark. Both changes were smoothly integrated into the existing governance. Otherwise no material changes occurred.

Remuneration Policy

Employee remuneration consists in general of a fixed and a variable element in individual ratios of 0% to 20% of fixed salary. The fixed element shall be determined individually and be adequately high so that the company may choose to not pay out the variable part of the remuneration. The board shall determine the total pay-out of the variable remuneration as well as allocation to each employee based on the management's proposal.

Senior Executives' variable remuneration shall be based on a combination of the assessment of the person in concern, area of responsibility and the company as a whole. Variable remunerations if any to all other employees is not linked to the result of the company but to their individual work performance.

The variable remuneration is paid for some employees on a monthly basis but for all others once every year after completion of the annual accounts in February or March in the subsequent year. For senior executives separate rules apply as 50% of the allocated amount shall be paid on the company's ordinary date for distribution of bonus and the remaining allocated amount shall be booked in the balance sheet as a debt and shall initially be paid over a consecutive three year period in three similar installments each year.

Supplementary pension and early retirement schemes

HELP does not offer any early retirement schemes to their AMSB. For their management team about 10% of their yearly total remuneration is set up to a provision in HELPs annual account.

Material Transactions

During the reporting period no material transactions with shareholders, with persons who exercise a significant influence on the undertaking, or with members of the AMSB were conducted.

B.2 Fit and proper requirements

The members of the Board of directors should collectively possess appropriate qualification, experience and knowledge about at least insurance and financial markets, business strategy and business model, system of governance, financial and actuarial analysis and regulatory framework and requirements.

Every board member has to be able to understand the company’s annual financial statements with the aid of the auditor’s report and to assess the suitability of corresponding accounting policy measures. They should also be capable of understanding reports presented to them by the management team and subjecting them to critical review. In addition, board members should be acquainted with all of the risks to which the organization is exposed and be able to assess their significant consequences. Furthermore, they are expected to take all measures deemed necessary to reduce risks if necessary. The size, complexity and system-relevance of the organization are taken into account in assessing relevant knowledge.

The requirements apply accordingly to the management team of the company.

The country managers are also required to have adequate knowledge and practical experience. However, considering the proportionality principle, the fitness of the respective individual primarily needs to extend to the market of the respective country the branch is located in, as well as the size, complexity and risk profile of the respective branch and its business activities.

Holders of the key functions must possess comprehensive knowledge of the various areas of work within their own central department as well as the subject matter of relevance to adjacent departments to which interfaces exist. Furthermore, holders of key functions should be very well acquainted with the relevant operational processes, technical systems and the insurance industry as a whole.

Both the fitness and proper requirements have to be given for all responsible persons at the time of employment / appointment and on an ongoing basis. Fitness and reliability of key personnel below board level will be assessed at the time of employment by both the board and the CEO. The same applies if a key function is outsourced.

If necessary, the company needs to arrange professional training to ensure that key personnel is able to meet changing or increasing requirements of their particular responsibilities to ensure that the fitness requirement is fulfilled.

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

HELP's risk strategy describes the associated risks of the business strategy, the impact of the risks and how they are managed. HELP is, or could be, exposed to numerous risk categories and has prepared individual policies for each risk category. These individual risk policies define how HELP measures, monitors and manages each risk category and individual risk tolerance limits. The individual policies also consider potential accumulation and interaction of risk. Where relevant, the individual policies also consider indirect effect of risks.

The risk management function is responsible for monitoring HELP's risk management system, risk profile and keep oversight of all risks HELP is and can be exposed to. This includes reporting on the development of key risk factors and whether HELP's risk profile is within the risk appetite approved by the board. The risk management function shall make sure that the risk management system is in line with internal and external requirements and assess whether the underlining assumptions used for the company's risk calculations are judicious. The risk management system, which the function is a part of, is divided into three lines and encompasses the whole company as described in chapter B.1.

Moreover, risk management shall have the overview of the overall risk situation in HELP and ensure appropriate risk management in all parts of HELP's business by being an important discussion partner for risk owners in the company. HELP relies on support from ARAG Group Risk Management when it comes to risk calculations, capital requirement calculations and quantitative input to the ORSA process.

Access to all internal documentation and other material deemed necessary have to be ensured for the risk management function. To ensure independence, the risk management function has the right to surpass normal reporting lines and report directly to the board if it deems necessary. The risk management function shall not have operational responsibilities for functions in such a manner that the risk management function is to assess and evaluate the risk exposure itself is responsible for. If there is a risk that such "conflicts of interest" or independence issues might arise, the internal audit shall be asked to regularly carry out assessments of the risk management and risk reporting within those areas. The risk management function is responsible for:

- regularly identifying, measuring, monitoring and reporting HELP's total risk exposure
- carrying out expert analysis regarding risk exposure, including giving its opinion on significant changes and significant new products and services before they are launched
- leading and contributing to HELP's ORSA process
- using the internal control process for risk identification
- when needed, obtaining external expertise for independent risk assessments
- assessing the undertakings assumptions for risk and regulatory capital requirements calculations
- quarterly calculation of HELP's regulatory capital requirements, in coordination with the actuary and reporting key results to the board

The risk management function shall facilitate the implementation of the risk management system, including:

- monitoring compliance with board approved risk limits
- making sure that the board and senior management are sufficiently informed about HELP's risk profile
- being responsible for implementing and maintaining a holistic framework for HELP's risk management and internal control system
- monitoring compliance with approved contingency plans for risk management
- developing and managing documentation of HELP's risk strategies and processes

On a quarterly basis, the risk management function will report the company's risk profile to the board and senior management. Both, the board and the senior management, will be informed immediately in cases of adverse negative changes to HELP's risk profile and any significant breaches of risk tolerance or risk limits. When the risk management has carried out stress tests, reversed stress tests or scenario analysis, the results will be reported in the quarterly risk report and / or ORSA report. HELP will conduct an Own Risk and Solvency Assessment annually, including an in-depth evaluation of its risk profile. This will be done through the assessment of the actual risk exposure of the different risk types defined under risk categories. Additionally, the Solvency and Financial Condition Report is published annually and the Regular Supervisory Report is submitted to the FSA at least every third year.

ORSA

The ORSA process (Own Risk and Solvency Assessment) is a process for evaluation of HELP's need for solvency capital and primary capital taken into account the company's goal, strategy, present and expected risk exposure and current risk limits and regulatory principles.

The purpose of the ORSA process is to evaluate the short and long term solvency capital requirement and how the capital need will be met, including compliance of the regulatory capital requirements. The assessment of the capital need encompasses the value, composition and the allocation of the capital in relation to the nature and extent of the company's risk at present time and the risk that can arise.

Evaluation of the solvency requirement in HELP Forsikring is based on the company's risk tolerance approved by the Board and how this is expressed in the overall principles for risk management and internal control and in the policies for each risk category. The evaluation shall be based on the company's actual risk profile and strategy, including expected changes in strategy and / or risk profile.

The ORSA process comprises the totality of procedures and processes that HELP utilizes to identify, assess, monitor, manage and report risks in the short and long term, as the business is or might be exposed to, and to determine the associated capital. The assessments in the ORSA process shall at least be integrated with:

- Strategic plan
- Goals and action plan
- Budget
- Continuous risk assessments
- Relevant policies
- Principles for risk management and internal control
- Assessment of implementation of risk management and internal controls, including the quality of governance of the company
- Reporting of loss and undesirable events regarding operational risk
- Accounting results
- Calculations of capital adequacy and solvency requirements
- Stress testing
- Actuarial calculations and evaluations
- Pricing of services and products
- Assessments and decisions regarding capital structure and dividend payment

The strategic plans will include plans for three years beyond the current year while the ordinary ORSA process shall be conducted annually. An extraordinary ORSA process will be carried out in the event of significant events or changes in conditions that affect HELP's risk exposure, capital requirements and / or actual capital. Within the ORSA process different steps are performed:

- Risk Identification and assessment

"An ORSA risk is an event with a material negative effect on the solvency position"
The purpose of this step is to identify all ORSA risks that are exceptional, but plausible and are material enough to be considered. The risks can be qualitative or quantitative in nature. When doubt arises about the probability or materiality, the risk is to be added to the list of risks to be assessed, although the assessment of the risks takes place in the

next step. Input for risk identification are business strategy, risk strategy, planning figures, earlier identified risks, interviews with management team and key persons and any other necessary input for a proper risk identification.

After identifying possible risks, they have to be assessed on their gross probability and impact. The impact of the risk is as if no risk reducing measures would be taken. The impact is necessary to identify any changes in the severity of the risk, as well as to measure the effectiveness of the measures taken to reduce the risk later on in the process. Any change in the gross risk could lead to an adjustment or creation of new measures to contain this risk. The risks can be quantitative and qualitative.

- Stress and scenario testing

The solvency need has to be met at all times which is why the effect of risks on the solvency position under different circumstances has to be analyzed. This is analyzed by running stress tests, reverse stress tests and scenario tests on the balance sheets derived. The following stress testing methods can be used:

a) Sensitivity testing: testing of the variation in the results of the models outputs (such as the solvency capital requirement and asset valuations) to small changes in key assumptions.
b) Reverse stress testing: identification and assessment of scenarios which could challenge the viability of the undertaking. This includes scenarios beyond normal business settings and may lead to the identification of events with contagious and systemic implications.

A scenario test is a quantitative risk management technique used to evaluate the potential effects on an institution’s financial condition of a series of events (i.e. multiple stress test events).

- Overall solvency needs assessment and reporting

With the results of the stress test, the undertaking knows if the Overall Solvency Needs assessment falls within the risk appetite or if limits have been breached and if measures might have to be taken.

The annual ORSA report will conclude the ORSA process, the findings, the methods used and the results.

B.4 Internal control system

Internal control system

As an insurance company, HELP is exposed to a number of risks that constantly change as a result of development, for example in environment, products or processes. In order to effectively manage these risks, isolated approaches are not sufficient. Instead, a professionally organized and coordinated system consisting of rules, controls, monitoring functions and steering mechanisms is required and is constantly further refined in accordance with current requirements.

The internal control system comprises all monitoring and control mechanisms and all other measurements that are used to ensure compliance with all internal (board and management) as well as external (by law and supervision) standards.

HELPs internal control system is based on the three lines of defense model as mentioned in B1.

Compliance

As part of HELP internal control system, the compliance function reports directly to the CEO and the CFO. To ensure independence, the compliance officer has the right to surpass normal reporting lines and report directly to the board if it deems necessary. In respect to the scope and size of the business, the position of compliance officer is a shared position with risk manager.

To properly conduct its tasks, the compliance function shall have access to all internal documentation and other material it deems to be necessary.

B.5 Internal audit function

The Internal audit function is responsible for examining and evaluating the effectiveness and efficiency of the internal control system and HELP's system of governance. The internal audit function shall assist the board in their duty to have an adequate and effective internal control system in place. Internal audit shall provide the board with analysis, appraisals, recommendations and information concerning the activities reviewed. To properly conduct their tasks, the internal audit function shall have access to all internal documentation and other material it deems necessary. In the before mentioned three lines of defense system the internal audit function is occupying the third line.

To maintain the independence of the function, the internal audit function shall not perform any operational functions and be free from undue influence that could compromise the function's ability to undertake its duties in an objective, fair and independent manner. The internal audit function has to be able to exercise its assignment on its own initiative within HELP. The function will be unrestricted to express its findings and appraisals and to disclose them to the board. In cases were severe breach of internal control is discovered, the internal audit function will report immediately to the board. The internal audit function will not inform supervisory authorities of its findings without consulting the board first.

B.6 Actuarial function

The main responsibility of the actuarial function is to assure the quality of HELP's technical provisions and continuously contribute in developing the company's risk management system. Further, the function is obliged to inform the board on the reliability and sufficiency of the calculations. In addition, the actuarial function shall be consulted and give its actuarial opinion on HELP's underwriting risk and other relevant areas of HELP's risk profile. Moreover there shall be a clear division of responsibilities between actuarial resources performing calculations, choosing models and making assumptions and the resources doing the quality assurance.

To maintain the independence of the function, the actuarial function shall not have operational responsibilities for functions in such a manner that the actuarial function is to assess and evaluate the risk exposure itself is responsible for. If there is a risk that such "conflicts of interest" or independence issues might arise, the internal audit shall be asked to regularly carry out assessments of the risk management and reporting within those areas.

B.7 Outsourcing

HELP defines outsourcing as an arrangement of any form between an insurance undertaking and a service provider, whether a supervised entity or not, by which that service provider performs a process, a service or an activity, whether directly or by sub-outsourcing, which would otherwise be performed by the insurance or reinsurance undertaking itself.

Considering the size and complexity of the company, outsourcing is generally deemed necessary for efficient operation. HELP will however ensure that any outsourcing decision is accompanied by a risk assessment and a review of its strategy-conformity and HELP will not outsource a decision-making role in the company or a role that takes business risks on behalf of the company.

The policy for outsourcing shall ensure that HELP has guidelines and principles for outsourcing. The outsourcing policy shall ensure that outsourcing in HELP happens in an effective, appropriate and safe manner, ensuring:

- no detriment to the continuity
- quality services to the policyholders
- no deterioration in the quality of the governance system
- no excessive increase in the operational risk
- no impairment of the monitoring process by the supervisory authority
- no danger to continuous and satisfactory services

Due to HELPs size, the complexity of single tasks and the importance for the business, the management and the board decided to outsource the following areas:

- Accounting, outsourced to a Norwegian expert for payments, finance and accounting
- IT operations, outsourced to a Norwegian expert for cloud computing
- Operation of the insurance system, outsourced to a Norwegian expert
- Telephony, outsourced to a Norwegian communication expert for telephone and internet
- Asset management, outsourced to a Swedish bank regulated by the Swedish Financial Supervisory Authority Finansinspektionen

The management and the board of HELP have also decided to outsource the key functions:

- Risk management, outsourced to the Norwegian branch of a Swedish consulting company focusing on governance, risk and compliance
- Compliance, outsourced to the Norwegian branch of a Swedish consulting company with focusing on governance, risk and compliance
- Internal audit, outsourced to one of the global leaders in audits and one of the big four market player
- Actuary, outsourced to a Norwegian consulting specialized with actuaries

The Board decided in the last November meeting, that the outsourcing for risk management and compliance will be concluded by December 31st, 2016. From 2017 on, both functions will be insourced to HELP, but still be a shared position.

HELP will minimum 60 workdays before implementation give notice to the FSA of any outsourcing of critical or important functions or activities. HELP will also notify ARAG Group Risk Management accordingly. The notice will include:

- description of the scope
- rational for the outsourcing
- service provider's name
- documentation of a sound performance of the outsourcing process

When outsourcing concerns a key function, the information should also include the name of the person in charge of the outsourced function or activities at the service provider.

All outsourced key functions are subject to the fit and proper policy.

B.8 Any other information

HELP has established an appropriate governance system for the company, taken into account business and risk strategy, operational and organizational structure, risk profile and an actively encouraged risk culture.

The guidelines and processes of the internal control system are subject to a constant review and update by the various stakeholders, in particular by the independent internal revision. This always ensures that the communication between the Board of Directors, the management and key functions is ideal. This includes short and direct reporting paths as well as defined escalation paths.

Daily work is supported by the use of modern technologies to ensure consistent and reliable data as well as timely and recipient-friendly information processes.

The effective interplay between governance, risk management and compliance ensures transparency towards the supervisor and the auditors, but in particular against the customer for sure.

C RISK PROFILE

The risk management function defines suitable strategies and concepts for the control of the identified risks, which include both the conscious taking of risks and the implementation of control measures in the sense of risk mitigation, protection, transfer and diversification of all identified and analyzed risks. The risk minimization ensures that the risks who actually incurs are compatible with the risk strategy or the risk-bearing capacity.

The actual utilization of the limits is constantly determined by comparing the risks entered with the given limits and monitoring them. A regular analysis of the portfolio is carried out for early detection of overlapping risk trends. The results of the risk monitoring and recommendations for action are reported to the management on a continuous, timely and unrestricted basis. This allows decision makers to proactively control risks.

HELP is using the standard formula for all solvency capital requirements calculations.

Within the scope of the model validation, the ORSA process as well as other regular analysis, stress testing, back testing and scenario analysis for risk modules, sub-risks and individual parameters are carried out. Due to the very good capital resources of the company, no relevant scenarios for customer's protection and threats for the company's risk exposure could be identified. The insights gained from the analyzes are discussed intensively with the respective risk managers and the Management Board, and possible solutions for the reduction or mitigation of risks are elaborated.

The solvency requirements used in the following chapters are defined in line with article 297 (2) (a) Delegated Acts (EU) 2015/35.

C.1 Underwriting risk

The underwriting risks associated with composite insurance are risks that arise from insurance commitments and relate to both covered risks and the processes employed in the conduct of business. HELP was in Q4 2016 exposed to an underwriting risk of TNOK 185,799.

Premium and reserve risk: The risk of loss or of an unfavorable change in the value of insurance commitments because of fluctuations in the occurrence, frequency and severity to insured events and the cost of claims settlement. The term premium risk denotes the specific risk of loss that results when premium revenues for a given period are not sufficient to cover all the claims and costs incurred during the period in question. The term reserve risk pertains to the specific risk of loss which results when reserves for past claims are not sufficient to cover those claims.

C.2 Market risk

Market risks are risks which result from the level or volatility of market prices for financial instruments, which influence the value of a given company's assets and liabilities. These risks reflect the structural incongruence of assets and liabilities with respect in particular to duration of their terms.

- Interest rate risk: The sensitivity of the values of assets, liabilities and financial instruments to changes in the interest-rate curve or the volatility of interest rates.
- Equity risk: The sensitivity of the values of assets, liabilities and financial instruments to changes in the level of volatility of market prices for stocks and shareholdings.
- Property risk: The sensitivity of the values of assets, liabilities and financial instruments to changes in the level or volatility of real estate market prices.
- Spread risk: The sensitivity of the values of assets, liabilities and financial instruments to changes in the level or volatility of the credit spread over the entire risk-free interest curve.
- Exchange-rate risks: The sensitivity of the values of assets, liabilities and financial instruments to changes in the level or volatility of currency exchange rates.
- Market risk concentration: Additional risk for a given company resulting either from insufficient diversification of the asset portfolio or a high level of exposure to the risk of default by a single security issuer or an alliance of issuers.

Additionally the transitional measures for the equities will raise the stress slightly from 22% to 39% / 49% within the next seven years for all equity bought before January 1st, 2016. For all equities bought after this date, the current stress scenarios are already used for calculating the solvency capital requirement.

The solvency capital requirement for the market risk is TNOK 57,327, whereas the equity and the spread risk are the main drivers.

According to Article 132 of Directive 2009/138/EC HELP is just investing in assets and instruments whose risks the undertaking can properly identify, measure, monitor, manage, control and report, and appropriately take into account in the assessment of its overall solvency needs.

Defined through the undertakings Investment Strategy it is conducted that the insurance liabilities under no circumstances are at risk. The undertaking shall also focus on ethical issues in regards to the investment portfolio. Overall the investment portfolio is to be managed in accordance with applicable rules and regulations, *cf Forsikringslovens § 6-6.*

The senior executives must ensure that the company's assets are diversified both at a strategic and tactical level to reduce the overall risk. Hence, the management must ensure that the financial portfolio is diversified strategically across different asset classes in accordance with the investment strategy. It shall also be ensured that the assets are tactically diversified through a proper distribution within each asset class.

C.3 Credit risk

As parts of the credit risk, the submodules spread risk and market risk diversification are already outlined in parts in chapter C.2. The risks associated with default on (re)insurance & intermediaries receivables (counterparty default risks) include the risk that results from unexpected defaults by or a worsening of the creditworthiness of counterparties and debtors of insurance and reinsurance undertakings during the following twelve-month period. Taken into account in assessing counterparty default risks are risk mitigating contracts such as reinsurance agreements, securitizations, derivatives and accounts receivable from agents as well as all other credit risks that are not encompassed by the spread risk. It also reflects accessory or other securities held by or on behalf of the insurance or reinsurance undertaking and the risk associated with them.

The solvency capital requirement for the credit risk is TNOK 16,598.

Referring to Article 189 Delegated Regulation (EU) 2015/35 type 1 exposures consists of exposures in relation to the following:

- Risk mitigation contracts including reinsurance arrangements, special purpose vehicles, insurance securitizations and derivatives
- cash at bank
- deposits with ceding undertakings, where the number of single name exposures does not exceed 15
- commitments received by an insurance or reinsurance undertaking which have been called up but are unpaid
- legally binding commitments which the undertaking has provided or arranged and which may create payment obligations, where the number of single name exposures does not exceed 15

Furthermore type 2 exposures consists of all credit exposures that are not covered in the spread risk sub-module and that are not type 1 exposures, including the following:

- receivables from intermediaries
- policyholder debtors
- mortgage loans
- deposits with ceding undertakings, where the number of single name exposures exceeds 15
- commitments received by an insurance or reinsurance undertaking which have been called up but are unpaid as referred to in paragraph 2(d), where the number of single name exposures exceeds 15

HELP did not use any risk mitigation technics nor were any risk mitigation contracts part of the counterparty default risk.

C.4 Liquidity risk

Liquidity risks are risks associated with a company’s inability to meet its financial obligations in a timely manner due to insufficient fungibility.

Building on existing strategic plans the CFO prepares liquidity plans. As HELP's business model does not warrant additional liquidity except the regular monthly payments, cash positions is held on a stable level. The liquidity strategy and risk buffer are revised annually by the board based on last years and projected cash flows.

All HELP's products are sufficiently calculated and expected to be profitable over the next years. This is constantly monitored.

In accordance with regulatory requirements, no separate, explicit risk calculation in the form of an SCR is calculated for liquidity risks.

C.5 Operational risk

Operational risk reflects the risks resulting from the inadequacy or failure of internal processes or systems, the misconduct of employees or unexpected external events that disrupt or even prevent the business operations. Operational risk also includes legal risks. Reputational risks as well as risks arising from strategic decisions, on the other hand, are not covered by the operational risk.

The valuation for operational purposes is based on the estimation of gross and net assets for each individual operational risk based on the probability of occurrence of the risk and its impact on the profit and loss account. The probability of occurrence indicates an operational risk within a defined period. The scale is calibrated for a period of one year. The assessment of the impact can be made both qualitatively and quantitatively. In a quantitative assessment, the risk classification is carried out directly on the basis of a risk matrix. In the case of a qualitative assessment, the effect of the classification into the risk matrix results from the comparison with the class limits. This risk matrix is used to prioritize the risks.

In order to reduce the identified risks, concrete measures are agreed upon and implemented at the operational level. The following action strategies are possible with regard to the risk:

- Accept - no action to mitigate effects is possible or deemed necessary
- Minors - the effects are mitigated by appropriate measures
- Transfer effects are transferred to another risk carrier, for example through the use of outsourcing or reinsurance measures
- Avoid - measures for avoidance are implemented; This can go so far that activities that involve this risk are not exercised

The strategy used is documented and its implementation monitored by means of ongoing monitoring.

The solvency capital requirement for operational risk is TNOK 11,860.

C.6 Other material risks

HELP does not have any other material risks.

C.7 Any other information

All essential information is mentioned in the chapters before.

D VALUATION FOR SOLVENCY PURPOSES

In the context of the explanation of the valuation methods and their differences, the following is described for each balance sheet item in the following: the valuation regarding to local GAAP, the valuation for solvency purposes and, finally, the material valuation differences.

D.1 Assets

Assets *(in thousand NOK)*	**Solvency II**	**Statutory account value**	**Delta**
	2016	**2016**	**2016**
A. Intangible assets			
I. Goodwill	0	0	0
II. Deferred acquisition costs	0	0	0
III. Intangible assets	0	0	0
	0	**0**	**0**
B. Deferred tax assets	**0**	**0**	**0**
C. Pension benefit surplus	**0**	**0**	**0**
D. Property, plant & equipment held for own use	**13.120**	**13.120**	**0**
E. Investments			
I. Property (other than for own use)	0	0	0
II. Participations	0	0	0
III. Equities			
1. Equities - listed	0	0	0
2. Equities - unlisted	0	0	0
	0	**0**	**0**
IV. Bonds			
1. Government Bonds	69.836	69.836	0
2. Corporate Bonds	403.711	403.711	0
3. Structured Bonds	13.967	13.967	0
4. Collateralized securities	0	0	0
	487.514	**487.514**	**0**
V. Investment funds			
1. including equities	108.165	108.165	0
2. including government bonds	0	0	0
3. including corporate bonds	0	0	0
4. including property	0	0	0
5. including derivatives	0	0	0
6. including other financial assets	0	0	0
	0	**0**	**0**
VI. Derivatives	0	0	0
VII. Deposits other than cash equivalents	3.353	3.353	0
VIII. Other investments	0	0	0
	599.033	**599.033**	**0**
Amount carried over	**612.152**	**612.152**	**0**

Amount carried over	**612.152**	**612.152**	**0**
F. Assets hold for index-linked and unit-linked funds	**0**	**0**	**0**
G. Loans & mortgages			
I. Loans on policies	0	0	0
II. Loans and mortgages to individuals	0	0	0
III. Other loans and mortgages	0	0	0
	0	**0**	**0**
H. Reinsurance recoverables			
I. Non-life and health similar to non-life			
1. non-life excluding health	0	0	0
2. Health similar to non-life	0	0	0
	0	**0**	**0**
II. Life and health similar to life, excluding health and index-linked and unit-linked			
1. Health similar to life	0	0	0
2. Life excluding health and index-linked and unit-linked	0	0	0
	0	**0**	**0**
III. Life index-linked and unit-linked	0	0	0
	0	**0**	**0**
I. Receivables			
I. Deposits cedants	0	0	0
II. Insurance and intermediaries receivables	70.269	70.269	0
III. Reinsurance receivables	0	0	0
IV. Receivables (trade, not insurance)	1.354	1.354	0
	71.624	**71.624**	**0**
J. Other assets			
I. Cash and cash equivalents	48.020	48.020	0
II. Any other assets, not elsewhere shown	1.513	1.513	0
	49.533	**49.533**	**0**
Total assets	**733.309**	**733.309**	**0**

Intangible assets

The purchased intangible assets are capitalized at cost and amortized over their expected useful lifetime. No intangible assets are available.

Intangible assets are not currently recognized in the Solvency II – balance sheet in accordance to the requirements of the IAS 38 approach which states that no prices are available in an active market.

Since there are no capitalized intangible assets (31.12.2016) neither in the commercial balance sheet nor in the Solvency II-balance sheet there is no evaluation difference.

Deferred tax assets

Deferred taxes are calculated for differences between commercial and tax valuations that will reverse in subsequent financial years.

Differences where time of reversal is not yet known exactly or differences dependent on a disposition of the company or a difference that would only occur at the time of liquidation is put into consideration as well. Valuation differences that cannot be covered at the time of their reversal by sufficient taxable income or not be balanced out by opposite effects in deferred taxes are excluded from the calculation. Tax losses carried forward were taken into account when calculating the deferred tax assets.

There are no deferred tax assets dated as of 31.12.2016. Discounting of deferred taxes is not allowed.

Property plant & equipment held for own use

Fixed assets are valued at their original costs but are written down to their fair value when a deduction in value is not expected to be temporary. Fixed assets with a limited financial lifetime are depreciated systematically.

The commercial-balance-sheet value is an appropriate approximation of the economic value under Solvency II for fixed assets. Differences between the Solvency II balance sheet and the annual financial statements do therefore not arise.

Bonds

Financial instruments are valued at their fair value. For financial assets that are listed on a stock exchange or other marketplace where regular trading takes place, the fair value is set at the bid price on the last trading day up to and including the balance sheet date. Any change in the fair value is recognized in the profit and loss account.

For interest-bearing financial instruments the economic values for Solvency II purposes are determined at so-called "dirty prices". The "dirty price" includes the pro rata accrued interest on the valuation date. For listed shares a fair value equal to the market is used.

The same principles are used both for the commercial balance sheet and the balance sheet for Solvency II purposes, which means there are no differences.

Collective Investments Undertakings including equities in invested funds

Financial instruments are valued at their fair value. For financial assets that are listed on a stock exchange or on other marketplaces where regular trading takes place, the fair value is set at the bid price on the last trading day up to and including the balance sheet date. Any change in the fair value is recognized in the profit and loss account.

For listed shares a fair value equal to the market is used. This value corresponds to the economic value under Article 75 of the Solvency II directive 2009/138/EC.

The same principles are used both for the commercial balance sheet and the balance sheet for Solvency II purposes, which means there are no differences.

Deposits or cash equivalents

The bank deposits are stated at their nominal value. The nominal amount is also recognized as economical amount.

As a result there is no difference between the commercial approach and treatment in the Solvency II balance sheet.

Insurance & intermediaries receivables

Receivables that are to be paid within one year are classified as current assets. Receivables are generally carried at their nominal value. A general allowance for the latent risk of default is subtracted from the receivables from policyholders.

In a short-term nature (lasting up to twelve months), the nominal amount is recognized as an economic value. In a longer-term nature of the claim (greater than twelve months), the economic value is determined using the discounted cash flow method.

Since the valuation of the nominal amount is economic value, there are no evaluation differences.

Receivables (trade, not insurance)

Receivables are generally priced at their nominal value.

In a short-term nature (lasting up to twelve months), the nominal amount is recognized as an economic value. In a longer-term nature of the claim (greater than twelve months), the economic value is determined using the discounted cash flow method.

Since the valuation of the nominal amount is economic value, there are no evaluation differences.

Cash & cash equivalents

Cash and cash equivalents are stated at their nominal value, which corresponds to the acquisition costs.

The evaluation is at the economic value, which corresponds to the nominal value.

Since the valuation of the nominal amount is economic value, there are no evaluation differences.

Any other assets, not elsewhere shown

Any other assets are stated at their nominal values, which are corresponding to the acquisition costs.

Since the valuation of the nominal amount is economic value, there are no evaluation differences.

D.2 Technical provisions

Technical provisions *(in TNOK)*	**Solvency II**	**Statutory accounts value**	**Delta**
	2016	**2016**	**2016**
A. Technical provisions			
I. Technical provisions - non-life			
1. Technical provisions - non-life (excluding health)			
a) Technical provisions calculated as a whole	0	402.625	-402.625
b) Best estimate	341.299	0	341.299
c) Risk margin	24.951	0	24.951
	366.250	**402.625**	**-36.375**
2. Technical provisions - health (similar to non-life)			
a) Technical provisions calculated as a whole	0	0	0
b) Best estimate	0	0	0
c) Risk margin	0	0	0
	0	**0**	**0**
II. Technical provisions - life (excluding index-linked and unit-linked)			
1. Technical provisions - health (similar to life)			
a) Technical provisions calculated as a whole	0	0	0
b) Best estimate	0	0	0
c) Risk margin	0	0	0
	0	**0**	**0**
2. Technical provisions - life (excluding health and index-linked and unit-linked)			
a) Technical provisions calculated as a whole	0	0	0
b) Best estimate	0	0	0
c) Risk margin	0	0	0
	0	**0**	**0**
III. Technical provisions - index-linked and unit-linked			
a) Technical provisions calculated as a whole	0	0	0
b) Best estimate	0	0	0
c) Risk margin	0	0	0
	0	**0**	**0**
	366.250	**402.625**	**-36.375**
B. Other technical provisions	**0**	**0**	**0**
Total technical provisions	**366.250**	**402.625**	**-36.375**

1. Evaluation according to Norwegian accounting rules

The Financial Services Authority of Norway has set separate minimum requirements for the various types of provisions. Technical provisions consist of provisions for unearned premium (premium provisions), claims provisions and provision for unexpired risks. For the premium and claims provisions, the minimum requirements must also be met by each sector.

a) Premium provisions

These provisions reflect the accrual of gross premiums pro-rata for individual insurance contracts and comprise the unearned portion of premiums written during the year. No deduction is made for any expenses before the premiums written are accrued.

b) Claims provisions

These provisions comprise provisions for anticipated future claims payments for claims incurred, but not fully settled at the end of the year. These include both losses and injuries that have been reported to the company and those that have not yet been reported. Provisions for not settled claims are based on the company's empirical data and actuarial methods. Claims provisions are not discounted.

c) Provision for unexpired risks

Provision for unexpired risks are intended to cover expected claims and direct and indirect claims handling costs for cases that at the time have not yet occurred, but that are expected to occur in the period until the first maturity of the assurances with unexpired risk. Provision shall always correspond with the expected claims and costs of such future claims cases to the extent to which these are not to be regarded as covered by premium provisions.

2. Evaluation for Solvency II purposes

The technical provisions (TP) are calculated by Group Risk Management. The individual components of TP are (a) Claim provisions including provisions for external claim payments and internal claim processing costs (ICPC), (2) premium provisions including provisions for unearned premiums and expected profit / losses from existing contracts as well as (3) the risk margin

a) Claims Provisions

These are the present values of payments, which have to be paid for already incurred claims in the future as well as the expected present value of the internal claim processing costs (ICPC) for these claims.

The data for the reserve estimation is provided monthly on an individual claim level within a data delivery process, which is the same for all branches and subsidiaries of the ARAG Group. The delivered claims data are loaded into SAS software in order to create claim payment triangles, which are the basis of the reserve estimation. For HELP, both external payments and the claim processing costs are available for each individual claim and development period. Thus created claim payment triangles include beside external costs also the internal claim handling expenses. Therefore, all common actuarial methods can be applied and the claim provisions are calculated as a whole.

The loss provision is calculated for each business segment of HELP. The segmentation guarantees primarily the creation of homogeneous risk groups.

To determine the best estimate reserve, some common actuarial methods are applied: the Chain Ladder Method, the Incremental Loss Ratio Method (ILR) and the Bornhuetter-Ferguson Method. All these methods have in common that historical claim payment information can be used to determine the loss reserves. In exceptional cases, alternative reserving methods are used. This can happen if all three methods described herein lead to implausible results.

The Chain Ladder Method has the advantage that the reserve is calculated independently of an exposure extent and thus the market cycles and tariff adjustments do not affect the reserve amount. On the other hand, however, the Chain Ladder Method is highly dependent on the actual claim payment amount, especially from the youngest (lower left part of the triangle) and oldest accident year (upper right part of the triangle).

Because of its multiplicative structure it reacts particularly strongly to fluctuations in claim payments and therefore also to any changes in processing behavior.

The Incremental Loss Ratio Method (ILR) assumes that the claim payment amounts in each accident year depend only on an exposure in this accident year. In particular the earned premium volume can be used as an exposure volume. Unlike the Chain Ladder Method, the expected future loss payments will continue additively. The ILR method has the advantage that it estimates the reserves regardless of the current payment amounts. However, the estimate is highly dependent on the exposure. If the premiums include market cycles or premium adjustments, another exposure level should be selected if possible, e.g. the number of contracts.

Unlike the chain ladder estimator of the reserves, the estimator of the reserves from the Bornhuetter-Ferguson method is completely independent of the current paid amount. It is based on a priori estimates for ultimate losses per accident year and a claims development pattern. The advantage of the Bornhuetter-Ferguson method is the flexible choice of the prior estimators. Thus, for example, a high sensitivity can be avoided to unusually high or low current cumulative losses.

A mixing method is used when none of the ultimate losses, which were estimated by the above mentioned reserve methods, reflect reasonable assumptions on the future development. In particular, since the chain ladder is very sensitive to the lower left corner of the claim payment triangle (recent accident years with little settlement history), there are cases, for example, that chain ladder is used in a segment for older accident years and only for the most recent years ILR.

b) Premium Provisions

Premium provisions include:

- Provisions for unearned premium: For booked but not yet earned premiums (economical view), the present value of the expected claim payments and costs, which are related to the corresponding policies, are recognized as provision. The expected loss for the next period is calculated based on the analysis of claims frequency and costs per claim. The cost ratio is taken from the strategic planning for the next year. The economical unearned premium is provided quarterly to GRM within a delivery process, which is the same for all branches and subsidiaries.
- Expected profit / losses from existing contracts. According to Solvency II requirements, all existing contracts have to be considered. In case of installments or multi-year policies, premiums are not yet fully paid and future cash flows have to be considered in the balance sheet. For such contracts, a future profit/loss as difference between the present values of outstanding premium payments and the expenses related to these premium payments are calculated and shown in the balance-sheet. For HELP the amount of outstanding premiums and therefore also the expected profit/loss is equal to zero, since the current portfolio includes only one year contracts with annual payment frequency.

c) Risk margin

The risk margin is calculated using the Cost of Capital method described in Article 37 of the delegates acts (EU).

3. Material evaluation differences

Differences in the carrying amount of the technical provisions for commercial law and for regulatory purposes will be apparent for the following reasons:

a) Purpose

The commercial balance sheet is characterized by the creditor protection. Thus, the technical provisions are to be calculated to the extent that is necessary in standard commercial practice to ensure permanent compliance with the obligations under the insurance contracts. This creditor protection adjusted calculation includes additional security reserves for the case of unexpected negative loss developments or inadequate reserve calculations.

The purpose of the Solvency II balance sheet is the reporting-day focused representation of the economic equity. Obligations are therefore recognized at a probable cash value, not with a cautious nominal value and not including any security reserves and are therefore to be lowering rated in the Solvency II balance sheet compared to the commercial approach.

b) Measurement of Evaluation

In the commercial balance sheet of the principle of individual valuation has to be applied. According to this principle commitments are inventoried and assessed individually with a conservatively estimated settlement amount. Compensation by the number of claims or the time does not occur explicitly but only indirectly on the valuation assumptions in the calculation of the average value for a commitment.

According to the principles of Solvency II no individual losses are assessed, but the entire portfolio. The quantity structure plays only a subordinate role. The expected payments of the portfolio are considered as Ultimate (sum of all payments pending until the final settlement) on the basis of probabilities. Here risk equalization in the portfolio implicitly takes place. The expected payments are discounted to the valuation date. Altogether this produces a lower valuation of obligations in the Solvency II balance sheet compared to the commercial balance sheet approach.

c) Time reference for the evaluation

The commercial valuation rules do not take into account the time factor of the maturity of technical provisions. According to Solvency II principles, all payments are discounted to the balance sheet date. Because of this procedure in the Solvency II balance sheet a lower valuation of obligations is made compared to the commercial approach.

Overall, for the technical provisions the evaluation difference amounts to TNOK 36,375. Here, the Solvency II value is lower compared to the commercial law approach. This difference is justified by the recognition differences and the valuation differences, which are explained in detail above for each regime and by the different perspectives listed above.

D.3 Other liabilities

Comparison of other liabilities local GAAP and Solvency balance *(in TNOK)*	**Solvency balance**	**Statutory accounts value**	**Delta**
	2016	**2016**	**2016**
A. Contingent liabilities	**0**	**0**	**0**
B. Provisions other than technical provisions	**0**	**0**	**0**
C. Pension benefit obligations	**0**	**0**	**0**
D. Deposits from reinsurance	**0**	**0**	**0**
E. Deferred tax liabilities	**24.839**	**15.745**	**9.094**
F. Financial liabilities			
I. Derivatives	0	0	0
II. Debts owed to credit institutions	0	0	0
III. Financial liabilities other than debt owed to credit institutions	0	0	0
	0	**0**	**0**
G. Other liabilities			
I. Insurance & intermediaries payables	0	0	0
II. Reinsurance payables	0	0	0
III. Payables (trade, not insurance)	7.257	7.257	0
	7.257	**7.257**	**0**
H. Subordinated liabilities			
I. Subordinated liabilities not in BOF	0	0	0
II. Subordinated liabilities in BOF	0	0	0
	0	**0**	**0**
I. Any other liabilities, not elsewhere shown	**83.695**	**66.011**	**17.684**
Total other liabilities	**115.790**	**89.012**	**26.778**

Deferred tax liabilities

Deferred taxes on the company's individual tax rates are determined on differences occurring between commercial and tax bases that will reverse in subsequent financial years. To be considered are also those differences which appear when reversal timing is not exactly fixed or differences which appear due to a disposition of the company or which appear only at the time of a liquidation.

Deferred tax assets and deferred tax liabilities are calculated based on positive and negative valuation differences between commercial and Solvency II valuations. Deferred tax liabilities are taken into account in each case as an obligation in the Solvency II balance sheet.

Total deferred tax liabilities in the Solvency II-balance exceed the Norwegian accounting standard value by 9,094 million NOK.

Payables (trade, not insurance)

Liabilities from trade payables are recognized at the settlement amount. Differences in recognition and measurement between the commercial balance and the Solvency II balance sheet do not exist.

Any other liabilities, not elsewhere shown

Other liabilities are priced at the settlement amount. All liabilities which do not bear interest are valued at nominal value or the higher repayment amount.

In a short-term nature (lasting up to 12 months), the nominal amount is recognized as an economic value. In a longer-term nature of the liability (greater than 12 months), the economic value is determined using the discounted cash flow method. As the duration-period does not exceed 12 months, there were no differences in valuation of the regular other liabilities.

According to "Forskrift om årsregnskap for skadeforsikringsselskaper" hereunder also the Guarantee scheme provision (“Avsetning til garantiordningen”) is shown. The purpose of this provision is to guarantee that claims submitted under direct general insurance contracts entered into Norway are settled in full. According to Norwegian accounting standards this provision is classified as equity.

With the classification of Guarantee scheme provision in “Any other liabilities, not elsewhere shown” the classification but not the valuations differ from the Norwegian accounting standard due to the different approach within the balance sheets.

D.4 Alternative methods for valuation

No alternative methods for valuation purposes have been used.

D.5 Any other information

All essential information is mentioned in the chapters before.

E CAPITAL MANAGEMENT

E.1 Own funds

Own funds components and quality of the own funds

The basic own funds of HELP as of 31 December 2016 in the form of an excess of assets over liabilities amounts according to the Solvency II-balance sheet of TNOK 251,269.

The eligible own funds amount to TNOK 251,269 regarding to Delegated Regulation (EU) 2015/35 Art 69 and Solvency II directive 2009/138/EC Art 308b. This figure can be fully classified as Tier-1 own funds. The differences can be explained on the basis of the commercial balance as follows:

Transition local GAAP equity to eligible own funds *(in thousand NOK)*

	Amount
Own funds according to commercial balance-sheet as of December 31st, 2016	**241,672**
Revaluation of technical provisions non-life	36,375
Reclassification of other than technical provisions (from equity to liabilities)	-17,684
Additional deferred tax liabilities	-9,094
Excess of assets over liabilities according to Solvency II balance sheet	**251,269**

Development own funds

As part of the ORSA process in fiscal year 2016, Solvency-balance sheets are created for the planning horizon based upon the planned profit and loss accounts. For this purpose the planned profit and loss accounts were compressed in order to ensure consistency with the strategic planning. As the Solvency balance sheets for each year represent the financial position of companies in a stress scenario, it involves a stress test of the equity position. In the case of a shortfall in terms of the Solvency requirements in the planning period various measures come into consideration for the compensation of the shortfall. When testing on the suitability of one or more measures their temporal feasibility and impact must be assessed. Furthermore the ability to implement a number of parallel measures must be checked.

Against the background of the given Solvency profile a decrease of CAR below the regulatory requirements is not expected. If contrary to the expectations a loss will be determined concerning the Solvency requirements of the planning period, several measures can be taken into account to compensate for this loss.

When testing on the suitability of one or more measures, their chronological plannability and impact has to be assessed. Furthermore the possibility of parallel measures must be checked. Theoretically possible measures to strengthen the own funds are:

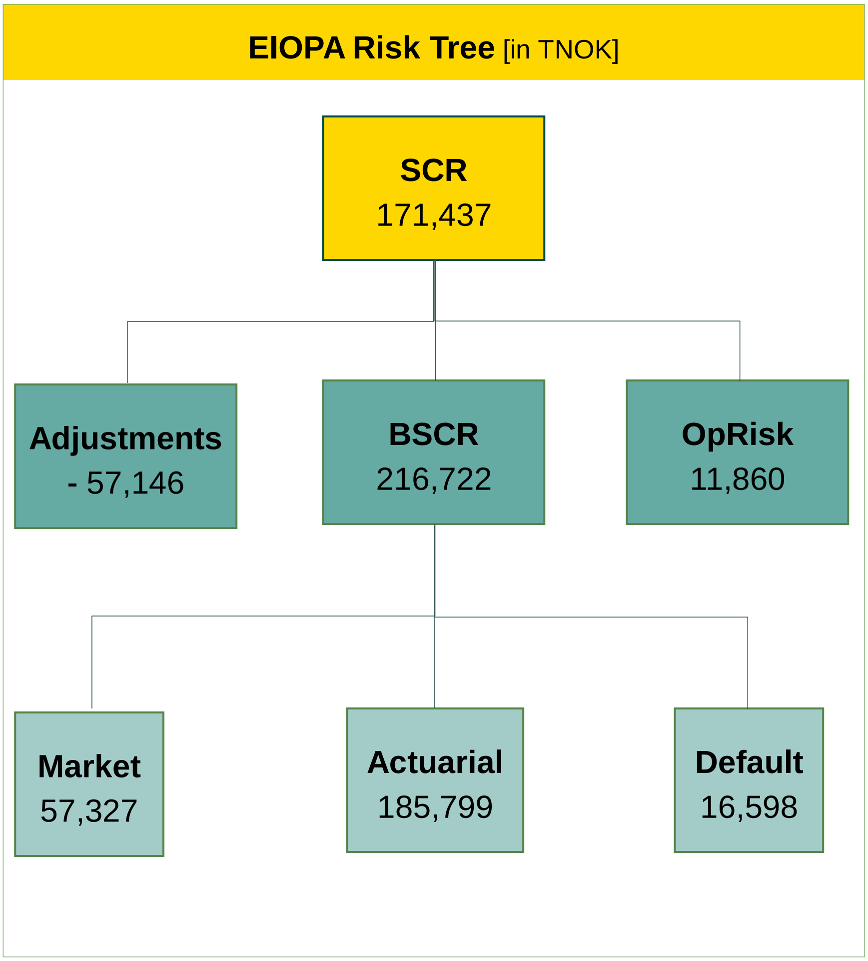
- Distribution-/discharge barrier
- Payment in capital reserve
- Borrowing
- Increase of capital

Replace basic own-funds items

Basic own fund items may be taken under certain conditions for up to 10 years after the 1st of January 2016 in the Tier 1 or Tier 2 basic own funds. These conditions are described in the Solvency II directive 2009/138/EC Art 308b paragraphs 9 and 10. In the ORSA process concerning the planning horizon of the company no need to replace the original own funds components had been identified in the 2016 financial year. Accordingly, no above-mentioned plans had been created in the reporting year.

E.2 Solvency capital requirement and minimum capital requirement

The coverage ratio with 147 percent is clearly above the regulatory requirement and expresses the high risk buffer in favor of the policyholder.



The insurance company is not using a simplified calculation in the standard formula. Further the undertaking is not using any undertaking-specific parameters pursuant to Article 104(7) of Directive 2009/138/EC.

The minimum capital requirement at year end 2016 is TNOK 63,211, which conform to 36 percent of the current solvency capital requirement and represent a minimum capital requirement coverage ratio of 398 percent.

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

The duration-based equity risk sub-module was not supplied for any calculations of the solvency capital requirements.

E.4 Difference between the standard formula and any internal model used

HELP is using the standard formula for calculation of their Solvency Capital Requirement.

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

The undertaking does not expect any reasonable foreseeable risk of non-compliance with the undertaking’s Minimum Capital Requirement or Solvency Capital Requirement.

E.6 Any other information

All essential information is mentioned in the chapters before.

Annex

Annex I
S.02.01.02
Balance sheet

		Solvency II value
Assets		**C0010**
Intangible assets	**R0030**	0
Deferred tax assets	**R0040**	0
Pension benefit surplus	**R0050**	0
Property, plant & equipment held for own use	**R0060**	13.120
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	599.033
Property (other than for own use)	**R0080**	0
Holdings in related undertakings, including participations	**R0090**	0
Equities	**R0100**	0
Equities - listed	**R0110**	0
Equities - unlisted	**R0120**	0
Bonds	**R0130**	487.514
Government Bonds	**R0140**	69.836
Corporate Bonds	**R0150**	403.711
Structured notes	**R0160**	13.967
Collateralised securities	**R0170**	0
Collective Investments Undertakings	**R0180**	108.165
Derivatives	**R0190**	0
Deposits other than cash equivalents	**R0200**	3.353
Other investments	**R0210**	0
Assets held for index-linked and unit-linked contracts	**R0220**	0
Loans and mortgages	**R0230**	0
Loans on policies	**R0240**	0
Loans and mortgages to individuals	**R0250**	0
Other loans and mortgages	**R0260**	0
Reinsurance recoverables from:	**R0270**	0
Non-life and health similar to non-life	**R0280**	0
Non-life excluding health	**R0290**	0
Health similar to non-life	**R0300**	0
Life and health similar to life, excluding health and index-linked and unit-linked	**R0310**	0
Health similar to life	**R0320**	0
Life excluding health and index-linked and unit-linked	**R0330**	0
Life index-linked and unit-linked	**R0340**	0
Deposits to cedants	**R0350**	0
Insurance and intermediaries receivables	**R0360**	70.269
Reinsurance receivables	**R0370**	0
Receivables (trade, not insurance)	**R0380**	1.354
Own shares (held directly)	**R0390**	0
Amounts due in respect of own fund items or initial fund called up but not yet paid in	**R0400**	.
Cash and cash equivalents	**R0410**	48.020
Any other assets, not elsewhere shown	**R0420**	1.513
Total assets	**R0500**	**733.309**

		Solvency II value
Liabilities		**C0010**
Technical provisions – non-life	**R0510**	366.250
Technical provisions – non-life (excluding health)	**R0520**	366.250
TP calculated as a whole	**R0530**	0
Best Estimate	**R0540**	341.299
Risk margin	**R0550**	24.951
Technical provisions - health (similar to non-life)	**R0560**	0
TP calculated as a whole	**R0570**	0
Best Estimate	**R0580**	0
Risk margin	**R0590**	0
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	0
Technical provisions - health (similar to life)	**R0610**	0
TP calculated as a whole	**R0620**	0
Best Estimate	**R0630**	0
Risk margin	**R0640**	0
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	0
TP calculated as a whole	**R0660**	0
Best Estimate	**R0670**	0
Risk margin	**R0680**	0
Technical provisions – index-linked and unit-linked	**R0690**	0
TP calculated as a whole	**R0700**	0
Best Estimate	**R0710**	0
Risk margin	**R0720**	0
Contingent liabilities	**R0740**	0
Provisions other than technical provisions	**R0750**	0
Pension benefit obligations	**R0760**	0
Deposits from reinsurers	**R0770**	0
Deferred tax liabilities	**R0780**	24.839
Derivatives	**R0790**	0
Debts owed to credit institutions	**R0800**	0
Financial liabilities other than debts owed to credit institutions	**R0810**	0
Insurance & intermediaries payables	**R0820**	0
Reinsurance payables	**R0830**	0
Payables (trade, not insurance)	**R0840**	7.257
Subordinated liabilities	**R0850**	0
Subordinated liabilities not in BOF	**R0860**	0
Subordinated liabilities in BOF	**R0870**	.
Any other liabilities, not elsewhere shown	**R0880**	83.695
Total liabilities	**R0900**	482.040
Excess of assets over liabilities	**R1000**	**251.269**

Annex I
S.05.01.02
Premiums, claims and expenses by line of business

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional**								
		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
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**
Premiums written										
Gross - Direct Business	**R0110**	0	0	0	0	0	0	0	0	0
Gross - Proportional reinsurance accepted	**R0120**	0	0	0	0	0	0	0	0	0
Gross - Non-proportional reinsurance accepted	**R0130**									
Reinsurers' share	**R0140**	0	0	0	0	0	0	0	0	0
Net	**R0200**	0	0	0	0	0	0	0	0	0
Premiums earned										
Gross - Direct Business	**R0210**	0	0	0	0	0	0	0	0	0
Gross - Proportional reinsurance accepted	**R0220**	0	0	0	0	0	0	0	0	0
Gross - Non-proportional reinsurance accepted	**R0230**									
Reinsurers' share	**R0240**	0	0	0	0	0	0	0	0	0
Net	**R0300**	0	0	0	0	0	0	0	0	0
Claims incurred										
Gross - Direct Business	**R0310**	0	0	0	0	0	0	0	0	0
Gross - Proportional reinsurance accepted	**R0320**	0	0	0	0	0	0	0	0	0
Gross - Non-proportional reinsurance accepted	**R0330**									
Reinsurers' share	**R0340**	0	0	0	0	0	0	0	0	0
Net	**R0400**	0	0	0	0	0	0	0	0	0
Changes in other technical provisions										
Gross - Direct Business	**R0410**	0	0	0	0	0	0	0	0	0
Gross - Proportional reinsurance accepted	**R0420**	0	0	0	0	0	0	0	0	0
Gross - Non- proportional reinsurance accepted	**R0430**									
Reinsurers'share	**R0440**	0	0	0	0	0	0	0	0	0
Net	**R0500**	0	0	0	0	0	0	0	0	0
Expenses incurred	**R0550**	0	0	0	0	0	0	0	0	0
Other expenses	**R1200**									
Total expenses	**R1300**									

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**			Line of business for: **accepted non-proportional reinsurance**				Total
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0100	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written									
Gross - Direct Business	**R0110**	376.409	0	0					376.409
Gross - Proportional reinsurance accepted	**R0120**	0	0	0					0
Gross - Non-proportional reinsurance accepted	**R0130**				0	0	0	0	0
Reinsurers' share	**R0140**	0	0	0	0	0	0	0	0
Net	**R0200**	376.409	0	0	0	0	0	0	376.409
Premiums earned									
Gross - Direct Business	**R0210**	397.593	0	0					397.593
Gross - Proportional reinsurance accepted	**R0220**	0	0	0					0
Gross - Non-proportional reinsurance accepted	**R0230**				0	0	0	0	0
Reinsurers' share	**R0240**	0	0	0	0	0	0	0	0
Net	**R0300**	397.593	0	0	0	0	0	0	397.593
Claims incurred									
Gross - Direct Business	**R0310**	165.016	0	0					165.016
Gross - Proportional reinsurance accepted	**R0320**	0	0	0					0
Gross - Non-proportional reinsurance accepted	**R0330**				0	0	0	0	0
Reinsurers' share	**R0340**	0	0	0	0	0	0	0	0
Net	**R0400**	165.016	0	0	0	0	0	0	165.016
Changes in other technical provisions									
Gross - Direct Business	**R0410**	49.454	0	0					49.454
Gross - Proportional reinsurance accepted	**R0420**	0	0	0					0
Gross - Non- proportional reinsurance accepted	**R0430**				0	0	0	0	0
Reinsurers'share	**R0440**	0	0	0	0	0	0	0	0
Net	**R0500**	49.454	0	0	0	0	0	0	49.454
Expenses incurred	**R0550**	150.447	0	0	0	0	0	0	150.447
Other expenses	**R1200**								0
Total expenses	**R1300**								150.447

		Line of Business for: **life insurance obligations**						**Life reinsurance obligations**		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
		C0210	**C0220**	**C0230**	**C0240**	**C0250**	**C0260**	**C0270**	**C0280**	**C0300**
Premiums written										
Gross	**R1410**	0	0	0	0	0	0	0	0	0
Reinsurers' share	**R1420**	0	0	0	0	0	0	0	0	0
Net	**R1500**	0	0	0	0	0	0	0	0	0
Premiums earned										
Gross	**R1510**	0	0	0	0	0	0	0	0	0
Reinsurers' share	**R1520**	0	0	0	0	0	0	0	0	0
Net	**R1600**	0	0	0	0	0	0	0	0	0
Claims incurred										
Gross	**R1610**	0	0	0	0	0	0	0	0	0
Reinsurers' share	**R1620**	0	0	0	0	0	0	0	0	0
Net	**R1700**	0	0	0	0	0	0	0	0	0
Changes in other technical provisions										
Gross	**R1710**	0	0	0	0	0	0	0	0	0
Reinsurers' share	**R1720**	0	0	0	0	0	0	0	0	0
Net	**R1800**	0	0	0	0	0	0	0	0	0
Expenses incurred	**R1900**	0	0	0	0	0	0	0	0	0
Other expenses	**R2500**									0
Total expenses	**R2600**									0

Annex I
S.17.01.02
Non-life Technical Provisions

		Direct business and accepted proportional reinsurance								
		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
		C0020	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**
Technical provisions calculated as a whole	**R0010**	-	-	-	-	-	-	-	-	-
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	**R0050**	-	-	-	-	-	-	-	-	-
Technical provisions calculated as a sum of BE and RM										
Best estimate										
Premium provisions										
Gross	**R0060**	-	-	-	-	-	-	-	-	-
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**	-	-	-	-	-	-	-	-	-
Net Best Estimate of Premium Provisions	**R0150**									
Claims provisions										
Gross	**R0160**	-	-	-	-	-	-	-	-	-
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**	-	-	-	-	-	-	-	-	-
Net Best Estimate of Claims Provisions	**R0250**	-	-	-	-	-	-	-	-	-
Total Best estimate - gross	**R0260**	-	-	-	-	-	-	-	-	-
Total Best estimate - net	**R0270**	-	-	-	-	-	-	-	-	-
Risk margin	**R0280**	-	-	-	-	-	-	-	-	-
Amount of the transitional on Technical Provisions										
Technical Provisions calculated as a whole	**R0290**	-	-	-	-	-	-	-	-	-
Best estimate	**R0300**	-	-	-	-	-	-	-	-	-
Risk margin	**R0310**	-	-	-	-	-	-	-	-	-

		Direct business and accepted proportional reinsurance								
		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
		C0020	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**
Technical provisions - total										
Technical provisions - total	**R0320**	-	-	-	-	-	-	-	-	-
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**	-	-	-	-	-	-	-	-	-
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0340**	-	-	-	-	-	-	-	-	-

		Direct business and accepted proportional reinsurance			Accepted non-proportional reinsurance				Total Non-Life obligation
		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	
		C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	**R0010**	-	-	-	-	-	-	-	-
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	**R0050**	-	-	-	-	-	-	-	-
Technical provisions calculated as a sum of BE and RM									
Best estimate									
Premium provisions									
Gross	**R0060**	43.543	.	.	.	.	.	.	43.543
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**	0	.	.	.	.	.	.	0
Net Best Estimate of Premium Provisions	**R0150**	43.543	.	.	.	.	.	.	43.543
Claims provisions									
Gross	**R0160**	297.756	.	.	.	.	.	.	297.756
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**	0	.	.	.	.	.	.	0
Net Best Estimate of Claims Provisions	**R0250**	297.756	.	.	.	.	.	.	297.756
Total Best estimate - gross	**R0260**	341.299	.	.	.	.	.	.	341.299
Total Best estimate - net	**R0270**	341.299	.	.	.	.	.	.	341.299
Risk margin	**R0280**	24.951	.	.	.	.	.	.	24.951
Amount of the transitional on Technical Provisions									
Technical Provisions calculated as a whole	**R0290**	.	.	.	.	.	.	.	.
Best estimate	**R0300**	.	.	.	.	.	.	.	.
Risk margin	**R0310**	.	.	.	.	.	.	.	.

		Direct business and accepted proportional reinsurance			Accepted non-proportional reinsurance				Total Non-Life obligation
		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	
		C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions - total									
Technical provisions - total	**R0320**	366.250	.	.	.	.	.	.	366.250
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**	0	.	.	.	.	.	.	0
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0340**	366.250	.	.	.	.	.	.	366.250

Annex I
S.19.01.21
Non-life insurance claims

Total Non-Life Business

Accident year / Underwriting year	Z0010	Accident year [AY]

Gross Claims Paid (non-cumulative)
(absolute amount)

Development year

	Year	0	1	2	3	4	5	6	7	8	9	10 & +
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110
Prior	R0100											2.314
N-9	R0160	6.527	12.435	6.047	3.093	4.295	1.260	549	72	24	10	
N-8	R0170	8.477	10.983	6.359	4.906	3.060	1.326	1.220	2.347	443		
N-7	R0180	10.336	18.135	12.348	7.873	4.892	2.729	3.741	1.156			
N-6	R0190	27.621	43.463	23.570	14.414	11.155	4.482	2.400				
N-5	R0200	46.704	58.909	30.017	17.528	13.308	8.685					
N-4	R0210	57.166	69.951	46.555	34.429	19.952						
N-3	R0220	67.268	64.998	44.415	27.173							
N-2	R0230	76.541	94.400	54.067								
N-1	R0240	82.556	108.630									
N	R0250	88.020										

		In Current year	Sum of years (cumulative)
		C0170	C0180
	R0100	2.314	2.314
	R0160	10	34.311
	R0170	443	39.119
	R0180	1.156	61.209
	R0190	2.400	127.105
	R0200	8.685	175.151
	R0210	19.952	228.053
	R0220	27.173	203.854
	R0230	54.067	225.007
	R0240	108.630	191.186
	R0250	88.020	88.020
Total	R0260	312.849	1.391.056

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

		Development year										
	Year	**0**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10 & +**
		C0200	**C0210**	**C0220**	**C0230**	**C0240**	**C0250**	**C0260**	**C0270**	**C0280**	**C0290**	**C0300**
Prior	**R0100**											31
N-9	**R0160**	0	0	0	0	0	0	0	0	0	140	
N-8	**R0170**	0	0	0	0	0	0	0	0	224		
N-7	**R0180**	0	0	0	0	0	0	0	651			
N-6	**R0190**	0	0	0	0	0	0	3.786				
N-5	**R0200**	0	0	0	0	0	9.774					
N-4	**R0210**	0	0	0	0	20.681						
N-3	**R0220**	0	0	0	35.527							
N-2	**R0230**	0	0	84.358								
N-1	**R0240**	0	166.073									
N	**R0250**	280.748										

		Year end (discounted data)
		C0360
	R0100	0
	R0160	136
	R0170	217
	R0180	632
	R0190	3.706
	R0200	9.536
	R0210	20.111
	R0220	34.539
	R0230	81.837
	R0240	160.728
	R0250	271.465
Total	**R0260**	582.938

Annex I

S.23.01.01

Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35						
Ordinary share capital (gross of own shares)	**R0010**	36.092	36.092		.	
Share premium account related to ordinary share capital	**R0030**	.	.		.	
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	**R0040**	.	.		.	
Subordinated mutual member accounts	**R0050**	.		.	.	.
Surplus funds	**R0070**	.	.			
Preference shares	**R0090**	.		.	.	.
Share premium account related to preference shares	**R0110**	.		.	.	.
Reconciliation reserve	**R0130**	215.177	215.177			
Subordinated liabilities	**R0140**	.		.	.	.
An amount equal to the value of net deferred tax assets	**R0160**	0				0
Other own fund items approved by the supervisory authority as basic own funds not specified above	**R0180**	.	.	.	.	.
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						
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	**R0220**					
Deductions						
Deductions for participations in financial and credit institutions	**R0230**	0	0	0	0	0
Total basic own funds after deductions	**R0290**	251.269	251.269	0	0	0
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	**R0300**	.			.	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	**R0310**	.			.	
Unpaid and uncalled preference shares callable on demand	**R0320**	.			.	.
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	**R0330**	.			.	.
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	**R0340**	.			.	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	**R0350**	.			.	.
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	**R0360**	.			.	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	**R0370**	.			.	.
Other ancillary own funds	**R0390**	.			.	.
Total ancillary own funds	**R0400**	.			.	.
Available and eligible own funds						
Total available own funds to meet the SCR	**R0500**	251.269	251.269	0	0	0
Total available own funds to meet the MCR	**R0510**	251.269	251.269	0	0	
Total eligible own funds to meet the SCR	**R0540**	251.269	251.269	0	0	0
Total eligible own funds to meet the MCR	**R0550**	251.269	251.269	0	0	
SCR	**R0580**	171.437				
MCR	**R0600**	63.211				
Ratio of Eligible own funds to SCR	**R0620**	1,47				
Ratio of Eligible own funds to MCR	**R0640**	3,98				

		C0060	
Reconciliation reserve			
Excess of assets over liabilities	**R0700**	251.269	
Own shares (held directly and indirectly)	**R0710**	0	
Foreseeable dividends, distributions and charges	**R0720**	0	
Other basic own fund items	**R0730**	36.092	
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	**R0740**	0	
Reconciliation reserve	**R0760**	215.177	
Expected profits			
Expected profits included in future premiums (EPIFP) - Life business	**R0770**		
Expected profits included in future premiums (EPIFP) - Non- life business	**R0780**		
Total Expected profits included in future premiums (EPIFP)	**R0790**		

Annex I

S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	**C0090**	**C0100**
Market risk	**R0010**	57.327		
Counterparty default risk	**R0020**	16.598		
Life underwriting risk	**R0030**	.		
Health underwriting risk	**R0040**	.		
Non-life underwriting risk	**R0050**	185.799		
Diversification	**R0060**	-43.002		
Intangible asset risk	**R0070**	0		
Basic Solvency Capital Requirement	**R0100**	216.722		

Calculation of Solvency Capital Requirement		**C0100**
Operational risk	**R0130**	11.860
Loss-absorbing capacity of technical provisions	**R0140**	0
Loss-absorbing capacity of deferred taxes	**R0150**	-57.146
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	**R0160**	.
Solvency capital requirement excluding capital add-on	**R0200**	171.437
Capital add-on already set	**R0210**	.
Solvency capital requirement	**R0220**	171.437
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	**R0400**	.
Total amount of Notional Solvency Capital Requirement for remaining part	**R0410**	.
Total amount of Notional Solvency Capital Requirements for ring fenced funds	**R0420**	0
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	**R0430**	0
Diversification effects due to RFF nSCR aggregation for article 304	**R0440**	0

Annex I
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

		C0010
MCR_{NL} Result	R0010	63.211

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	.	.
Income protection insurance and proportional reinsurance	R0030	.	.
Workers' compensation insurance and proportional reinsurance	R0040	.	.
Motor vehicle liability insurance and proportional reinsurance	R0050	.	.
Other motor insurance and proportional reinsurance	R0060	.	.
Marine, aviation and transport insurance and proportional reinsurance	R0070	.	.
Fire and other damage to property insurance and proportional reinsurance	R0080	.	.
General liability insurance and proportional reinsurance	R0090	.	.
Credit and suretyship insurance and proportional reinsurance	R0100	.	.
Legal expenses insurance and proportional reinsurance	R0110	341.299	373.391
Assistance and proportional reinsurance	R0120	.	.
Miscellaneous financial loss insurance and proportional reinsurance	R0130	.	.
Non-proportional health reinsurance	R0140	.	.
Non-proportional casualty reinsurance	R0150	.	.
Non-proportional marine, aviation and transport reinsurance	R0160	.	.
Non-proportional property reinsurance	R0170	.	.

Linear formula component for life insurance and reinsurance obligations

		C0040
MCR_L Result	**R0200**	-

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	**C0060**
Obligations with profit participation - guaranteed benefits	**R0210**	-	
Obligations with profit participation - future discretionary benefits	**R0220**	-	
Index-linked and unit-linked insurance obligations	**R0230**	-	
Other life (re)insurance and health (re)insurance obligations	**R0240**	-	
Total capital at risk for all life (re)insurance obligations	**R0250**		-

Overall MCR calculation

		C0070
Linear MCR	**R0300**	63.211
SCR	**R0310**	171.437
MCR cap	**R0320**	77.147
MCR floor	**R0330**	42.859
Combined MCR	**R0340**	63.211
Absolute floor of the MCR	**R0350**	22.673

		C0070
Minimum Capital Requirement	**R0400**	63.211