



Solvency and Financial Condition Report (SFCR)
Valuation date: 31st of December 2019

This report is unaudited and issued in accordance with EIOPA's
recommendations on Supervisory reporting and public disclosure -
Coronavirus / Covid 19 effects



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Summary

This report has been issued in accordance with EIOPA's recommendations on Supervisory reporting and public disclosure Coronavirus / Covid19 effects.

The reference date of the report is the 31st of December 2019 and all quoted results are in Euros (€).

The Pandemic outbreak of Coronavirus has caused a global disruption in business activities and has affected people's lives. The world economy has entered a period of unprecedented crisis where many countries have adopted emergency containment measures, such as restrictions on travel, strict quarantine measures, social isolation, border control and closures. Companies have restricted or suspended their normal business activities to delay the spread of the virus.

These measures have slowed the economy of both Cyprus and the world economy and are likely to have a wider impact on the respective economies as the measures remain in place for a longer period of time.

However, the economic impact of this crisis on the global economy and to the overall business activities, cannot be foreseen due to its uniqueness, the lack of historical data, the rate of expansion of the outbreak and the high level of uncertainty.

Industries such as tourism are expected to be directly disrupted by the measures undertaken whereas other industries such as financial services and construction are expected to be indirectly affected. The Insurance industry cannot remain unaffected.

Eurosurance Insurance Company Limited has taken significant steps to ensure business continuity, minimise the possibility of any disruption and continued to serve customers and associates and to provide a safe working environment for its employees. This was done by executing the emergency continuity plan by the members of the Company's Management.

The Management team is in daily communication, so that it follows the guidelines of local government services, while listening to daily comments from customers, partners and agents.

In our efforts to adapt to these developments and the insecurity of not knowing what will happen in the near future, the Company is constantly adapting and redesigning its short-term strategy, while ensuring the operational and financial viability of the company.

We are very proud to have achieved the remote work in a very short time and this is due to the tireless but sure work of the Management and Shareholders of our company that facilitated us with this foresighted approach. We believe that our staff is doing an excellent job in trying to adapt to the new conditions. We are grateful to them.

We would like to assure our clients, agents, associates, shareholders and stakeholders that during these difficult times our Company remains strong and, as always, is taking and adhering to appropriate risk mitigation measures that protect its solvency.

We have one of the best credit policies in the market and our policyholders who are financially affected more than others can benefit from this, ensuring protection of their insurance policies.

Our experience shows that the claims and road assistance frequency will drop during the first part of the crisis allowing for a reduction on the motor loss ratio.

Our new business and renewals are continuing growing healthily. Our collection of premiums continues as usual. Our claim reserves are appropriately reserved according to the latest available data. Our largest exposures are heavily reinsured with highly rated reinsurance counterparties ensuring that any claims arising will be paid without causing any financial difficulty on the Company's position.

We have examined the particular circumstances and risks to which the Company is exposed and the material uncertainties that exists and Management is re-examining the business plans and solvency in light of the above circumstances including the need for an emergency Own Risk Solvency Assessment when outcome can be reliably predicted.

At the moment, Management has concluded that there is no significant impact on the Company's profitability and business activities. However, the Management will continue to closely monitor the situation and assess the need for action in the event that the period of disruption is prolonged.



Appendix

Appendix – Quantitative Reporting Templates

This Annex lists the annual quantitative templates submitted to the local Regulator on behalf of the Company for the valuation date.

The following templates are reproduced in this annex:

Code	Template name
S.02.01.02	Balance Sheet
S.23.01.01	Own Funds
S.25.01.21	Solvency Capital Requirement – for undertakings on Standard Formula

S.02.01.01 Balance Sheet

Solvency II value

Assets

Goodwill	
Deferred acquisition costs	
Intangible assets	0,00
Deferred tax assets	0,00
Pension benefit surplus	0,00
Property, plant & equipment held for own use	448.128,00
Investments (other than assets held for index-linked and unit-linked contracts)	7.690.773,00
<i>Property (other than for own use)</i>	3.995.000,00
<i>Holdings in related undertakings, including participations</i>	0,00
<i>Equities</i>	29.620,00
<i>Equities - listed</i>	29.620,00
<i>Equities - unlisted</i>	0,00
<i>Bonds</i>	563,00
<i>Government Bonds</i>	0,00
<i>Corporate Bonds</i>	563,00
<i>Structured notes</i>	0,00
<i>Collateralised securities</i>	0,00
<i>Collective Investments Undertakings</i>	0,00
<i>Derivatives</i>	0,00
<i>Deposits other than cash equivalents</i>	3.665.590,00
<i>Other investments</i>	0,00
Assets held for index-linked and unit-linked contracts	0,00
Loans and mortgages	0,00
<i>Loans on policies</i>	0,00
<i>Loans and mortgages to individuals</i>	0,00
<i>Other loans and mortgages</i>	0,00
Reinsurance recoverables from:	1.060.788,00
<i>Non-life and health similar to non-life</i>	1.060.788,00
<i>Non-life excluding health</i>	991.457,00
<i>Health similar to non-life</i>	69.331,00
<i>Life and health similar to life, excluding index-linked and unit-linked</i>	0,00
<i>Health similar to life</i>	0,00
<i>Life excluding health and index-linked and unit-linked</i>	0,00
<i>Life index-linked and unit-linked</i>	0,00
Deposits to cedants	0,00
Insurance and intermediaries receivables	1.485.091,00
Reinsurance receivables	121.533,00
Receivables (trade, not insurance)	466.687,00
Own shares (held directly)	0,00
Amounts due in respect of own fund items or initial fund called up but not yet paid in	0,00
Cash and cash equivalents	2.000.483,00
Any other assets, not elsewhere shown	
Total assets	13.273.483,00

	Solvency II value
	C0010
Liabilities	
Technical provisions - non-life	7.368.054,00
<i>Technical provisions - non-life (excluding health)</i>	7.120.187,00
<i>TP calculated as a whole</i>	0,00
<i>Best Estimate</i>	6.801.909,00
<i>Risk margin</i>	318.278,00
<i>Technical provisions - health (similar to non-life)</i>	247.867,00
<i>TP calculated as a whole</i>	0,00
<i>Best Estimate</i>	235.674,00
<i>Risk margin</i>	12.193,00
Technical provisions - life (excluding index-linked and unit-linked)	0,00
<i>Technical provisions - health (similar to life)</i>	0,00
<i>TP calculated as a whole</i>	
<i>Best Estimate</i>	
<i>Risk margin</i>	
<i>Technical provisions - life (excluding health and index-linked and unit-linked)</i>	0,00
<i>TP calculated as a whole</i>	
<i>Best Estimate</i>	
<i>Risk margin</i>	
Technical provisions - index-linked and unit-linked	0,00
<i>TP calculated as a whole</i>	
<i>Best Estimate</i>	
<i>Risk margin</i>	
Other technical provisions	
Contingent liabilities	0,00
Provisions other than technical provisions	0,00
Pension benefit obligations	0,00
Deposits from reinsurers	0,00
Deferred tax liabilities	28.517,00
Derivatives	0,00
Debts owed to credit institutions	0,00
Financial liabilities other than debts owed to credit institutions	339.029,00
Insurance & intermediaries payables	456.553,00
Reinsurance payables	544.355,00
Payables (trade, not insurance)	0,00
Subordinated liabilities	0,00
<i>Subordinated liabilities not in BOF</i>	0,00
<i>Subordinated liabilities in BOF</i>	0,00
Any other liabilities, not elsewhere shown	234.104,00
Total liabilities	8.970.612,00
Excess of assets over liabilities	4.302.871,00

S.23.01.01 Own Funds

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

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

Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
C0010	C0020	C0030	C0040	C0050
6.446.809,00	6.446.809,00		0,00	
0,00	0,00		0,00	
0,00	0,00		0,00	
0,00		0,00	0,00	0,00
0,00	0,00			
0,00		0,00	0,00	0,00
0,00		0,00	0,00	0,00
-2.143.938,00	-2.143.938,00			
0,00		0,00	0,00	0,00
0,00				0,00
0,00	0,00	0,00	0,00	0,00

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

0,00

Deductions

Deductions for participations in financial and credit institutions

0,00				
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Total basic own funds after deductions

4.302.871,00	4.302.871,00	0,00	0,00	0,00
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Ancillary own funds

Unpaid and uncalled ordinary share capital callable on demand	0,00			
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0,00			
Unpaid and uncalled preference shares callable on demand	0,00			
A legally binding commitment to subscribe and pay for s	0,00			
ubordinated liabilities on demand	0,00			
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0,00			
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0,00			
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0,00			
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0,00			
Other ancillary own funds	0,00			
Total ancillary own funds	0,00		0,00	0,00

Available and eligible own funds

Total available own funds to meet the SCR	4.302.871,00	4.302.871,00	0,00	0,00	0,00
Total available own funds to meet the MCR	4.302.871,00	4.302.871,00	0,00	0,00	
Total eligible own funds to meet the SCR	4.302.871,00	4.302.871,00	0,00	0,00	0,00
Total eligible own funds to meet the MCR	4.302.871,00	4.302.871,00	0,00	0,00	

SCR

3.677.774,99

MCR

3.700.000,00

Ratio of Eligible own funds to SCR

117,00%

Ratio of Eligible own funds to MCR

116,29%

Reconciliation reserve

C0060

Excess of assets over liabilities	4.302.871,00
Own shares (held directly and indirectly)	0,00
Foreseeable dividends, distributions and charges	
Other basic own fund items	6.446.809,00
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0,00
Reconciliation reserve	-2.143.938,00

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)	0,00

S.25.01.01 – Solvency Capital Requirement

Article 112

Regular reporting

	Net solvency capital requirement	Gross solvency capital requirement	Allocation from adjustments due to RFF and Matching adjustments portfolios	USP	Simplifications
	C0030	C0040	C0050	C0090	C0120
Market risk	1.554.432,05	1.554.432,05	0,00		
Counterparty default risk	760.447,89	760.447,89	0,00		
Life underwriting risk			0,00		
Health underwriting risk	152.852,58	152.852,58	0,00		
Non-life underwriting risk	2.140.953,62	2.140.953,62	0,00		
Diversification	-1.193.777,15	-1.193.777,15			
Intangible asset risk		0,00			
Basic Solvency Capital Requirement	3.414.908,99	3.414.908,99			
Calculation of Solvency Capital Requirement	C0100				
Adjustment due to RFF/MAP nSCR aggregation					
Operational risk	262.866,00				
Loss-absorbing capacity of technical provisions	0,00				
Loss-absorbing capacity of deferred taxes					
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC					
Solvency Capital Requirement excluding capital add-on	3.677.774,99				
Capital add-ons already set					
Solvency capital requirement	3.677.774,99				

Other information on SCR

Capital requirement for duration-based equity risk sub-module

Total amount of Notional Solvency Capital Requirements for remaining part

Total amount of Notional Solvency Capital Requirements for ring fenced funds

Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios

Diversification effects due to RFF nSCR aggregation for article 304

Method used to calculate the adjustment due to RFF/MAP nSCR aggregation

No adjustment

Net future discretionary benefits

0,00

Approach to tax rate

C0109

Approach based on average tax rate

Calculation of loss absorbing capacity of deferred taxes

Before the shock

After the shock

LAC DT

C0110

C0120

C0130

DTA

DTA carry forward

DTA due to deductible temporary differences

DTL

28.517,00

28.517,00

LAC DT

LAC DT justified by reversion of deferred tax liabilities

LAC DT justified by reference to probable future taxable economic profit

LAC DT justified by carry back, current year

LAC DT justified by carry back, future years

Maximum LAC DT