

## **Solvency and Financial Condition Report**

**For the period 1 Jan – 31 Dec 2016**



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**Appendix: Annual Quantitative Reporting Templates (QRTs)**

## Summary

The Swedish Club is in a sound financial position. This is reflected in this Solvency and Financial Condition Report (SFCR) and the company's annual report. This SFCR partly overlaps with the annual report; however, it provides additional insight into our solvency position, based on the Solvency II regulations. Nevertheless, the annual report could provide an even more comprehensive view on the company's operations.

The Swedish Club is delivering consistent underwriting performance. The combined ratios of 2016 and 2015 were 99% and 99% respectively – the last eight-year average was 97%. Returns on financial investments have been a bit more volatile but in line with overall financial markets' performances. There has been an underlying trend of the operations' growth for the last ten years in which premium volumes have expanded and free reserves have close to doubled.

The solvency ratio of Basic Own Funds (BOF) in relation to net Solvency Capital Requirement (SCR) was 182% at the end of December 2016. This ratio improved compared to 1 January 2016. The improvement comes from a combination of a lower SCR, due mainly to lower underwriting risk by means of reinsurance, and higher BOF, mainly as a consequence of increased free reserves, lower best estimate of liabilities, and increased discounting effect thereof due to a higher US interest rate.

With the exception of the 2016 introduction of quota-share reinsurance cover for underwriting risks related to the Energy sector, there has been no material changes to insurance or reinsurance undertakings. The operations and performance thereof have not been outside of established business models.

The risk exposure profile of the company has not changed materially in the last year; however, the ability to cover risks has improved by means of growing free reserves.

The system of governance is continually fine-tuned to meet the challenges of operations, but there were no material changes introduced during 2016.

The capital management set-up has remained virtually unchanged in the course of 2016 in terms of exposures to various asset classes and related counterparties.

## **Sammanfattning (in Swedish)**

The Swedish Club har en sund finansiell ställning. Detta återspeglas i denna Solvens- och verksamhetsrapport (SFCR) och i bolagets årsredovisning. SFCR överlappar delvis med årsredovisningen; men ger ytterligare insikt i vår solvens baserat på Solvens II-reglerna. Likväl kan årsredovisningen ge en ännu mer omfattande syn på företagets verksamhet.

The Swedish Club levererar ett förutsägbart och konsekvent försäkringstekniskt resultat. Totalkostnadsprocenten för både 2016 och 2015 var 99% och genomsnittet för de senaste åtta åren var 97%. Avkastning på finansiella placeringar har varit lite mer volatil men i linje med den övergripande utvecklingen på de finansiella marknaderna. Det har funnits en

underliggande trend av tillväxt i verksamheten under de senaste tio åren, där premievolymerna har ökat och konsolideringskapitalet nästan har fördubblats.

Primärkapitalbasen (BOF) i förhållande till solvenskapitalkravet (SCR) var 182% i slutet av december 2016. Detta förhållande förbättrades jämfört med den 1 januari 2016. Förbättringen kommer från en kombination av lägre SCR, främst beroende på lägre försäkringsrisk på grund av återförsäkring, och högre BOF, huvudsakligen som en följd av ett ökat konsolideringskapital, lägre bästa skattning av försäkringsåtaganden och ökad diskonteringsseffekt på grund av högre ränta i USA.

Med undantag för ett återförsäkringsskydd med quota-share som infördes 2016 för försäkringsrisker relaterade till Energy sektorn, har det inte skett några väsentliga förändringar i försäkrings- eller återförsäkringsverksamheten. Verksamheten och dess resultat har inte varit utanför etablerade affärsmodeller.

Bolagets riskexponeringsprofil har inte förändrats väsentligt under det senaste året; dock har förmågan att täcka risker förbättras genom det ökade konsolideringskapitalet.

Företagsstyrningssystemet finjusteras kontinuerligt för att möta utmaningar i verksamheten, men inga materiella förändringar genomfördes under 2016.

När det gäller exponeringar mot olika tillgångsklasser och tillhörande motparter har kapitalhantering varit i stort sett oförändrad under 2016.

## **A. Business and performance**

### **A.1 Business and general information**

The structure of the Solvency and Financial Condition Report (SFCR) has been prepared as described in Annex XX (twenty) of the European Union Commission delegated regulation 2015/35.

Unless otherwise stated, all amounts in this report are in SEK millions (M). Amounts within brackets represent the previous financial year.

The Swedish Club is a marine mutual insurance company. The registered legal business name is Sveriges Ångfartygs Assurans Förening and secondary name The Swedish Club.

The Company is licensed by Finansinspektionen, the Swedish Financial Supervisory Authority, to carry out Direct and Indirect Non-life insurance under the following classes:

- 6. Ships
- 12. Liability for ships
- 17. Legal expenses

Finansinspektionen's contact details can be obtained from its website: [www.fi.se](http://www.fi.se) and it can be contacted directly at Brunnsgatan 3 in central Stockholm or by phone on +46 8 408 980 00

The Company's external auditors are PwC, SE-113 97 Stockholm, Sweden. Visiting address: Torsgatan 21, Tel: +46 8 555 330 00, Website: [www.pwc.se](http://www.pwc.se)

The Company's insurance classes are all classified under the line of business MAT (Marine, Aviation and Transport).

The Company writes insurance with members domiciled in several countries. The most important markets by premiums and policyholders' country of domicile are shown in the table below. Amounts in SEK million.

Market	2016	2015	2016%	2015%
Greece	265.4	300.1	19%	20%
China	261.6	268.7	18%	18%
Germany	248.8	302.4	18%	20%
Singapore	97.8	85.3	7%	6%
Norway	90.2	91.8	6%	6%
Sweden	83.7	90.7	6%	6%
Other countries	371.6	381.6	26%	25%
<b>Gross premiums written</b>	<b>1,419.1</b>	<b>1,520.4</b>	<b>100%</b>	<b>100%</b>

## A.2 Underwriting performance

Amounts in SEK and USD million	2016 SEK	2015 SEK	2016 USD	2015 USD
Premiums earned, net of reinsurance	1,104.9	1,198.9	130.5	142.9
Claims incurred, net of reinsurance	-875.0	-971.3	-103.0	-115.2
Net operating expenses	-214.0	-214.1	-25.4	-25.7
Underwriting result	56.6	54.5	6.8	6.8
Combined ratio	98.6%	98.9%	98.4%	98.6%

Part of the investment income in the financial statements is reallocated to insurance activities. The amount is based on the expected return on the investment portfolio for the current year's average technical provisions for own account. The transferred investment income amounted to SEK M 41 (41). This is not reflected in the supervisory reporting. However, the combined ratio is not affected by the transferred investment income.

The Majority of the Insurance contracts are written from the office in Gothenburg, Sweden but also from Oslo, Norway.

Additional details about the undertaking's underwriting income and expenses can be found in the Appendix - report S.05.02.01. This report also includes a split between business in Sweden and Norway.

Parts of the pool P&I reinsurance protection are covered by the captive company, Hydra Insurance Company Limited (Bermuda), which is partly owned by the Club.

The Supervisory regulatory reported figures for claims incurred, includes the changes in the value of Hydra. This is booked as change in other technical provisions in the financial accounts.

Changes in other technical provisions amounted to SEK M -29 (15).

### **A.3 Investment performance**

The Club's primary objective is to identify an acceptable risk level from which it can maximize long-term investment returns, while at the same time matching technical provisions in terms of currency and duration. Average duration of the bond investments is 4.3 years.

Investments are valued by market value. Where assets are suspended and no market value is available in an active market, a fair value has been calculated by an independent nominee.

Investment income comprises dividends, interest income, realised gains and losses on investments, unrealised gains and losses and investment management costs. In the financial statements, realised gains represent the difference between market value at point of sale and the purchase price. The movement in unrealised gains and losses on investments represents the difference between market value on the balance sheet date and their purchase price.

At the end of 2016, the value of the Club's investments amounted to SEK M 3,198 (2,918), of which 78% (77) consists of interest-bearing securities and 22% (23) is equity funds. The financial result, including exchange rate differences amounted to SEK M 228 (62). The result from interest-bearing securities was SEK M 68 (-29). The result for quoted shares amounted to SEK M 26 (17) and the result for other financial income and expenses amounted to SEK M -4 (-6).

#### Investments in securitisation

The Club does not directly invest in securitisation assets.

### **A.4 Performance of other activities**

No other material income and expenses have incurred over the reporting period.

### **A.5 Any other information**

There are no other material matters in respect to the business or performance of the Company.

## **B. System of governance**

### **B.1 General information on the system of governance**

#### **B.1.1 Authority levels and Committees**

The Annual General Meeting (AGM) is the highest authority and consists of all the Club's members. It elects the members of the Board and members of the Club's election committee, approves the annual accounts, appoints external auditors and deals with any other business duly referred to it.

The Board of Directors has the ultimate responsibility for the Club's business operating in accordance with applicable laws and regulations. The Board decides on the Club's strategic direction and establishes directives and instructions, as well as ensuring that appropriate internal instructions for risk management and risk control exist.

The Board continuously monitors the company's operations, financial performance and asset management. The Board shall have regular interaction with any committee it establishes as well as with the management team and other key functions. The Board shall request information proactively and challenging it when necessary. The duties and responsibilities of the Board are set out in its working procedures. The Board consists of 24 members including two staff representatives.

The Club's Election Committee proposes new board members, and members to the election committee, to the AGM for election of Board members. The committee also proposes remuneration to board members. The committee consists of three members including one board member.

The Finance & Audit Committee is a subgroup of the Board. Its task is to serve as a link between the Board, management and the auditors regarding financial matters and preparing matters to enable the Board to make well-informed decisions. It shall review recommendations and provide feedback to management on key areas, such as changes in investment allocation, auditing, compliance and premium collection. It shall supervise the performance of the investment operations and decide on investment allocations within limits stated in the Club's investment directive. The Finance & Audit Committee consists of seven members including the managing director and director of finance, risk management and IT.

No material changes in the system of governance have taken place over the reporting period.

#### **B.1.2 Remuneration policy**

Each year, the Board reviews and establishes a directive for the remuneration policy. The basis for this was a risk analysis that was conducted the Board of Directors upon adoption of the directive. The result of the analysis was that the Club's remuneration policy does not involve any tangible risks. The assessment is based primarily on the conclusion that the policy supports The Club's long-term interests, that it promotes effective risk management and discourages excessive risk taking.

### Remuneration model and criteria for variable remuneration

Fixed monthly salary is the primary source of remuneration. Variable remuneration is used as a supplement to the fixed salary and it is either collective or individual. The variable remuneration is meant to stimulate or reward performance that is exceptional and promotes the Club's long-term interests. The Board may suspend payment of variable remuneration if it feels that there are exceptional circumstances and that such payment would be inappropriate, or that it would be contrary to the Club's interests. Senior management may suspend or reduce the bonus payment to an employee if the employee fails to comply with the rules and regulations or has other behavioural issues. Variable remuneration payments are only made in cash.

### Collective variable remuneration

The collective remuneration is a bonus that is based on the result criteria Combined Ratio<sup>1</sup> and Required return on capital. The Club's potential total bonus amounts to 20% of the surplus after deduction for the return on capital, which is an amount decided by the Board. The maximum bonus amount, however, is limited to 10% of the Club's gross annual payroll amount, including social security expenses and employer's contributions. The maximum bonus amount per individual is limited to 10% of his or her gross annual salary.

### Individual variable remuneration

The individual variable remuneration is a bonus based on performance and results. All employees may qualify themselves for this bonus, but the decision is made by the Board for senior executives. Remuneration to employees who work with compliance or in the control function is to be based on their performance on regulatory compliance, internal control or risk control and it should be independent of the work areas that they control.

Individual bonuses may not exceed 3% of the employee's gross annual salary. Neither may the Club's total payments for individual bonuses exceed 2% of the Club's total annual gross payroll amount.

## **B.1.3 Related-party transactions**

With the exception of what is required by insurance contracts, there are no related party transactions with Board members. Neither are there any related party transactions with senior executives of the Club.

## **B.2 Fit and proper requirements**

The company's Fit & Proper requirements are:

- Formal qualifications, knowledge and experience within the insurance sector, other financial sectors or other relevant sectors or businesses
- In the event duties are to be allocated to a person having a function within the Club that require knowledge within any of the following areas, the person must have adequate skills within the same area. The areas are: accounting, actuarial issues, corporate management, business strategy and business models, system of governance and regulatory framework

- Honesty and financial soundness based on evidence regarding their character, personal behaviour and business conduct including any criminal, financial and supervisory aspect

#### Process for employing members of the Management Group except the Managing Director

The managing director shall assess prospective members of the management group with respect to the above Fit & Proper requirements. The assessment is documented.

#### Process for employing Managing Director and his/her deputy

The Board shall assess the prospective managing director with respect to the above Fit & Proper requirements. The assessment is documented.

#### The process for employing Persons having Key Functions

The director human resources and/or director corporate legal shall assess persons having key functions with respect to the above Fit & Proper requirements. The assessment is documented.

Persons subject to the Fit & Proper requirements shall inform the Club about any change in circumstance that may have an adverse effect on the performed assessment.

The respective person's skills, knowledge and suitability for the required duties are reviewed annually.

In addition to the Club's own verification as to the Fit & Proper requirements, all persons are vetted by the Swedish Financial Supervisory Authority.

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

The objective with the company's risk management system is to create and protect value for the Members of the undertaking. The system is characterised by a holistic, integrated, value and top-down driven enterprise wide risk management system, based on a risk culture shared by the entire organization and using a common risk language. This is executed through the risk management control cycle, which involves the systematic identification, valuation, monitoring and reporting of all existing and emerging risks.

The risk management function is responsible for monitoring the Club's risk management system and reporting to the managing director, and in the event of major risk exposure, directly to the Board. The function is headed by a risk manager objective and free from undue influences from other functions and from the administrative, management or supervisory body. The risk management function reports to the Board twice a year.

The risk management system safeguards that the Club is operating within acceptable limits according to its risk appetite and tolerance limits.

Each department, together with the risk management function, has appointed risk owners. The risk owners are responsible for coordinating the risk management activities on an operational level, i.e. the first line of defence. The responsibility of managing the risks lays

on each individual affected by the risk and coordinated by the risk owner in each department. This method leads to a truly holistic, value driven, top-down and integrated Enterprise Risk Management (ERM) process that involves the whole organization.

An annual workshop about risk identification, risk valuation and risk mitigation is carried out and led by the risk owners in each department. The workshop is facilitated by the risk management function and the findings and actions required to mitigate the risks are registered in the Club's web-based application called SCORR, Swedish Club Operational Risk Register.

Incidents or near misses are reported in SCIR, Swedish Club Incident Reporting, which every employee of the Club has access to.

The risk owners report to the risk management function on the risk management tasks annually.

#### The Own Risk and Solvency Assessment (ORSA) process:

The Club has developed its own internal capital model, (ICM) for the purpose of quantifying its own risks. The ICM uses stochastic simulations to generate claims according to probability distributions, which are fitted to the Club's own historical outcomes and relevant external data. For the purpose of calculation of the market risk of the investment portfolio, an Economic Scenario Generator, ESG, is used.

The main assumption about the business development is the Club's most recent financial plan.

The sixth ORSA of the Club was carried out during the autumn of 2016 following the Club's Directive for Own Solvency and Risk Assessment resulting in a written report which was approved by the Board and filed with Finansinspektionen.

ORSA is an integral part of the Club's business strategy and business planning process. The result and the findings of the ORSA process are taken into account on an ongoing basis in the Club's strategic decisions.

The process begins with the business planning and builds on input derived from the risk management process, which the risk owners are responsible for and which ensures the alignment of ORSA processes with the risk profile and the approved risk tolerances of the Club. The forward-looking requirement of own capital is calculated for at least the next 3 years.

The risk management function is responsible for the correctness of the parameters used in the model, i.e. that the data is complete, correct and relevant. Also relevant stress tests, sensitivity analyses and reverse stress tests are carried out and reported to quantify the effect of these adverse scenarios on the Club's own funds.

## **B.4 Internal control system**

The internal control system is designed to provide reasonable assurance regarding the achievement of objectives in the following three categories: Effectiveness and efficiency of

operations; Reliability of financial reporting; Compliance with applicable laws and regulations.

The internal control within the organization is secured through three levels. The first level of internal control is carried out by the operational functions. The second and third levels are independent of the operational functions. The second level consists of the risk management function, the actuarial function and the compliance function.

The third level is the internal audit. This function is fully independent and appointed by the Board.

Managers of an operational function or a geographical team are responsible for internal control and compliance within their area of responsibility. They make sure that the employees in the department are familiar with guidelines and instructions in the management system and all applicable rules and regulations. Managers shall control and follow-up compliance within their area of responsibility and take corrective action in case of non-compliance. The function/team managers are also responsible for informing the risk management, the actuarial, the compliance and the internal audit function of any circumstance that may be relevant for the performance of their respective duties.

The directive for Compliance is reviewed annually by the Board and shall ensure that the company at all times acts in compliance with the applicable laws, rules and regulations that apply to the Swedish Club's operation.

The compliance function consists of a compliance manager, a compliance control officer and compliance coordinators. The role of the compliance manager is to identify, estimate and reduce the risks related to non-compliance; monitor relevant legislation and changes in existing rules and regulations; provide support and advice to the organization in respect of compliance matters; provide information and training in respect of rules and regulations when necessary; obtain compliance confirmation from responsible managers; support the business when new policies, routines and instructions are to be issued. The role of the compliance control officer is to create methods and routines for auditing compliance and to identify essential risks in the business related to non-compliance. The risk analysis is continually updated and monitoring activities are conducted in accordance with the prescribed audit plan agreed with the Board. Control operations that have been carried out are reported to the Finance & Audit Committee. The role of the compliance coordinators is to assist in the compliance work in the operational functions.

## **B.5 Internal audit function**

The internal audit function is fully independent and outsourced to an external auditing firm. The function evaluates the system for internal control, any other parts of the system of governance, the independence of the actuarial function, the employees' remuneration policy, and reports its findings to the Finance & Audit Committee. The internal audit function is subordinated to the Board.

The audits are conducted in accordance with the prescribed audit plan as approved by the Board.

## **B.6 Actuarial function**

The tasks of the Actuarial Function are stipulated in the Directive for the Actuarial Function.

The actuarial function consists of four team members including the person responsible for the function.

The actuarial function is responsible for coordinating the calculations of the technical provisions, participating in the ORSA process and strengthening the Club's risk management system. The function also states an opinion on the overall underwriting policy and suitability of the reinsurance program.

The main task of the actuarial function is the coordination and the validation of the calculations of the technical provisions for both financial reporting purposes and for solvency calculations. The actuarial function is also responsible for only using qualitative data in these calculations.

## **B.7 Outsourcing**

The Company's outsourcing policy ensures that outsourcing of critical or important functions or activities do not lead to any of the following:

- a) Materially impairing the quality of the Club's system of governance
- b) Unduly increasing the operational risk
- c) Impairing the ability of the supervisory authorities to monitor the compliance of the Club
- d) Undermining continuous and satisfactory service to members

Management assesses whether a function or activity is critical or important and reports to the Board whenever outsourcing of a critical or important function or activity is considered and also when an agreement has been entered into.

The company has outsourced the internal audit function to the auditing firm KPMG operating in Sweden.

## **B.8 Any other information**

Internal audits and external audits provide independent evaluation of the Company's system of governance. Recommendations from these audits are considered by the Board and implemented proportionate to the business' risks.

To the nature, scale and complexity of the risks inherent in business operation the Company assess that the Company's system of governance is adequate.

## C. Risk profile

We distinguish between four main risk areas: insurance risk, market risk, counterparty default risk and operational risk.

### C.1 Insurance risk

Insurance risk is the uncertainty about that future insurance claims stemming from current exposures cannot be covered by the Club's premium income, or that the claims provisions are not sufficient to cover claims costs and loss adjustment expenses for incurred claims. The former risk is called premium risk and the latter risk is called reserve risk.

Premium risk is managed by careful risk selection: Potential member's vessels and the vessel management team are thoroughly reviewed prior to acceptance. Rating systems and premium models are used to ensure that correct premium levels have been charged.

In addition, the Club's comprehensive reinsurance arrangements reduce the fluctuations in the claims results. This helps protect the Club from incurring losses that are associated with very large claims, including the aggregation of losses from multiple insured interests.

The accuracy of the models is monitored on a regular basis, by comparing the actual outcome per insurance class to the expected result generated by the models. The same model is also used to simulate claims costs in the Club's ICM, which enables a consistent treatment of underwriting risk based on the capital requirements at all levels, i.e. from the company level down to the underwriting of an individual risk.

Reserve risk is associated with the uncertainty about the provisions for unpaid claims outstanding and the premium provision.

#### Insurance risk concentrations

The table below shows concentration measures for the two largest individual classes of insurance as of December 2016.

	Number of vessels	Average age (years)	Gross tonnage (millions)	Average payment period
P&I <sup>1)</sup>	1,141	9.9	47	3
H&M <sup>2)</sup>	3,165	9.3	126	2

<sup>1)</sup>P&I Owners <sup>2)</sup>100% basis including Energy risks

It is not uncommon for a vessel to be insured in more than one of the Club's business areas. In these cases, the same incident can lead to claims in more than one business area, also called clash claims. Based on how the different reinsurance protections have been set up, this could affect the allocation of claims costs between reinsurers and the Club. Clash claims primarily concerns the insurance classes shown in the table below.

	Vessels	HM <sup>1)</sup>	P&I <sup>2)</sup>	LH <sup>1)</sup>	Interest <sup>1)</sup>
Four classes	131	X	X	X	X
Three classes	16	X	X	X	
	324	X	X		X
	710	X		X	X
	10		X	X	X
Two classes	116	X	X		
	105	X		X	
	1,195	X			X
	32		X	X	
	4		X		X
	38			X	X
Vessels by class of insurance		3,165	1,141	1,395	2,429
Total number of vessels		4,125			

<sup>1)</sup>Incl. Energy risks

<sup>2)</sup>P&I Owners

The table shows the concentration of insurance classes per vessel as of 31 December 2016. 3.2% of vessels were exposed to four insurance classes, 25.7% to three classes and 36.1% to two classes.

### Risk mitigation

Reinsurance protection is essential for the successful operation of the Club. The Club has had a consistent reinsurance strategy for many years which uses both excess of loss, stop loss and quota share techniques for its risk mitigation.

For Marine & Energy, the Club purchases its own protection. This is based on a long relationship with some of the world's leading reinsurance companies — a collaboration that has been productive for all of the parties involved.

For P&I, the reinsurance is based on the cooperation within the International Group of P&I Clubs, where claim costs between USD M 10 and USD M 80 are pooled (the Pooling Agreement). To supplement this, the Group purchases reinsurance protection up to USD M 3,100 (Excess reinsurance programme). The International Group's joint reinsurance company is Hydra Insurance Group Ltd (Bermuda). It reinsures the Group's P&I pool claims for USD M 50 in excess of USD M 30 and also part of the layer USD M 1,000 in excess of USD M 80.

Parts of the pool, as well as parts of the reinsurance protection, are covered by the captive company, Hydra Insurance Company Limited (Bermuda), which is owned by the Group's 13 members. Hydra is a protected cell company, which means that the assets and liabilities in each cell are legally separate from the other cells. Each of the 13 clubs own one of the protected cells and from it claims are paid and premiums received.

Since 2010, The Swedish Club has had a reinsurance solution for the level USD M 8 in excess of USD M 2, which covers the insurance classes, Marine and P&I. The thought behind this structure is to combine the protection for the different classes and retain the first USD M 2

per combined claim. With this structure, the Club retains all claims in the layer USD M 8 in excess of USD M 2 during a normal claim year by means of an annual aggregated deductible of USD M 30.

The solvency capital requirement for insurance risk is SEK M 753.6.

## **C.2 Market risk**

The investment process is prescribed by the Investment Directive decided by the Board. The Club's investments are exclusively managed by external asset managers, either through funds or by discretionary mandates. All new investment managers and new funds must be approved by the Finance and Audit Committee.

The performance of the Club's investments are monitored on a monthly basis. The market risk is calculated monthly by using a value at risk model. The result of the model along with the results from the regulatory stress tests are reported to the Finance and Audit Committee. Follow-up, which includes sensitivity analysis, is carried out and reported on a quarterly basis to the Board.

Regarding risk concentrations in the investment portfolio it is captured by the look through process applied in the regulatory solvency calculations by grouping the portfolio positions according to single name exposures.

The solvency capital requirement for market risk is SEK M 469.7.

## **C.3 Counterparty default risk**

The Club's exposure to counterparty default is dominated by the receivables from reinsurance contracts due to the extensive reinsurance program described above. Other exposures consist of receivables from members and received guarantees from other P&I Clubs, major insurance companies and banks.

The solvency capital requirement for counterparty default risk is SEK M 99.

## **C.4 Liquidity risk**

The Company seeks to ensure that a suitable level of liquid assets is held to cover all future liabilities as they fall due. There is little liquidity risk in the short term of the Club becoming short of cash funds, since the majority of the investment portfolio can be converted to cash within a few days. In addition, the Club is not dependent on financing from capital markets.

The solvency capital requirement for liquidity risk is considered to be nil.

## **C.5 Operational risk**

The Club is exposed to a number of different types of operational risk. In order to assess these risks, the whole organization participates in annual self-assessment activities. The aim with these activities is to identify, measure and mitigate or eliminate these risks.

Important operational risks also include risks that can arise in conjunction with a catastrophic scenario, such as an office fire, IT systems breakdown, a lengthy power failure, etc. The Club has an established contingency plan for such situations, which is evaluated annually.

The solvency capital requirement for operational risk is SEK M 49.1.

## C.6 Other material risks

No other risk is recognised as material and has therefore not been quantified.

## C.7 Any other information

No other material information is applicable

## D. Valuation for solvency purposes

### D.1 Assets

Amounts in SEK million	Assets per IFRS	Assets per Solvency II
Investment assets	3,197.6	3,197.6
Reinsurance recoverables	687.7	661.3
Receivables	412.4	412.4
Other assets	357.4	357.4

The Club's investments are valued for Solvency II purposes on the same basis as the annual financial statements, which follow IFRS.

The reinsurance recoverables have, for solvency purposes, been discounted with the risk free rate term structure for US dollars given by EIOPA.

### D.2 Technical provisions

Amounts in SEK million	TP per IFRS	TP per Solvency II
Technical provisions	2,690.4	2,436.2
Best Estimate	-	2,300.2
Risk Margin	-	136.0

For IFRS the technical provision (TP) has been valued using undiscounted values.

For Solvency II purposes the technical provision is the sum of the best estimate and the risk margin. The technical provisions are calculated separately for the premium provision and for the claims provision, both using a best estimate basis.

The best estimate is the probability weighted average of future cash flows discounted with the risk free rate term structure for US dollars given by EIOPA. The probability weighted average future cash flows are calculated according to actuarial best practice and use several methods and techniques such as the development factor model, DFM, the Bornhuetter-Ferguson technique and the Cape Cod method.

Premium provisions and claims provisions are calculated separately for each homogeneous risk group and aggregated before discounting.

The risk margin is computed by calculating the discounted solvency capital for all future run-off years, multiplied by the cost of capital level given by the regulator. In the calculation of the solvency capital for each future run-off year the market risk, the premium risk and the counterparty risk, other than regarding reinsurance counterparties, is assumed to be nil.

The key source of uncertainty in the Technical Provisions is the randomness of claims both in terms of size and timing, and the impact on the ultimate cost of the unpaid claims.

Additional details about the technical provisions can be found in the Appendix - report S.17.01.02

### D.3 Other liabilities

Amounts in SEK million	Liabilities per IFRS	Liabilities per Solvency II
Insurance & Intermediaries payables	78.5	78.5
Reinsurance payables	47.3	47.3
Payables (trade, not insurance)	7.9	7.9
Any other liabilities, not elsewhere shown	94.1	94.1

The liabilities described above are all valued using the same valuation bases, methods and main assumptions for solvency purposes as in financial statements. There are no material changes over the reporting period regarding these principles.

### D.4 Alternative methods for valuation

The Company does not use alternative methods for valuation.

### D.5 Any other information

No other material information is applicable.

## E. Capital management

### E.1 Own funds

The Club's objective is to maintain a solvency level that is within the limits defined in the Company's Directive for Risk Tolerance and Solvency. An additional objective is to achieve a combination of a capital position and a risk profile that is at least in line with a single A Standard & Poor's capital value.

The directive sets out the Club's overall risk appetite, its quantitative tolerance levels, defines tolerance limits for each relevant and material category of risk and states the desired level of capitalization of the Club as a function of its own risk tolerance and business plans.

Core risks, i.e. insurance risks and market risks are monitored periodically. The time horizon of the business planning is 3 years, however, in the ORSA process a 5-year projection is used.

The Company have maintained capital sufficient to meet its minimum capital requirement throughout the period covered by this report.

The eligible amount of own funds to cover the Solvency Capital Requirement and the Minimum Capital Requirement is SEK M 1,962 (1,791). This is comprised entirely of Tier 1 Basic Own Funds. Following table explains the differences between the statutory financial statements and the excess of assets over liabilities as calculated for solvency purposes.

Amounts in SEK and USD million	SEK	USD
Statutory equity and untaxed reserves	1,773	195
Technical provision - adjustment for redundancy	+284	+31.2
Technical provision - discounting effect	+80	+8.8
Technical provision - risk margin	-136	-14.9
Intangible assets	-1	-0.1
Deferred acquisition cost	-31	-3.4
Deferred tax	-7	-0.8
Solvency II excess of assets over liabilities	<b>1,962</b>	<b>215.6</b>

As of 2 March 2017, Finansinspektionen approved an application from the company to use a method for determining ancillary own funds as tier 2 capital. With effect from this date the Eligible Own Funds will be increased by tier 2 capital corresponding to 50% of SCR. On this basis the ratio of Eligible own funds to SCR would be 232%.

Additional details about the Own Funds can be found in the Appendix - report S.23.01.01

### E.2 Solvency Capital Requirement and Minimum Capital Requirement

The amount of the Company's Solvency Capital Requirement (SCR) at the end of the reporting period is SEK M 1,078.

The table below shows the risk modules of the SCR calculation using the Standard Formula.

<b>Amounts in SEK and USD million</b>	<b>SEK</b>	<b>USD</b>
Market risk	469.7	51.6
Counterparty default risk	99.0	10.9
Non-life underwriting risk	753.6	82.8
Diversification between risk modules	-286.3	31.5
Operational risk	49.2	5.4
Loss-absorbing capacity of deferred taxes	-7	-0.8
<b>SCR</b>	<b>1,078</b>	<b>118.5</b>

The Company uses EIOPA's Solvency II Standard Formula. It does not use Undertaking Specific Parameters (USP) and does not use simplified calculations in its computation.

Additional details about the SCR can be found in the Appendix - report S.25.01.21

The amount of the Company's Minimum Capital Requirement at the end of the reporting period was SEK M 322.

The inputs used to calculate the MCR of the Company are the Best Estimate net of reinsurance and the Written Premiums net of reinsurance in the last 12 months.

Additional details about the MCR can be found in the Appendix - report S.28.01.01

### **E.3 Use of the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement**

The Company does not use the option to calculate the equity risk as set out in Article 304 of Directive 2009/138/EC.

### **E.4 The differences between the standard formula and any internal model used**

No internal or partial internal model is used to calculate the Regulatory Capital Requirement.

### **E.5 Non-compliance with the Minimum Capital Requirement and non-compliance with the Solvency Capital Requirement**

As the Company has not faced any form of non-compliance with the Minimum Capital Requirement, or non-compliance with the Solvency Capital Requirement during the reporting period, or at the reporting date, no further information is included here.

### **E.6 Any other information**

The directors do not consider that there is any further information which should be disclosed regarding the capital management of the Company

## Appendix

All monetary amounts in this appendix are in thousands of SEK (regulatory reporting currency)

Disclosed templates for the Solvency and Financial Condition Report in accordance with Directive 2009/138/EC:

S.02.01.02	Specifying balance sheet information using the valuation in accordance with Article 75 of Directive 2009/138/EC,
S.05.01.02	Specifying information on premiums, claims and expenses using the valuation and recognition principles used in the financial statements
S.05.02.01	Specifying information on premiums, claims and expenses by country.
S.17.01.02	Specifying information on non-life technical provisions
S.19.01.21	Specifying information on non-life insurance claims in the format of development triangles
S.23.01.01	Specifying information on own funds, including basic own funds and ancillary own funds
S.25.01.21	Specifying information on the Solvency Capital Requirement calculated using the standard formula
S.28.01.01	Specifying the Minimum Capital Requirement for insurance and reinsurance undertakings engaged in only life or only non-life insurance or reinsurance activity

**S.02.01.02****Balance sheet****Assets**

Intangible assets
Deferred tax assets
Pension benefit surplus
Property, plant & equipment held for own use
Investments (other than assets held for index-linked and unit-linked contracts)
Property (other than for own use)
Holdings in related undertakings, including participations
Equities
Equities - listed
Equities - unlisted
Bonds
Government Bonds
Corporate Bonds
Structured notes
Collateralised securities
Collective Investments Undertakings
Derivatives
Deposits other than cash equivalents
Other investments
Assets held for index-linked and unit-linked contracts
Loans and mortgages
Loans on policies
Loans and mortgages to individuals
Other loans and mortgages
Reinsurance recoverables from:
Non-life and health similar to non-life
Non-life excluding health
Health similar to non-life
Life and health similar to life, excluding health and index-linked and unit-linked
Health similar to life
Life excluding health and index-linked and unit-linked
Life index-linked and unit-linked
Deposits to cedants
Insurance and intermediaries receivables
Reinsurance receivables
Receivables (trade, not insurance)
Own shares (held directly)
Amounts due in respect of own fund items or initial fund called up but not yet paid in
Cash and cash equivalents
Any other assets, not elsewhere shown
<b>Total assets</b>

		Solvency II value
		C0010
<b>R0030</b>		-
<b>R0040</b>		-
<b>R0050</b>		-
<b>R0060</b>		4 974
<b>R0070</b>		3 197 591
<b>R0080</b>		-
<b>R0090</b>		-
<b>R0100</b>		-
<b>R0110</b>		-
<b>R0120</b>		-
<b>R0130</b>		89 293
<b>R0140</b>		-
<b>R0150</b>		-
<b>R0160</b>		89 293
<b>R0170</b>		-
<b>R0180</b>		3 108 298
<b>R0190</b>		-
<b>R0200</b>		-
<b>R0210</b>		-
<b>R0220</b>		-
<b>R0230</b>		-
<b>R0240</b>		-
<b>R0250</b>		-
<b>R0260</b>		-
<b>R0270</b>		661 325
<b>R0280</b>		661 325
<b>R0290</b>		661 325
<b>R0300</b>		-
<b>R0310</b>		-
<b>R0320</b>		-
<b>R0330</b>		-
<b>R0340</b>		-
<b>R0350</b>		-
<b>R0360</b>		389 891
<b>R0370</b>		22 545
<b>R0380</b>		171
<b>R0390</b>		-
<b>R0400</b>		-
<b>R0410</b>		287 284
<b>R0420</b>		78 220
<b>R0500</b>		4 642 001

**S.02.01.02****Balance sheet****Liabilities**

Technical provisions – non-life

Technical provisions – non-life (excluding health)

TP calculated as a whole

Best Estimate

Risk margin

Technical provisions - health (similar to non-life)

TP calculated as a whole

Best Estimate

Risk margin

Technical provisions - life (excluding index-linked and unit-linked)

Technical provisions - health (similar to life)

TP calculated as a whole

Best Estimate

Risk margin

Technical provisions – life (excluding health and index-linked and unit-linked)

TP calculated as a whole

Best Estimate

Risk margin

Technical provisions – index-linked and unit-linked

TP calculated as a whole

Best Estimate

Risk margin

Contingent liabilities

Provisions other than technical provisions

Pension benefit obligations

Deposits from reinsurers

Deferred tax liabilities

Derivatives

Debts owed to credit institutions

Financial liabilities other than debts owed to credit institutions

Insurance &amp; intermediaries payables

Reinsurance payables

Payables (trade, not insurance)

Subordinated liabilities

Subordinated liabilities not in BOF

Subordinated liabilities in BOF

Any other liabilities, not elsewhere shown

**Total liabilities****Excess of assets over liabilities**

	Solvency II value
	C0010
<b>R0510</b>	2 436 232
<b>R0520</b>	2 436 232
<b>R0530</b>	-
<b>R0540</b>	2 300 242
<b>R0550</b>	135 991
<b>R0560</b>	-
<b>R0570</b>	-
<b>R0580</b>	-
<b>R0590</b>	-
<b>R0600</b>	-
<b>R0610</b>	-
<b>R0620</b>	-
<b>R0630</b>	-
<b>R0640</b>	-
<b>R0650</b>	-
<b>R0660</b>	-
<b>R0670</b>	-
<b>R0680</b>	-
<b>R0690</b>	-
<b>R0700</b>	-
<b>R0710</b>	-
<b>R0720</b>	-
<b>R0740</b>	-
<b>R0750</b>	-
<b>R0760</b>	9 509
<b>R0770</b>	-
<b>R0780</b>	6 958
<b>R0790</b>	-
<b>R0800</b>	-
<b>R0810</b>	-
<b>R0820</b>	78 457
<b>R0830</b>	47 308
<b>R0840</b>	7 903
<b>R0850</b>	-
<b>R0860</b>	-
<b>R0870</b>	-
<b>R0880</b>	94 091
<b>R0900</b>	2 680 458
<b>R1000</b>	1 961 542









**S.17.01.02**

**Non-life Technical Provisions**

**Technical provisions - total**

Technical provisions - total

Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total

Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total

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
<b>R0320</b>					2 436 232			
<b>R0330</b>					661 325			
<b>R0340</b>					1 774 907			

S.17.01.02

Non-life Technical Provisions

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
<b>Technical provisions calculated as a whole</b>							
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole							
<b>Technical provisions calculated as a sum of BE and RM</b>							
<b>Best estimate</b>							
Premium provisions							
Gross							312 431
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default							35 203
Net Best Estimate of Premium Provisions							277 228
<b>Claims provisions</b>							
Gross							1 987 811
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default							626 122
Net Best Estimate of Claims Provisions							1 361 688
<b>Total Best estimate - gross</b>							2 300 242
<b>Total Best estimate - net</b>							1 638 916
<b>Risk margin</b>							135 991
<b>Amount of the transitional on Technical Provisions</b>							
Technical Provisions calculated as a whole							
Best estimate							
Risk margin							



S.19.01.21

Non-life Insurance Claims Information

Total Non-Life Business

Accident year / Underwriting year	<b>Z0010</b>	Accident year
--------------------------------------	--------------	---------------

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

Year	Development year											In Current year	Sum of years (cumulative)		
	0	1	2	3	4	5	6	7	8	9	10 & +			C0170	C0180
	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110				
Prior	<del>R0100</del>	<del></del>	16 078	<b>R0100</b>	16 078	16 078									
N-9	<b>R0160</b>	445 347	1 139 632	846 392	23 858	115 110	21 510	27 183	6 789	-453	2 851		<b>R0160</b>	2 851	2 628 219
N-8	<b>R0170</b>	261 130	310 154	95 409	106 203	35 226	3 746	18 562	14 318	2 090			<b>R0170</b>	2 090	846 837
N-7	<b>R0180</b>	274 445	156 083	117 385	62 112	39 170	7 673	3 895	32 229				<b>R0180</b>	32 229	692 992
N-6	<b>R0190</b>	183 800	218 581	167 350	56 795	20 719	25 728	6 549					<b>R0190</b>	6 549	679 522
N-5	<b>R0200</b>	525 811	2 382 215	918 070	1 016 681	335 947	88 150						<b>R0200</b>	88 150	5 266 873
N-4	<b>R0210</b>	454 742	685 216	281 304	149 313	149 211							<b>R0210</b>	149 211	1 719 785
N-3	<b>R0220</b>	290 189	277 233	157 627	43 415								<b>R0220</b>	43 415	768 464
N-2	<b>R0230</b>	175 434	243 448	108 453									<b>R0230</b>	108 453	527 335
N-1	<b>R0240</b>	518 495	456 170										<b>R0240</b>	456 170	974 665
N	<b>R0250</b>	415 748											<b>R0250</b>	415 748	415 748
<b>Total</b>	<b>R0260</b>												<b>R0260</b>	1 304 867	14 536 519

S.19.01.21

Non-life Insurance Claims Information

Gross undiscounted Best Estimate Claims Provisions

(absolute amount)

Year	Development year											Year end (discounted)			
	0	1	2	3	4	5	6	7	8	9	10 & +		C0360		
	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300				
Prior	<del>R0100</del>	<del>-</del>	51 329	R0100	51 329										
N-9	R0160	1 041 710	1 019 534	330 829	298 633	99 680	78 707	45 373	19 821	7 002	11 465		R0160	10 956	
N-8	R0170	564 451	312 003	200 159	83 746	55 551	49 349	25 012	18 299	22 344			R0170	21 353	
N-7	R0180	417 401	337 821	216 374	134 844	84 322	78 225	38 331	23 916				R0180	22 856	
N-6	R0190	512 298	401 646	210 911	123 774	83 201	33 107	41 031					R0190	39 212	
N-5	R0200	2 030 771	1 431 952	892 480	484 209	137 528	-4 263						R0200	-4 074	
N-4	R0210	724 361	647 194	412 663	240 096	98 361							R0210	93 999	
N-3	R0220	453 848	333 056	204 593	167 186								R0220	159 773	
N-2	R0230	573 942	418 765	408 470									R0230	390 358	
N-1	R0240	625 266	515 129										R0240	492 288	
N	R0250	668 707											R0250	639 056	
													Total	R0260	1 865 778

**S.23.01.01**

**Own funds**

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

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

**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

**Deductions**

- Deductions for participations in financial and credit institutions

**Total basic own funds after deductions**

**Ancillary own funds**

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

**Total ancillary own funds**

	Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
	C0010	C0020	C0030	C0040	C0050
R0010					
R0030					
R0040					
R0050					
R0070					
R0090					
R0110					
R0130	1 961 542	1 961 542			
R0140					
R0160					
R0180					
R0220					
R0230					
R0290	1 961 542	1 961 542			
R0300					
R0310					
R0320					
R0330					
R0340					
R0350					
R0360					
R0370					
R0390					
R0400					

**S.23.01.01**

**Own funds**

**Available and eligible own funds**

- Total available own funds to meet the SCR
- Total available own funds to meet the MCR
- Total eligible own funds to meet the SCR
- Total eligible own funds to meet the MCR

**SCR**

**MCR**

**Ratio of Eligible own funds to SCR**

**Ratio of Eligible own funds to MCR**

**Reconciliation reserve**

- Excess of assets over liabilities
- Own shares (held directly and indirectly)
- Foreseeable dividends, distributions and charges
- Other basic own fund items
- Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds

**Reconciliation reserve**

**Expected profits**

- Expected profits included in future premiums (EPIFP) - Life business
- Expected profits included in future premiums (EPIFP) - Non- life business

**Total Expected profits included in future premiums (EPIFP)**

	Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
<b>R0500</b>	1 961 542	1 961 542			
<b>R0510</b>	1 961 542	1 961 542			
<b>R0540</b>	1 961 542	1 961 542			
<b>R0550</b>	1 961 542	1 961 542			
<b>R0580</b>	1 078 081				
<b>R0600</b>	322 438				
<b>R0620</b>	181,95%				
<b>R0640</b>	608,35%				

	C0060
<b>R0700</b>	1 961 542
<b>R0710</b>	
<b>R0720</b>	
<b>R0730</b>	
<b>R0740</b>	
<b>R0760</b>	1 961 542
<b>R0770</b>	
<b>R0780</b>	
<b>R0790</b>	

**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**

	<b>C0010</b>
MCR <sub>NL</sub> Result	322 438

	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
	<b>C0020</b>	<b>C0030</b>
Medical expense insurance and proportional reinsurance	<b>R0020</b>	
Income protection insurance and proportional reinsurance	<b>R0030</b>	
Workers' compensation insurance and proportional reinsurance	<b>R0040</b>	
Motor vehicle liability insurance and proportional reinsurance	<b>R0050</b>	
Other motor insurance and proportional reinsurance	<b>R0060</b>	
Marine, aviation and transport insurance and proportional reinsurance	<b>R0070</b>	1 638 916
Fire and other damage to property insurance and proportional reinsurance	<b>R0080</b>	1 097 356
General liability insurance and proportional reinsurance	<b>R0090</b>	
Credit and suretyship insurance and proportional reinsurance	<b>R0100</b>	
Legal expenses insurance and proportional reinsurance	<b>R0110</b>	
Assistance and proportional reinsurance	<b>R0120</b>	
Miscellaneous financial loss insurance and proportional reinsurance	<b>R0130</b>	
Non-proportional health reinsurance	<b>R0140</b>	
Non-proportional casualty reinsurance	<b>R0150</b>	
Non-proportional marine, aviation and transport reinsurance	<b>R0160</b>	
Non-proportional property reinsurance	<b>R0170</b>	

**Linear formula component for life insurance and reinsurance obligations**

	<b>C0040</b>
MCR <sub>L</sub> Result	<b>R0200</b>

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

**Overall MCR calculation**

	<b>C0070</b>
Linear MCR	<b>R0300</b>
SCR	<b>R0310</b>
MCR cap	<b>R0320</b>
MCR floor	<b>R0330</b>
Combined MCR	<b>R0340</b>
Absolute floor of the MCR	<b>R0350</b>
	<b>C0070</b>
<b>Minimum Capital Requirement</b>	<b>R0400</b>

