



Solvency and Financial Condition Report - SFCR

Financial Year 2023



Osez entreprendre,
nous assurons le reste.

Table of contents

SUMMARY	5
Business and performance	5
System of governance	5
Risk profile	6
Valuation for solvency purposes	6
Capital management	6
 A. BUSINESS AND PERFORMANCE	 7
A.1. Business activities	7
A.2. Underwriting performance	8
A.3. Financial performance	10
A.4. Investments	11
A.5. Performance of other business activities	11
A.6. Other information	11
 B. SYSTEM OF GOVERNANCE	 12
B.1. General information on the system of governance	12
B.2. Board of Directors	12
B.3. Audit and Risk Committee	14
B.4. Chief Executive Officer and delegation of authority	14
B.5. Effective managers and key functions	15
B.6. Reporting lines within the company	17
B.7. Remuneration	18
B.8. Fit and proper requirements	20
B.9. Risk management system, including ORSA	22
B.10. Internal control system	24
B.11. Internal Audit function	26
B.12. Actuarial function	27
B.13. Subcontracting	28
B.14. Other information	29
 C. RISK PROFILE	 30
C.1. Underwriting risk	30
C.2. Market risk	31
C.3. Credit risk	32
C.4. Liquidity risk	33

C.5.	Operational risk	34
D.	VALUATION FOR SOLVENCY PURPOSES.....	35
D.1.	Assets.....	35
D.2.	Technical reserves	36
D.3.	Deferred taxes.....	36
D.4.	Values of assets and liabilities.....	37
D.5.	Other liabilities	38
D.6.	Alternative valuation methods	38
D.7.	Other information L 12/290 FR Official Journal of the European Union 17.1.2016.....	38
E.	CAPITAL MANAGEMENT.....	39
E.1.	Own funds	39
E.2.	Solvency Capital Requirement and Minimum Solvency Requirement	39
E.3.	Use of the long-term equity risk sub-module in	40
E.4.	Differences between the standard formula and any internal model used	40
E.5.	Non-compliance with the Minimum Capital Requirement and non-compliance with the Solvency Capital Requirement.....	40
E.6.	Other information.....	40
F.	APPENDIX	41
F.1.	S.02.01.02 - Balance Sheet.....	42
F.2.	S.04.05 - Premiums, claims and expenses by country	43
F.3.	S.05.01.02 - Premiums, claims and expenses by line of business	44
F.4.	S.12.01.02 - Life and Health SLT Technical Provisions	46
F.5.	S.17.01.01 - Non-Life Technical Provisions	47
F.6.	S.19.01.01 - Non-life Insurance Claims Information	48
F.7.	S.23.01.01 - Own Funds	49
F.8.	S.25.01.01 - Solvency Capital Requirement - for undertakings on Standard Formula	51
F.9.	S.28.01.01 - Minimum Capital Requirement – Only life or only non-life insurance or reinsurance activity.....	52

The content of the Solvency and Financial Condition Report (SFCR) is described in Articles 290 to 298 of European Commission Delegated Regulation 2015/35 of 10 October 2014. It presents the company's business and performance, its governance system, its risk profile, the valuation used for solvency purposes and capital management for the period from 1 January to 31 December 2023.

SUMMARY

In accordance with the Solvency II directive, this summary highlights any significant changes in the various topics detailed in this report.

Business and performance

Axeria iard is a property and casualty insurance company headquartered in Lyon, with offices in Bordeaux and Lille and a branch opening in Romania in 2021. Axeria iard offers a range of efficient products, mainly designed to cover the risks of professionals and businesses.

Axeria iard distributes its products exclusively via brokers. Since 2022, Axeria has been developing a new business line based on portfolio underwriting through partnerships in France and the European Economic Area under the Freedom of Services (FOS) or the Freedom of Establishment (FOE).

System of governance

The Board of Directors is composed of eight directors in accordance with the company's articles. The policies were approved by the Board of Directors on 14 December 2023.

The ORSA (Own Risk Solvency Assessment) report presenting the internal risk and solvency assessment for 2022 was approved at the Board of Directors meeting of 14 December 2023.

In the last quarter of 2023, the Company strengthened its committee structure by reaffirming the role of five corporate committees: Underwriting Committee, Audit and Risk Committee, Partnership Committee, Investment Committee and Claims Committee.

Risk profile

The risk profile is detailed in the relevant section of the report and presents the major risks to which the company is exposed. The methods for measuring and mitigating risks are also presented in this section.

Valuation for solvency purposes

This section presents the restatements made between:

- the valuation used in the company financial statements prepared in accordance with the regulatory framework and generally accepted accounting principles for insurance companies in France. The provisions of ANC (French accounting standards authority) Regulation No. 2015-11, as amended by ANC regulation 2016-12 on annual insurance accounts, the provisions of ANC Regulation 2014-03 et seq. relating to the general chart of accounts, and Articles L.123- 12 to L.123-22 of the French Commercial Code also apply,
- and the valuation calculated for the Solvency II valuation, in accordance with the technical specifications

Capital management

To calculate its Solvency II capital requirement, the company uses the standard formula, as defined in the Delegated Regulation.

For fiscal year 2023, it is proposed to pay a €2 million dividend to its parent, Watford France Holdings Ltd..

At the end of 2023, the SCR (Solvency Capital Requirement) coverage ratio was 188% compared with 281% in 2022.

The increase in the SCR is due in particular to the finalisation of the deployment of the asset strategy in buoyant markets and to the growth in business volume.

SII valuation (in €m)	2023	2022
Own funds	80,8	73.3
SCR	42,9	26.0
RATIO	188%	281%

A. BUSINESS AND PERFORMANCE

A.1. Business activities

A.1.1. Introduction to the company

Axeria iard is a public limited company regulated by the French Insurance Code, registered in the Trade and Companies Register with share capital of €38 million. It is authorised to conduct insurance business in segments 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17 and 18 stipulated in Article R.321-1 of the French Insurance Code. Its registered office is located at 129 avenue Felix Faure in Lyon 3.

Axeria iard is a property and casualty insurance company headquartered in Lyon, with offices in Bordeaux and Lille and a branch in Romania which opened in 2021. Axeria iard offers a range of products, mainly designed to cover the risks of professionals and businesses.

Axeria iard distributes its products exclusively via brokers and partners. Since 2022, Axeria has been developing a new business line based on portfolio underwriting through partnerships in France and the European Economic Area under the Freedom of Services (FOS) or the Freedom of Establishment (FOE).

Axeria iard's share capital consists of 3,800,000 shares with a nominal value of €10.00.

At 31/12/2023, Axeria iard had:

- 78 employees,
- €275m in financial assets (market value) and cash,
- €8.3m net income.

Axeria iard is managed by a Board of Directors, chaired by Elizabeth Cunningham. Sebastien Seux is Chief Executive Officer of the company and David Seyller is Deputy Chief Executive Officer.

The financial statements are certified by the statutory auditors PricewaterhouseCoopers Audit SA, 63, rue de Villiers 92208 Neuilly-sur-Seine Cedex, France.

The company's supervisory authority is the Autorité de Contrôle Prudentiel et de Résolution (ACPR), 4 place de Budapest - CS 92459 - 75436 PARIS - CEDEX 09.

A.1.2. Key events in the year

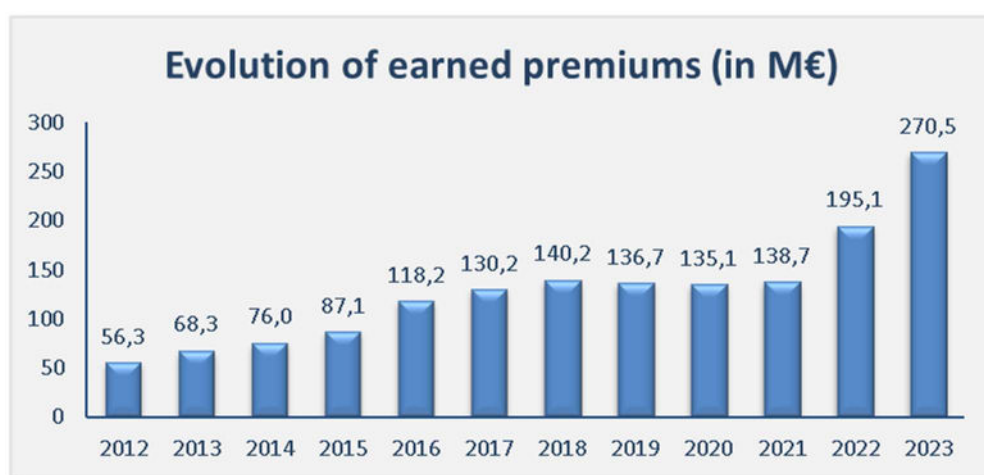
No significant events to note. During the year, Axeria continued to execute on its stated strategy with targeted growth in partnerships across France and Europe and a review of the profitability of the company's historic portfolios.

A.2. Underwriting performance

A.2.1. Revenue

Financial 2023 showed an increase in earned premium of 38.7%, to €270.5M. This increase is mainly driven by the increase in motor liability in Romania (+€63M) as well as the signing of new partnerships in various lines of business : Property (+€22.2M), General Liability (+€2.5M), Marine Insurance (€0.8M) and Medical Expenses(+€4M).

Axeria iard is pursuing its policy of managing risks, improving its underwriting procedures and is still strongly backed by reinsurance in order to limit the volatility of its underwriting performance.



The following table presents a breakdown of revenue.

LoB* Data in millions of euros	2023	2022	var %
Medical expense insurance	4.1	0.0	
Motor vehicle liability insurance	7.7	13.7	-44.1%
Other motor insurance	12.7	19.9	-36.0%
Marine, aviation and transport insurance	6.9	1.6	341.1%
Fire and other damage to property insurance	96.8	60.3	60.5%
General liability insurance	24.7	19.2	28.9%
Credit and suretyship insurance	0.5	0.0	
Legal expenses insurance	0.6	0.7	-18.9%
Assistance	1.0	1.6	-38.7%
Miscellaneous financial loss	1.9	27.3	-93.1%
Annuities stemming from non-life insurance contracts	0.0	0.0	
Motor vehicle liability insurance (Romania)	113.7	50.9	123.3%
Total	270.5	195.1	38,7%

*LOB: Line Of Business

A.2.2. Claims provisions

The following table details the claims provisions constituted, by insurance risk (net of projected recourse, including IBNR (Incurred But Not Reported), provision for claims management fees and mathematical provisions, gross of reinsurance), for the entire portfolio.

LoB* Data in millions of euros	2023	2022	var %
Medical expense insurance	0.6	0.0	
Motor vehicle liability insurance	55.1	57.7	-4.5%
Other motor insurance	8.9	13.8	-35.7%
Marine, aviation and transport insurance	3.5	1.2	196.5%
Fire and other damage to property insurance	103.6	90.8	14%
General liability insurance	21.5	12.1	77.0%
Credit and suretyship insurance	0.2	0.0	
Legal expenses insurance	0.4	0.5	-8.4%
Assistance	0.1	0.1	-35.6%
Miscellaneous financial loss	0.3	1.6	-80.4%
Annuities stemming from non-life insurance contracts	29.5	29.9	-1.3%
Motor vehicle liability insurance (Romania)	69.8	34.0	105.2%
Total	293.4	241.6	21.4%

2023 was affected by the occurrence of the following large losses:

- Commercial Property : 2 large losses for a total of 11M
- Casualty : a large loss of 3.7M
- June 2023's riots for a total of 5.6M

A.2.3. Underwriting results

In 2023, underwriting profit net of reinsurance and after profits allocation amounted to €8.3m.

Current loss experience:

The gross current year ultimate loss ratio decreased from 81% in 2022 to 69.3% in 2023. The company remains strongly reinsured in particular with the 85% intragroup Quota-Share implemented with Somers since 2021.

Claims for prior periods and other underwriting provisions:

Once taking into account all the impacts of the reinsurance, there is a €2.0 million surplus on previous claims.

This was mainly due to favourable developments of old claims files.

The equalization reserve has not been allocated.

Operating expenses (brokerage fees and overheads):

The remuneration of our brokerage network and the Company's overheads amounted to €66.6m and gave a ratio to gross earned premiums of around 24.6%, down 5.4 points compared to 2022. The growth of the Romanian portfolio, with an operating expense to gross earned premium ratio of 16%, and the decline in the affinity portfolio, with its higher commission rate, explain this difference.

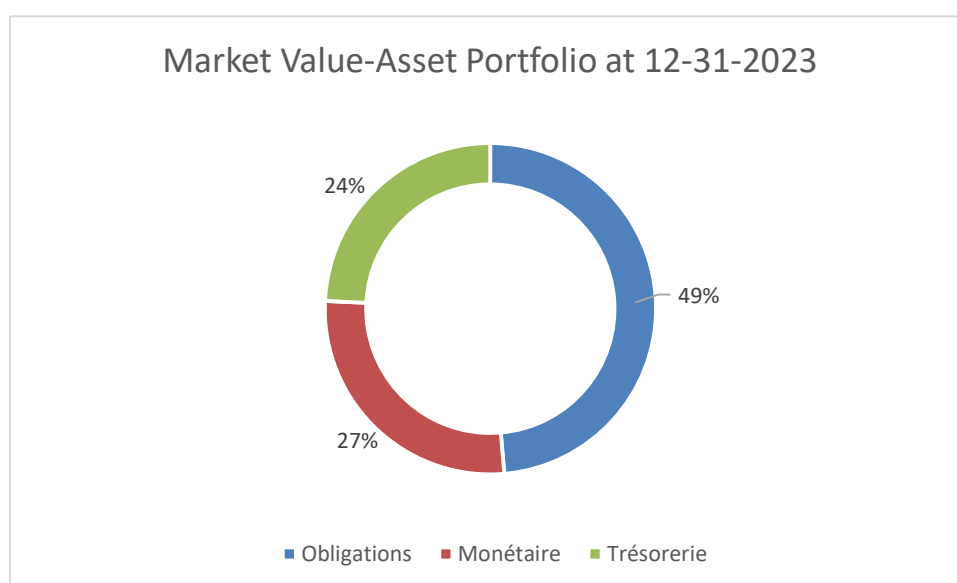
A.3. Financial performance

A.3.1. General assets of the company

At 31 December 2023, Axeria iard's financial assets amounted to €208.2m (€83.7m in N-1) at market value, plus a cash and equivalent position of €66.6m.

The company's investment policy is focused on "Investment grade" fixed income assets. The portfolio is managed by a globally recognized asset manager.

The breakdown of the portfolio is as follows (in market value): 49% in bonds, and 51% in monetary support and cash.



A.3.2. Unrealised gains and losses

Net unrealized capital gains at December 31, 2023 amounted to €2.2m, versus €0.4m the previous year.

A.3.3. Net financial earnings

Net financial income amounted to €7.2m, or 2.6% of gross earned premiums. It increased by €3.8 million compared to N-1.

By major asset class, the figure breaks down as follows:

<i>Data in millions of euros</i>	2023	2022
Bond segment	3,6	0,2
Equities segment	0,0	0,0
Real estate segment	0,6	1,7
Diversification segment	0,2	0,0
Diversification segment (DTA Romania)	2,7	1,2
Money Market/Cash segment	0,4	0,3

A.4. Investments

In fiscal 2023, the company maintained the investment strategy put in place in 2022

A.5. Performance of other business activities

There are no sources of income and expenses other than that generated by insurance policies and investments.

A.6. Other information

No further information on the company's business activities and results needs to be noted.

B. SYSTEM OF GOVERNANCE

B.1. General information on the system of governance

Axeria iard has a governance system in place that aims to ensure sound and prudent management of the business. This system is based on a transparent organisational structure, with appropriate distribution and separation of responsibilities.

The Board of Directors' responsibility was increased with the entry into force of Solvency II. The four key functions, designated pursuant to Solvency II, thereby facilitate the Board's decision-making.

The governance of Axeria iard is consequently structured around:

- The Board of Directors
- Senior management
- The four key functions, i.e. the Actuarial, Risk Management, Compliance and Internal Audit functions

Governance is based on a separation of powers between executive and non-executive governance. It is regularly reviewed and adjusted according to changes in the company's business.

This structure also includes a system for transmitting information through committees (see B.5) and reporting to the Board of Directors.

During the last quarter of 2023, the Company rolled out a new organisation with three main objectives:

- To support the company's projected growth and, more broadly, the roll-out of the new underwriting strategy;
- Clarify areas of responsibility by simplifying decision-making processes;
- Focus our resources on high added-value tasks.

B.2. Board of Directors

B.2.1. Structure and composition of the Board of Directors

Article 14 of the Articles of Association of Axeria iard stipulate that the Board of Directors is composed of at least three members and no more than eighteen members, appointed for a term of six years, with re-election permitted.

The Board of Directors is chaired by Elizabeth Cunningham.

On 31 December 2023, the Company's Board of Directors comprised eight members:

- Elizabeth Cunningham, Chair of the Board of Directors
- François Marion, independent director
- Olivier Muraire, director
- Valandis Elpidorou, director
- Sioned Butler, director
- Pierre Jal, director
- David Seyller, director
- Sébastien Seux, director.

There were no changes to the composition of the Board during 2023.

B.2.2. Role of the Board of Directors and executive management

The Board of Directors determines the strategic direction of the company's business activities and ensures it is followed. Subject to the authority expressly granted by law to shareholders' meetings and within the bounds of the Company's corporate purpose, it concerns itself with all questions relating to the smooth running of the Company and governs the business of the Company through its decisions.

The Board of Directors undertakes to carry out all the tasks specifically entrusted to it by law. In particular, it ratifies the annual financial statements and establishes an effective governance system, ensuring sound and prudent management of the business. It also ensures the implementation of a risk management system including effective internal control and compliance mechanisms. A Board majority approves written policies and reports required by the regulations.

The Chair of the Board of Directors organises and directs its work and reports on that work to the General Meetings. The Chair supervises the proper running of the Company's governance bodies, and in particular that directors are in a position to fulfil their duties.

The Articles stipulate that executive management of the Company is conducted either by the Chair, or by another natural person appointed by the Board of Directors. The role is currently filled by a natural person appointed by the Board of Directors.

B.2.3. Authority granted by the Board of Directors to the Chief Executive Officer

The Chief Executive Officer has the authority conferred by law. The CEO is invested with extensive authority to act on the Company's behalf under all circumstances, within the limits of the Company's objects and subject to the powers expressly given to shareholders' general meetings and the Board of Directors by law. The Chief Executive Officer represents the company in its dealings with third parties.

These powers, accompanied by the option to delegate further, must be exercised within the framework of the provisions of the Company's Articles, and the general direction and policy guidelines decided by the Board of Directors.

B.2.4. Authority granted by the Board of Directors to the Deputy Chief Executive

At the CEO's suggestion, the Board of Directors can appoint one or more natural persons to assist the Chief Executive Officer, in the position of Deputy Chief Executive.

The scope and duration of the authority granted to Deputy Chief Executives is determined by the Board of Directors with the CEO's agreement. The Deputy Chief Executives have the same authority in dealing with third parties as the Chief Executive Officer.

B.2.5. Frequency of meetings

Article 16 of the Articles stipulates that the Board of Directors meets as often as the company's interests require, when convened by its chair.

At least three formal meetings are held each year:

1. **Board of Directors meeting at the beginning of the year (February/March)** in order to take the decisions stipulated by the legal and regulatory provisions on ratifying the financial statements;
2. **Mid-year Board of Directors meeting (July)** to provide an update on the business. A budget update and

a presentation of the accounts as at 30 June are also given;

3. **Board of Directors meeting at the end of the year (December)** relating to the N+1 budget presentation.

B.2.6. Operation of the Board of Directors

Board members are invited to meetings in accordance with Article 16 of the Company's Articles, by ordinary mail or registered letter. The Company's Articles stipulate that notices may be sent by any means.

All documents and information necessary for the duties of the directors were communicated to them in a form and in sufficient time to enable them to deliberate under satisfactory conditions.

The minutes of the meetings of the Board of Directors were prepared at the end of each meeting and put to a vote by the members at the next meeting. In 2023, the Board of Directors met 7 times.

B.3. Audit and Risk Committee

The French Commercial Code (Article L.823-19) stipulates that insurance companies have an expert committee acting under the exclusive responsibility of the administrative body, responsible for monitoring matters relating to the preparation and inspection of accounting and financial information.

This committee is made up of directors and chaired by an independent member who is also a financial expert.

Article L.823-19 of the French Commercial Code stipulates that this audit committee's responsibilities include:

- Monitoring the process of preparing financial information;
- Monitoring the effectiveness of the internal control and risk management systems;
- Monitoring the statutory audit by the statutory auditors of the annual company and, where applicable, consolidated financial statements;
- Examining the independence of the statutory auditors and verifying compliance with legal and regulatory provisions relating to any incompatibilities in statutory auditors' duties;
- Examining the process for selecting auditors;
- Formulating an opinion for the Board of Directors on the choice of statutory auditors.

Article 4 c) of CRBF Regulation No. 97-02 as amended states that the audit committee's responsibilities include, under the responsibility of the governing body:

- verifying the clarity of the information provided and assessing the appropriateness of accounting methods used to prepare individual and, where applicable, consolidated, financial statements;
- assessing the quality of internal control, in particular the consistency of risk measurement, monitoring and management systems, and proposing any additional actions as needed.

The Axeria iard Audit and Risk Committee held 4 meetings during the 2023 financial year to review the annual financial statements, to review the quarterly financial statements, the reforecasts and the N+1 budget and to review internal audit key function work, ORSA, delegated process audits and written policies.

B.4. Chief Executive Officer and delegation of authority

The Board of Directors decides on the general direction and policy guidelines within which the Chief Executive Officer proposes the strategy to be adopted.

Once the strategy is approved by the Board of Directors, the Chief Executive Officer oversees its operational implementation and reports on progress to the Board.

Thus, operational deployment of the strategy is structured through a series of delegations of authority. The Chief Executive Officer delegates authority to the company's various managers in accordance with their management scopes. These managers may in turn further delegate their authority partly or wholly to members of their teams. Delegations of authority are formally recorded and subject to annual review.

B.5. Effective managers and key functions

The law on the separation and regulation of banking activities (law no. 2013-672 of 26 July 2013) and its implementation decree no. 2014-1357 of 13 November 2014 introduced new governance notification obligations from 2016 onwards. The company initiated its Solvency II compliance implementation process several years ago, including the appointment of two effective managers and the creation of four key functions with effect from 1 January 2016.

The Chair of the Board of Directors and the Chief Executive Officer were appointed effective managers of Axeria iard at the Board of Directors meeting of 1 December 2015. The four key functions were also appointed at this Board meeting. They report to the AMSB*:

- The Actuarial function: Lucas Margulis
- The Internal Audit function: Mathieu Audouy
- The Compliance function: Corinne Page
- The Risk Management function: Rajaa Birot

Key functions have a risk control role in the structure. They are responsible for alerting Management and the Board of Directors in the event a significant risk is identified within their scope. To ensure their independence and the proper information of stakeholders, the key functions have direct access to the Board of Directors. They are performed internally by employees of the company who have the necessary skills. Key function holders must meet the requirements of:

- responsibility
- independence
- fitness
- propriety.

B.5.1. Effective managers

In accordance with Article R.322-168 of the French Insurance Code, effective managers have a sufficiently broad area of competence and powers over the company's activities and risks. They demonstrate availability within the company to fulfil their role as an effective manager and are involved in decisions that have a significant impact on the company, particularly in terms of strategy, budget or financial matters.

The powers of an effective manager, other than the Chief Executive Officer, include the authority to define and implement the reinsurance, underwriting, compensation and asset management policy within the bounds of the company's corporate purpose. They exercise that authority subject to any authority that the law expressly attributes to shareholders' meetings and to the Board of Directors.

On 31 December 2023, the company's two effective managers were Sébastien Seux, Chief Executive Officer and David Seyller, Deputy Chief Executive Officer.

* AMSB : Administrative, management or supervisory body. It comprises members of the Board of Directors and the Chief Executive Officer

B.5.2. Risk Management key function

The Risk Management function ensures that the level of risk taken by the company is consistent with the guidelines and objectives defined by the Board of Directors.

Its role is to ensure the implementation of an effective risk management system through:

- The construction and deployment of tools and methods to assess the company's risks;
- The assessment and strengthening of the risk management system;
- Regular reporting to governance bodies;
- The development of a risk culture within the company.

It must ensure that its objectivity, impartiality and independence are safeguarded. It must have sufficient authority in the organisation and have access to all the information necessary to perform its role.

B.5.3. Actuarial key function

The Actuarial function contributes to improving the risk management system. It guarantees the reliability and appropriateness of the methods and assumptions used in the calculation of underwriting provisions. It is responsible for issuing an alert if risk arises between the underwriting policy and the reinsurance policy and if there is a risk of non-profitability of underwriting with regard to the strategy and organisation of the company.

B.5.4. Internal Audit key function

The Internal Audit function monitors and evaluates governance processes and the risk control system as defined within Axeria iard. As part of its role, the Internal Audit function periodically assesses the relevance and effectiveness of processes with regard to the legal and regulatory provisions in force, as well as the company's strategic objectives.

B.5.5. Compliance key function

The Compliance function ensures compliance with legal, regulatory and administrative provisions throughout the organisation.

It is not limited solely to the regulatory and legal framework. The role also includes professional and ethical standards: conflicts of interest, AML/CFT, instructions from Senior Management and brokerage custom and practice.

This function covers the entire scope of the company, in particular:

- Business practices;
- Customer protection;
- Compliance of policies / products;
- Data protection and confidentiality;
- Anti-money laundering and combating the financing of terrorism;
- Regulations relating to the conducting of insurance business (accreditation, governance, prudential supervision);
- Ethics and professional conduct.

Accordingly, the Compliance function, acting independently, will be required, in particular, to:

- ensure compliance with all relevant laws, regulations, rules and professional standards;
- assist employees in ensuring compliance with ethics policy;
- identify and assess non-compliance risks;
- assist employees in the management and control of these risks;
- report significant issues directly to managers.

This function's role is to advise the administrative, management and supervisory bodies and promptly report any major irregularities. In the event of non-compliance, the Compliance function must inform the Chair of the Board or another board member. Independently of such a situation, the Compliance function presents a report of its activity to the Board of Directors at least once a year.

Implementation of the non-compliance risk management system requires coordination between the Compliance function and the company's various departments (Marketing, HR, Finance, etc.)

B.6. Reporting lines within the company

The meetings of the Board of Directors, held at least three times a year, set the company's overall strategy, and allow the CEO to keep the Board of Directors informed of the company's activities. They also allow key functions to report to the Board of Directors on the main risks they have identified as part of their role.

The Management Committee meets quarterly and brings together the department heads. It is a forum for cross-departmental discussion of the business and achievement of objectives and exchanging strategic and operational information. Management Committee meetings are minuted and information shared within the teams.

Finally, specific committees have been set up:

- Underwriting Committee, chaired by David Seyller, Chief Operating Officer: defines underwriting rules and monitors portfolio profitability.
- Audit and Risk Committee, chaired by François Marion, Independent Director: monitors and assesses the effectiveness of internal control and risk management systems, and controls risk exposures and sensitivities (both financial and operational) in relation to defined risk appetite levels.
- Partnerships Committee, chaired by Corinne Page, General Counsel and Partnerships Director: supports the deployment and expansion of the commercial agreements entered into by the Company, while ensuring that the activities delegated by the various departments are properly supervised.
- Investment Committee, chaired by Anne-Sophie Raimbault, Finance Director: defines strategic asset allocation, authorises and manages investments, and ensures compliance with Somers Group regulations and standards.
- Claims Committee, chaired by Stéphane Moreau, Claims Director: defines the methods and processes for managing claims files, reviews the assessment of major and contentious claims and monitors the claims management activities entrusted to the delegates.

B.7. Remuneration

Axeria iard's remuneration policy aims to attract staff and ensure their commitment and loyalty over the long-term, while ensuring appropriate risk and compliance management.

It also aims to support employees in their roles to achieve the company's strategic objectives.

To this end, the company has set up a remuneration structure for its employees combining fixed and variable individual remuneration plus a collective remuneration component.

The combination of these different aspects makes it possible to address the challenges of motivating and rewarding employees, as well as controlled support in achieving the company's objectives, with the aim of sound and effective management.

B.7.1. Contractual remuneration

Contractual remuneration consists of a fixed portion and a variable portion for all employees of the company.

Fixed portion of the contractual remuneration

Axeria iard employees are governed by the insurance and insurance inspectorate collectively bargained agreements, applicable within the company.

The fixed remuneration is set when the employee joins the company. It takes into account in particular the position held, status, training, skills and the experience of the employee concerned. It is determined in accordance with the minimum levels set by the collective agreement.

Increases are examined annually during an internal process defined by the company.

Variable portion of the contractual remuneration

Each employee of the company on a permanent contract has a variable remuneration defined as a percentage of their fixed annual remuneration. Variable remuneration depends on the achievement of collective and individual targets, which are reviewed annually. These objectives contribute to the achievement of the company's strategy and can include performance, quality and risk management criteria.

Variable remuneration is decided taking into account in particular the position held by the employee concerned while ensuring that the fixed remuneration remains predominant in relation to the variable remuneration. No remuneration factor is therefore likely to encourage excessive risk-taking in the company.

The variable remuneration objectives set are quantitative or qualitative and measurable.

The achievement of collective objectives is evaluated annually once the company's financial results are known and is shared with the Works and Economic Committee.

The attainment of individual objectives is assessed in the annual appraisal interviews.

The variable assigned to managers of key functions is not related to activities assigned to them in the context of this key function.

Remuneration of effective managers

The Chief Executive Officer and the Chief Operating Officer, in their capacity as effective managers of the company, have a different compensation structure from that of employees.

This compensation structure is approved by the Board of Directors.

B.7.2. Remuneration resulting from collective schemes

The remuneration policy established within the company also takes into account remuneration components resulting from collective schemes, whether it is a collectively bargained agreement, other collective agreement or unilateral decisions by the employer:

- Profit-sharing agreement
- Incentive agreement
- Attendance bonus
- Long service bonus
- Transport costs
- Meal vouchers
- Home office allowance

These schemes are intended for the company's employees, excluding its corporate officers.

B.7.3. Collective health, death & incapacity, and pension schemes

The collectively bargained insurance and insurance inspectorate agreement stipulates that employees benefit from health, death & incapacity and supplementary pension benefits run by I-Gestion and the B2V.

These schemes are collective and mandatory within the company.

Since 1 January 2019, the company has also offered an optional supplemental scheme to strengthen the coverage offered by the mandatory group healthcare expenses insurance scheme.

Personal protection insurance plan

The purpose of the Personal Protection Insurance Plan is to provide employees of insurance companies or their family members with benefits in terms of death, incapacity for work, disability and accidents occurring during a business trip, as well as reimbursement of healthcare costs under the conditions and limits stipulated.

Employees must join the Plan from their first working day. However, employees who are eligible for public policy exemption arising from Articles L.911- 7 III, D.911-2 and D.911-6 of the French Social Security Code may, at their request, be exempt from reimbursements of healthcare costs only.

The level and nature of the benefits are identical for all members of the company.

The contribution basis for the healthcare expenses portion is a percentage of the monthly social security contributions ceiling. This percentage varies on the basis of the previous year's gross remuneration with the criterion of being greater than or less than an annual social security ceiling.

The contribution relating to death disability benefits is based on the gross compensation for the current year made up of all the components of remuneration used to calculate social security contributions up to a limit of 8 times the annual social security ceiling.

Complementary health insurance

In addition to the benefits stipulated in the collective agreement, the company has taken out complementary health insurance to extend the healthcare basket of the basic Plan. Employees must join the scheme from their first working day, unless legally exempted.

The contribution rate (defined as a percentage of the social security ceiling), the level of coverage and the nature of the benefits are identical regardless of the insured party's status or level of remuneration.

Optional supplemental health insurance

Since 1 January 2019, employees can optionally subscribe to a supplementary health insurance plan to increase the benefits acquired under the collective scheme.

The contribution rate (defined as a percentage of the social security ceiling), the level of coverage and the nature of the benefits are identical regardless of the insured party's status or level of remuneration. The contribution is paid exclusively by the employee.

Complementary pension scheme

Joint agreements have created this professional scheme of pension funds operating according to the funded mechanism and intended to create a complementary pension in the form of a life annuity. This mechanism establishes an organised and professionally managed fund in the form of a group insurance policy, managed by B2V.

The «Pension Fund» is therefore a collective and mandatory defined contribution complementary pension scheme for the benefit of all employees.

All employees must join once they have one year's length of service in one or more companies covered by the insurance and insurance inspectorate collective agreements under one or more employment contracts, consecutive or otherwise.

B.8. Fit and proper requirements

The members of the Axeria iard Board of Directors, the effective managers and key functions must comply at all times with the requirements of fitness and propriety:

- their qualifications, knowledge and professional experience are appropriate for sound and prudent management (fitness); and
- their reputation and integrity are of good quality (propriety).

The Compliance function reports appointments or renewals of effective managers and key functions to the ACPR in accordance with Instruction no. 2015-I-03, using the nomination or renewal forms.

B.8.1. Assessment of propriety

Assessing propriety involves assessing a person's reputation and integrity. Honesty is one of the qualities to consider, as is conflicts of interest, which can influence a person's behavior and must be avoided.

The propriety assessment is performed by the Company's Compliance function. A propriety assessment includes the following aspects:

- Any criminal conviction, director disqualification, administrative or disciplinary sanction
- by a supervisory or professional authority, or measure of suspension or exclusion from a professional organisation in France or abroad; or any proceedings pending for any of the cases set out below;
- Any ongoing investigations, enforcement measures or sanctions for non-compliance with financial services legislation or imposed by a regulatory or professional body;
- If any of the undertakings in which the person has performed a management/control role in the last ten years:
 - Has had approval or accreditation withdrawn in the field of insurance, banking or finance, in France or elsewhere, for breaches or misconduct, or has entered administration or liquidation,
 - Has seen its statutory auditors, in France, or its legal auditors, for companies having their registered office elsewhere, refuse to certify the accounts,

- Has been subject to an administrative or disciplinary sanction imposed by a supervisory authority or a professional organisation, in particular suspension or exclusion from a professional organisation in France or elsewhere.

If a person who is effectively involved in managing the company finds themselves in one of the aforementioned situations, they are required to report it prior to assuming any position of responsibility.

The Compliance function will then report to the AMSB so that it can justify its decision whether or not to accept the appointment of the individual concerned in respect of:

- the intended function;
- the collective fitness and propriety of the administrative, management and supervisory body (AMSB).

Propriety will be assessed annually on the basis of the nomination file sent to the supervisory authority and a declaration of non-conviction, accompanied by an extract of the person's criminal record less than three months old. All verification evidence is retained.

B.8.2. Assessment of fitness

Board of Directors

In order to meet the collective and individual fitness requirements of the Board of Directors, the Compliance function must ensure that the company's Board of Directors has expertise in the following areas:

- **Market knowledge:** understanding of the company, the economic environment and the wider market in which the company operates as well as knowledge of the needs of the insureds,
- **Strategy and business model:** an appropriate and detailed understanding of the company's strategy and business model,
- **System of governance:** this includes risk management and control, which means an awareness and understanding of the risks facing the company and the ability to manage them. In addition, this includes the possibility of evaluating the effectiveness of the arrangements made by the company to ensure effective governance and the controls necessary for their supervision within the company and, if necessary, the supervision of changes in these areas,
- **Financial and actuarial analysis:** the ability to interpret the company's financial and actuarial information, identify key issues, put in place appropriate controls and take necessary action on the basis of such information,
- **The regulatory framework and its requirements:** knowledge and understanding of the regulatory framework within which the company operates, the related requirements and expectations, and the ability of the company to adapt to regulatory changes.

Any given member of the Board of Directors is not required to have expertise, skill and experience in all of the areas listed above. However, the collective knowledge, skills and experience of the Board of Directors as a whole must allow for sound and prudent management of the company. This collective knowledge must be maintained at all times, so any change in membership of the Board of Directors must be considered from this perspective.

Fitness will be assessed annually on the basis of:

- The CVs requested on each appointment,
- The mapping of each member's skills. For each skill and/or experience area, this map indicates the contribution of each director to the collective knowledge of the Board of Directors for the sound and prudent management of the company.

Effective managers and key functions

Generally speaking, the skills, experience, reputation and integrity of the persons effectively managing the company and holding key functions are determined and verified through the following:

- Dated and signed curriculum vitae;
- Copy of the national identity card or passport;
- Copy of the qualifications obtained;
- Criminal records check less than 3 months old;
- Declaration of non-conviction relating to I and II of Article L. 322-2 of the French Insurance Code;
- References (other positions held, interests, holdings in companies);
- and any other means necessary for the evaluation.

This evaluation demonstrates that the person has proven in the past that he or she is fit and proper for the performance of his or her future duties.

All persons concerned will be required to maintain their skills for their role through continuing training.

In addition, the company must not only have procedures in place to meet the skills requirements during hiring but must also integrate a continuing professional training process so that all of these people stay informed of developments related to their duties. Skills are assessed as part of the annual appraisal.

B.9. Risk management system, including ORSA

B.9.1. The risk management system objectives

The purpose of the risk management system is to make decision-making secure through the identification, assessment, management and monitoring of the risks to which the company is, or could be, exposed in order to achieve its strategic objectives.

B.9.2. Risk management system governance

The Board of Directors provides sound and prudent management of the company. As such, it validates the company's risk appetite as proposed by senior management. It delegates the review of the company's risk management processes and the work of the key internal audit and risk management functions to the Audit and Risk Committee. Risk management system is coordinated by senior management. During Management Committee meetings, management discusses and shares the risk areas of their activities with regard to the company's strategy directions. This body decides on the actions to be taken with regard to the risks identified.

Specific committees also meet when needed to analyse, process and share information on cross- functional topics. The frequency of committee meetings and topics addressed vary according to the company's needs.

Finally, the risk management system is supported by all employees in the routine management of their work. They use the internal control system implemented by Axeria iard to manage their risks.

Risk management system coordination falls under the key function of risk management required by Solvency II.

B.9.3. Risk management system organisation

The risk management system is part of a global mechanism structured in three levels:

- **1st line of defence:** operational functions are responsible for routine management of the risks inherent in their work.

- **2nd line of defence:** the key functions of Risk Management, Actuarial and Compliance constitute the second level of coordination in the risk management system. They control and monitor the identified risks autonomously and independently from the 1st line functions in order to ensure their risk assessments are reliable, that checks are made, and that the optimisation plans and monitoring are appropriate.
- **3rd line of defence:** Internal audit is responsible for providing independent assurance of the effectiveness of the first two levels.

B.9.4. Risk management framework

Axeria iard's risk management framework is based on:

- the definition of the risk appetite,
- its application to risk limits, at different levels,
- identification of all the risks to which Axeria iard is exposed,
- assessing, monitoring and circulating information about each risk.

B.9.5. Risk appetite

Risk appetite is the level of risk that the company accepts to conduct its business and achieve its strategic objectives. The objective is to build a profitable, risk-controlled portfolio. Appetite is defined annually and proposed to the Board of Directors for ratification.

B.9.6. Risk register

This covers all risks that might impact the company. Taking the form of risk mapping, all identified risks inherent to the company's activities are included. Risks are reassessed and risk management improved annually. The mapping of major risks is presented to the Audit & Risk Committee and then ratified by the Board of Directors. It's also shared with the Management.

B.9.7. Own risk and solvency assessment

ORSA (Own Risk and Solvency Assessment) is defined as a set of processes to assess the overall solvency requirement related to the risk profile specific to each insurance company, on an ongoing and forward-looking basis.

Conducted annually, the ORSA reflects the company's ability to identify, measure and manage factors that may change its solvency or affect its financial position. An ad hoc ORSA can be carried out in the event of major internal or external events.

Within Axeria iard, the ORSA falls under the responsibility of the Risk Management key function. It is conducted in conjunction with the Risk and capital manager.

The ORSA report is presented to the Chief Executive Officer for approval and then to the Board of Directors for ratification.

The ORSA is incorporated into the company's management process and is one of various tools used. It is based on:

- **The company's medium-term strategy plan:** the projection of solvency ratios in future is based on the estimates in this plan
- **Risk mapping:** the company analyses its main risks annually.

Conversely, ORSA's findings feed into the risk mapping, inform strategic decisions and may lead to a review of the medium-term plan.

This assessment includes the following information:

- An assessment of the overall solvency requirement taking the company's specific risk profile into account;
- This analysis is based on the company's risk mapping, with each risk taken into consideration in determining whether it is adequately addressed in the standard formula, given the company's exposure. If it is not, an adjustment or additional capital requirement is included in the ORSA;
- A projection of this requirement over 3 years based on the company's medium-term plan;
- An analysis of the impact of internal and external events on the company's solvency, taking into account the company's specific risk profile, approved risk tolerance limits and the company's business strategy.
- The determination of stress tests, which is based, among other things, on the company's risk mapping.

B.10. Internal control system

B.10.1. Definition

Internal control is a process implemented by the company's Board of Directors, executives and employees. It is intended to provide reasonable assurance that three categories of objectives are met:

- **operational objectives:** these relate to the effectiveness and efficiency of operations. They include operational and financial performance objectives, as well as asset safeguarding.
- **reporting objectives:** these concern internal and external, financial and extra-financial reporting. They may target the reliability, timeliness, transparency or other requirements issued by regulators, recognised standards bodies or internal instructions.
- **compliance objectives:** these relate to compliance with the laws and regulations applicable to the company.

To this end, Axeria iard has implemented an internal control system based firstly on the requirements of Solvency II and secondly on the methodologies and best practices recommended by the COSO guidance.

B.10.2. Internal control framework

In accordance with the governance provisions laid down by Solvency II and the COSO guidance, Axeria iard's internal control framework is structured around five key components described below.

B.10.3. Control environment

Axeria iard has a control environment that favours proper management of its risks, reflected in:

- **a Board of Directors** ensuring the implementation and smooth running of the internal control system.
- **senior management**, under the supervision of the Board of Directors, defining the structures, reporting lines, and the appropriate powers and responsibilities to achieve the objectives set.
- **a commitment to attract**, train and retain employees with skills aligned with the objectives set.
- the establishment of formal procedures distributed to all employees.

B.10.4. Risk assessment

Based on a process mapping, Axeria iard has undertaken a process for identifying, measuring and prioritising the risks inherent to its activities and ensuring that they are under control.

Risk mapping is based on two dovetailing top-down and bottom-up approaches. Risk mapping is constantly monitored on the basis of changes in the risk environment and is reviewed at least annually. Indeed, the risk assessment changes according to the results of the controls, the incidents identified and the key performance indicators.

B.10.5. Control activities

Axeria iard's objective is to establish permanent and operational monitoring in the context of business processing. The permanent control mechanisms are structured around:

- **A control plan:** drawn up annually, it facilitates control of operations, compliance with regulations and the reliability of data. It is operated on three control levels corresponding to the three lines of defence.
- **An incident database:** in which major incidents are recorded. It serves to reconcile initial risk assessments with incidents actually identified.
- **Action plans:** these are defined to respond to any inadequacies identified in the control of risk.

B.10.6. Information and communication

The internal control system is based on adequate circulation of information. This must be relevant to the recipients. It is important to report on the work carried out to those involved in coordinating the internal control system to enable them to fulfil their responsibilities and achieve their objectives.

Information from the internal control system also contributes to the production of the reports required by the regulations.

B.10.7. Monitoring of the framework

The internal control system is structured around ongoing management and periodic reviews of its operation, making it possible to verify its effectiveness and appropriateness to the company's objectives. It assesses and communicates the strengths and weaknesses of the internal control system to stakeholders, including senior management, the Audit & Risk Committee, and the Board of Directors.

B.10.8. Compliance function

Axeria iard has designated Compliance to be a key function, reporting directly to the Chief Executive Officer, effective manager. It provides advice to senior management and the Board of Directors.

The Compliance function presents the policies and activity reports falling within its scope to the Board of Directors. It can contact the Board of Directors whenever a major incident impacting its areas of expertise occurs. The compliance policy is reviewed annually and describes the roles and responsibilities of the function, its areas of intervention and its relationship with the internal control system and its governance.

It also plays a role with operational staff in coordinating, advising and checking their compliance. It thus contributes to the strengthening of the internal control system through its position as the 2nd line of defence.

The scope of the function covers compliance with laws, regulations, standards and internal policies and procedures. Thus, the compliance function detects, identifies, assesses and prevents non-compliance risks through:

- Training and raising employee awareness of internal procedures (anti-money laundering and terrorist financing, complaints, etc.);
- The anti-money laundering and combating the financing of terrorism mechanism;
- Monitoring and gathering information;
- A reference base holding the regulations;
- Monitoring of regulatory reporting obligations;
- Customer protection;
- Compliance of the company's policies/products;
- Data protection and confidentiality

B.11. Internal Audit function

B.11.1. Process

The head of Internal Audit reports to the Chief Executive Officer on all his work. Internal Audit being a key function, they present policy and the function's activity report to the Board of Directors.

The scope of internal audit covers all of the company's activities and processes. The audit schedule is planned in conjunction with the Risk Management and Compliance key functions, based on the risk analysis work carried out (risk mapping, ORSA, etc.). Audits are planned to address the company's main risks, based on the principle of rotation over several years.

The results of the audits in turn are used as input to the work of other key functions and are taken into consideration when implementing the risk management system.

B.11.2. Policy

Internal audit is governed by a policy approved annually by the Board of Directors. This policy is consistent with Solvency II standards (Article 47 of Directive 2009/138/EC), as well as international standards in professional internal audit practice.

This policy serves as the internal audit charter, as required by Article 1000 of the "International Standards for the Professional Practice of Internal Auditing".

It is a written policy and follows the same approval and review process as other internal policies. This policy presents the role and objective of the internal audit, its scope of intervention, the general methodology applied, and the rights and obligations of the auditees and auditors.

This policy specifies the following aspects in particular:

Reporting line

In order to ensure its independence, the Internal Audit function reports directly to the Chief Executive Officer. Any person involved in an audit (internal auditor or any internal or external expert brought in for the assignment) will, in the context of this assignment only, report directly to the head of internal audit, to the exclusion of any other usual hierarchical relationship.

Independence

In accordance with professional standards, auditors (and any other persons involved in an audit assignment) must be independent from the individuals and processes audited. In particular, they are to refrain from auditing any process in which they participate or over which they have authority, or in which they have participated in the three years preceding their audit.

Right of inspection

The internal audit has full authority to seek and investigate in respect of assignments approved by senior management. The collection of information or documents must not be hindered, and the information itself must not be concealed or distorted. The audit has access to any person the auditors deem necessary to interview in the context of the assignment. Apart from in the situations stipulated by law, no objection can be made for reasons of confidentiality.

Referral

Any manager in the company is authorized to propose an assignment or to alert to an area of risk. However, the appropriateness of an assignment is decided by the internal audit, in agreement with the Chief Executive Officer to whom it reports. The internal audit defines an audit plan that lists the assignments scheduled over a defined period.

B.12. Actuarial function

B.12.1. Organisation

The Actuarial function ensures the reliability and appropriateness of the methods and assumptions used in the calculation of underwriting provisions.

It is responsible for issuing warnings if there is any risk of a mismatch between underwriting policy and the reinsurance policy and if there is a risk of underwriting not generating a profit with regard to the company's strategy and organisation.

The Actuarial function's scope and role were defined, in accordance with Directive 2009/138/ EC of 25 November 2009 (Article 48) and Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 (Article 272), as follows:

- **regulatory monitoring** to ensure the role of the function is appropriate given regulatory requirements,
- **in terms of underwriting provisions:**
 - approval of the methods used,
 - opinion on data quality,
 - backtesting estimates.
- **in terms of the underwriting policy:**
 - opinion on the risk of non-profitability of underwriting taking into account the various factors that might influence it.
- **in terms of reinsurance:**
 - opinion on the risk of a mismatch between cover (co-insurance, processed and optional) and underwriting.

The Actuarial function reports annually to the Board of Directors.

B.12.2. Scope

The Actuarial function bases its opinions and recommendations on:

- The existence of documented internal processes;
- The work of the Risk Management function (risk mapping, process documentation, etc.);
- Technical analyses carried out by underwriting coordination and management control;
- A review of the methodologies used to calculate underwriting provisions;
- Additional analyses, without, however, undertaking audits.

B.13.Subcontracting

B.13.1. Subcontracted activities

As part of its insurance business, Azeria iard has put agreements in place with third party service providers and partners in order to outsource part of its business. This outsourcing gives the company greater flexibility as well as access to specific skills.

Azeria has drawn up a list of activities that may be considered important or critical based on the provisions of the EIOPA:

- Insurance product design;
- Insurance product pricing;
- Risk selection
- Claims handling;
- Drafting of contractual documents;
- Financial asset management;
- Key functions of Compliance, Internal Audit, Risk Management and Actuarial services;
- The accounting function;
- The ORSA process;
- Data archiving;
- IT support and operational maintenance services when the service provided is considered essential or critical in the BCP.

B.13.2. Subcontracting Policy

The Azeria iard Board of Directors has adopted a subcontracting policy that forms part of the general risk management framework in accordance with the requirements of the Solvency II Directive.

In accordance with the transposition of the Directive into French law (Decree n°2015-513 of 7 May 2015), the key functions listed in Article L.354-1 and those whose interruption is likely to have a significant impact on the company's activity or its ability to effectively manage risks, or call into question the conditions of its accreditation, are deemed important or critical operational activities or functions within the meaning of Article L. 354-3.

For any new subcontracting arrangement, Azeria iard follows a systematic procedure in line with the requirements of Article 274-3°-a) of the Commission Delegated Regulation (EU) 2015/35 of 10 October 2014. This procedure consists of:

- Carrying out a preliminary feasibility study and detailing the subcontracting scope;
- Implementing a rigorous and transparent subcontractor selection procedure, covering in particular the assessment of the internal control system, checks on any necessary capabilities and accreditations and the existence of an adequate business continuity plan;
- Producing a formal subcontracting agreement that ensures subcontracting does not worsen the company's exposure to risk, that it remains in a position bring the activity back in-house, and that it has the means to monitor the performance of outsourced activities (reporting, management committees, inspections, etc.);
- Implementing an appropriate control and monitoring system (audit, continuous evaluation, steering committees).

B.14. Other information

No other information to be brought to the attention of the reader.

C. RISK PROFILE

C.1. Underwriting risk

C.1.1. Identification of underwriting risk

Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 defines “underwriting risk” as “the risk of loss or of adverse change in the value of insurance liabilities, due to inadequate pricing and provisioning assumptions”.

The main underwriting risks identified are as follows:

- **Inadequate pricing:** inadequate pricing makes it difficult to achieve underwriting objectives in terms of underwriting, development or risk selection targets. Thus,
 - **poorly adapted pricing** leads to a risk of anti-selection of risks;
 - **pricing that is too high** in relation to the profitability target or market practices prevents the achievement of development objectives;
 - **underwriting policies** that are repeatedly below the profitability threshold may jeopardise profitability and therefore the sustainability of the business.
- **Inadequate provisioning:** claims provisioning is used to measure their ultimate level, individually or on a segment. If this provisioning is biased in one direction or in the other, or if the distribution of reserves is not appropriate (for example, by product), the profitability picture is blurred. This leads to difficulties with coordination and can have negative consequences on pricing. On the other hand, under-provisioning would entail a risk for the company of being unable to honour its commitments to policyholders.

C.1.2. Measurement of underwriting risk

Axeria iard’s strategy in terms of pricing and reserves is based on the following principles:

- **Control over profitability:** Axeria iard ensures that its profitability is under control and all segments of the portfolio generate a sufficient underwriting margin.
- **Provisioning in accordance with regulatory requirements:** At each period-end, Axeria iard records provisions meeting French regulatory obligations, particularly those regarding the sufficiency of claims reserves.
- **Effective management:** Axeria iard ensures that it produces cost-effective management tools adapted to its needs. To do so, it ensures that the assessment of claims incurred is as fair and accurate as possible and that it is updated regularly.

Unsuitable pricing and inadequate provisioning risks can be measured using the metrics of earned premiums net of reinsurance and best estimate claims reserves net of reinsurance. These two metrics are used in the standard formula.

C.1.3. The risk control system

Axeria iard has put in place a risk control system that enables it to deploy its strategy within each relevant process. The main elements of this system are as follows:

Pricing methods suited to the product

Axeria iard does not delegate the pricing of its products. Axeria iard is the only decision-maker regarding products and prices and is solely responsible for their consistency with company objectives, and their correct application and monitoring. Pricing methods are adapted to the type of product being underwritten.

A standardized, clear and well-defined claim provisioning process

For all provisions in the portfolio file, Axeria iard's objective is to ensure that the provision made is standardised, accurate and up to date. To this end, documented processes have been put in place based on a secure management system (management guide, management authorities, continuous review of evaluations, audits of delegated authorities, etc.).

Regulatory compliance

Axeria iard has put regulatory intelligence gathering in place and strives to comply with all requirements related to constituting provisions.

The financial statements are reviewed half-yearly by the statutory auditors, who ratify their compliance annually.

Comprehensive and high-quality data

Axeria iard pays particular attention to the reliability and quality of data used. Axeria iard ensures in particular that the information necessary for pricing and building provisions is available to the teams and that it is of good quality, complete, and timely.

A process for preparing financial information

The production process of the quarterly financial statements makes it possible to control the quality of the data produced and meet deadlines.

Monitoring of profitability and adjustment of the premiums of policies in the regular portfolio

Several processes exist within Axeria iard to monitor portfolio profitability (including actuarial analyses) resulting in price adjustments.

C.1.4. Risk mitigation techniques

In order to mitigate some underwriting risks, Axeria iard uses co-insurance and reinsurance to transfer part of the pricing risk. These techniques lead to other types of risk, which will be addressed in the "credit risk" section.

C.2. Market risk

C.2.1. Identification of market risks

Market risk is the risk of loss, or of an unfavourable change in the financial situation, directly or indirectly resulting from fluctuations in the level and volatility of the market value of assets, liabilities and financial instruments.

Financial risks are monitored periodically and break down into:

C.2.2. Interest rate risk

The impact of interest rate risk on assets is based on the following:

- regulatory constraints
- asset/liability matching to define a tactical allocation
- minimum and maximum sensitivity for the bond portfolio

Interest rate movements may have a negative impact on the economic, financial and solvency situation.

C.2.3. Equity risk

Equity risk arises from unexpected changes in stock prices.

Movements in equities may have a negative impact on the economic and financial situation, both in terms of value and solvency.

C.2.4. Liquidity risk

This risk is specifically addressed in Part C.4 of the report.

C.2.5. Market risk management

Axeria iard's investment policy is guided by the rules and limits imposed by the French Insurance Code.

To keep market risk under control, Axeria iard has set up a framework approach that imposes a limit structure governing risk-taking.

Interest rate risk is assessed in the form of target sensitivity calculated monthly in order to mitigate potential imbalances between assets and liabilities.

C.2.6. Measurement of market risk

Market risk can be assessed through investment volumes by asset class, as in the standard formula.

C.3. Credit risk

C.3.1. Introduction to credit risks

Credit risk is the risk that a receivable owed to the insurer will not be paid. For Axeria iard, this risk concerns:

- Delegation of premium collection to brokers
- Delegation of premium collection to co-insurance lead insurers
- The claims commitments of other co-insurers
- Commitments ceded under reinsurance
- Funds placed with banks (current accounts or term deposits).

C.3.2. Credit risk management

D.3.2.1 Brokers

The company, through its extranet, delegates the distribution of its products, as well as, to a more limited and controlled extent, the collection of premiums. It controls credit risk by running a number of checks, particularly in the selection of brokers, the contractualisation of the relationship, the performance of

audits and the verification of registration in the ORIAS French insurance intermediaries register.

D.3.2.2 Co-insurers

Co-insurance is governed by the FFA (French insurance federation) co-insurance agreement.

Azeria iard is only liable to the insured only for its portion; it is not jointly and severally liable with the other co-insurers.

D.3.2.3 Reinsurers

Azeria iard only takes out reinsurance with financially sound reinsurers with a good reputation on the market, with which it develops long-term partnerships, in order to ensure the sustainability of coverage and avoid opportunistic attitudes.

Azeria iard is moreover responsible for diversifying counterparties and avoiding excessive exposure to one or more counterparties.

Finally, its reinsurance guidelines stipulate the inclusion of treaties clauses covering assigned provisions and cash calls when possible.

C.3.3. Credit risk measurement

The company monitors its counterparty risk through the following indicators:

- Aged balance of broker and co-insurers receivables;
- Provisions assigned to reinsurers, and provisions assigned less pledges;
- Amounts of current accounts and term deposits with banks

These metrics are used in the standard formula to estimate the capital requirement related to counterparty risk.

C.4. Liquidity risk

C.4.1. Introduction to liquidity risk

Liquidity risk is defined in Article R352-1 of the French Insurance Code as «the risk, for insurance and reinsurance undertakings, of not being able to realise their investments and other assets in order to honour their financial commitments when they become due.

The main objective for Azeria iard is to manage and coordinate liquidity risk in order to meet its commitments to its insureds and creditors in a short period of time.

C.4.2. Liquidity risk management

Liquidity risk management is based on:

- A target allocation with investments in liquid and low-volatility assets to provide security and meet liquidity requirements;
- Maintenance of a reserve in the event of unforeseen liquidity needs;
- Daily cash management issuing warnings when large disbursements occur. In addition, call clauses are stipulated with co-insurers and reinsurers.

The target allocation on the monetary component is calibrated in order to ensure a minimum level of liquidity for operations and maintain a significant reserve.

C.5. Operational risk

C.5.1. Identification of operational risk

Operational risk is defined under Solvency II as the risk of losses resulting from inadequate or failed internal processes, human error, IT system failures, or external events.

In this regard, operational risk also includes the risk of non-compliance, defined as the risk of judicial or administrative sanctions, material financial loss or damage to reputation caused by the company's failure to comply with legal, regulatory or contractual provisions, or with professional or ethical standards, instructions or the strategy direction of the business.

C.5.2. Operational risk management

Control over operational risk is based on:

A risk register

Axeria iard produces a risk map annually. It makes it possible to formalise and rank the company's major risks and identify the extent of the company's vulnerability to these risks.

A business continuity plan (BCP)

The company has a business continuity plan that ensure operational continuity of critical activities, and to switch to a backup system that will provide the services necessary for the survival of the company and the services to be provided to insureds, despite a significant loss of resources.

The BCP is tested at least once a year, and any failures are covered by a remediation plan.

Axeria iard's computer system makes it possible for all employees to work remotely in the event that access to the premises is impossible or difficult.

Incident database

The company has put various tools in place that allow it to log incidents and irregularities, analyse them and implement the necessary corrective actions.

Insurance

Axeria iard has an insurance program to cover major risks. The company regularly verifies that the cover is adequate for its needs.

C.5.3. Measurement of operational risk

As proposed by the standard formula, Axeria iard uses gross reinsurance premium and gross reinsurance provisions as an indicator.

D. VALUATION FOR SOLVENCY PURPOSES

D.1. Assets

This section presents the restatements made between:

- the valuation used in the company financial statements prepared in accordance with the regulatory framework and generally accepted accounting principles for insurance companies in France. The provisions of ANC (French accounting standards authority) Regulation No. 2015-11, as amended by ANC regulation 2016-12 on annual insurance accounts, the provisions of ANC Regulation 2014-03 et seq. relating to the general chart of accounts, and Articles L.123- 12 to L.123-22 of the French Commercial Code also apply,
- and the valuation calculated for the Solvency II valuation, in accordance with the technical specifications.

D.1.1. Investments

In the Solvency II balance sheet, equities and bonds are valued at their market value on the basis of custodian statements, including accrued coupons. UCITS and securities held in OPCI - real-estate collective investment schemes - are valued on the basis of the net asset value (NAV) issued by the management company. Term deposits are valued at historical cost.

D.1.2. Tangible and intangible assets

Intangible assets are eliminated from the valuation for solvency purposes. Tangible assets are valued in the same way as in the financial statements.

D.1.3. Reserves for contingencies and charges

These provisions are valued in this valuation in the same way as in the financial statements.

D.1.4. Receivables

These provisions are valued in this valuation in the same way as in the financial statements.

D.1.5. Accruals and prepayments

D.1.5.1. Valuation in the financial statements

Prepayments and accrued income are mainly:

- accrued interest and accrued income;
- differences in bond redemption prices (discount);
- deferred acquisition costs over future financial years.

Accrual accounts mainly consist of the amortisation of differences in bond redemption prices (premium).

D.1.5.2. Valuation in the SII balance sheet

Accrued interest and premiums/discounts are included in the valuation of investments. Deferred acquisition costs are eliminated and replaced by an overall premium provision.

D.2. Technical reserves

D.2.1. Premium provisions

All premium provisions in the financial statements (premiums issued not earned, reserves for ongoing risks, deferred acquisition costs and equalisation reserve) are replaced in the SII valuation with an overall reserve corresponding to discounted future cash flows related to policies that the company cannot terminate or for which it cannot change the price. This involves:

- Policies currently running
- Policies on which the company is bound due to the notice of termination, (usually 2-month namely, at month-end December N, contracts with inception dates in January and February N+1.

Reinsurance assignments comply with the terms of the various reinsurance treaties entered into.

D.2.2. Claims reserves

Mathematical reserves, reserves for outstanding claims and reserves for management costs are measured in the SII solvency valuation as the present value according to the EIOPA risk-free yield curve, future settlement flows and expenses. Reinsurance assignments comply with the terms of the various reinsurance treaties entered into.

D.3. Deferred taxes

D.3.1. Deferred tax

In the SII valuation, assets and liabilities are recalculated, generating adjustments to liabilities and assets, which are recognised in equity. For Axeria iard, these adjustments are positive and increase equity, thereby generating a tax liability.

The impact of the tax is estimated using the corporate tax rate multiplied by the amount of the adjustments. This constitutes a deferred tax liability recognised in the valuation for solvency purposes.

D.3.2. Loss-absorbing capacity of deferred taxes

Under SII standards, the company calculates an adjustment to take into account the BSCR (Basic Solvency Capital Requirement) ability to absorb that loss + capital for operational risk through deferred taxes. This amount is estimated using the corporate tax rate multiplied by the sum of the BSCR and the operational SCR, limited by the amount of deferred tax liabilities recognised under SII.

D.4. Values of assets and liabilities

D.4.1. Table of provision entries

The table below shows the transition from claims and premium provisions from the financial statements to the SII valuation for solvency purposes.

Provision in financial statements (in €m)			Difference		SII valuation	
ENTRIES IN CLAIMS AND PREMIUM PROVISIONS RESTATED AS ASSETS						
provisions for assigned premiums and deferred acquisition costs	84 722	-211 141	-126 419	provisions for assigned premiums discounted BE		
provisions for claims assigned under reinsurance	237 871	84 915	322 787	provisions for claims assigned under reinsurance		
TOTAL	322 593	-126 226	196 368	TOTAL		
ENTRIES IN CLAIMS AND PREMIUM PROVISIONS RESTATED AS LIABILITIES						
premium provisions	197 586	-150 591	46 994	premium provisions discounted BE		
claims provisions (incl. mathematical prov. and prov. for claim mgt fees)	293 582	-20 917	272 666	claims provision discounted BE incl. risk margin		
TOTAL	491 168	-171 508	319 660	TOTAL		

D.4.2. Balance sheet: transition from financial statements to valuation for solvency purposes

The table below shows the transition from the balance sheet to the SII valuation for the main asset and liability categories:

KE	Financial statements	Difference	SII Valuation
ASSETS			
Intangible assets	65	-65	0
Investments (incl bank deposit)	286 914	1 733	288 647
Receivables from reinsurers, intermediaries and excluding insurance	387 802	-152 922	234 880
Deferred acquisition costs	23 383	-23 383	0
Other assets	7 006	0	7 006
TOTAL ASSETS	705 169	-174 637	530 532
LIABILITIES			
Gross underwriting reserves	491 168	-171 508	319 660
Reinsurers' cash deposits	27 071	0	27 071
Debts	118 284	-26 289	91 994
Deferred tax liabilities	0	6 137	6 137
Other liabilities	4 902	0	4 902
TOTAL LIABILITIES	641 424	-191 660	449 764

D.4.3. Underwriting provisions by line of business

The table below shows the expected Best Estimate underwriting provisions net of reinsurance (premium and claims provisions, including management fees and risk margin) by LoB (€m).

€m	Underwriting provisions in SII valuation net of reinsurance at 31/12/2023
Line of Business	
NON-LIFE	
Care costs	761
Loss of income	0
Accidents at work	0
Third-party motor insurance	113 761
Other motor insurance	-22 333
Maritime, air and transport insurance	-220
Fire and other property damage	-1 136
General civil liability	14 872
Bond credit	302
Legal protection	38
Assistance	88
Miscellaneous pecuniary losses	2 003
LIFE	
Annuities from non-life policies	15 157
TOTAL	123 292

including management fees and risk margin

D.5. Other liabilities

N/A

D.6. Alternative valuation methods

N/A

D.7. Other information L 12/290 FR Official Journal of the European Union 17.1.2016

N/A

E. CAPITAL MANAGEMENT

E.1. Own funds

E.1.1. Valuation in the financial statements

At 31.12.2023, the company's share capital was €38m, being 3,800,000 shares with a nominal value of €10.

The proposed profit allocation for financial 2023 is as follows:

Profit for the year:	8 268 601€
Allocation to statutory reserve (Article 33 of the Articles - min 5%)	413 430 €
Proposed dividend distribution	2 000 000 €
The balance will be recorded under «Retained earnings» i.e. the balance of which would be increased to:	5 854 871 € 8 414 444.06 €

There were no changes in capital during the financial year.

Own funds would then amount to €64m after allocation of earnings according to the proposal set out above.

E.1.2. Solvency II valuation

The components of SII capital are, in addition to the own funds items in the financial statements:

- Asset adjustments
- Liability adjustments
- Deferred tax liabilities

SII eligible own funds amounted to €80.8 million.

E.1.3. Quality of own funds

In view of their quality, all items of eligible SII own funds are classified as Tier 1.

E.2. Solvency Capital Requirement and Minimum Solvency Requirement

Axeria iard uses the standard formula to calculate the Solvency Capital Requirement. The company is not affected by any add-on capital.

At the end of 2023, the SCR (Solvency Capital Requirement) coverage is 188%. The SCR amounts to 42.9M€.

The MCR amounts to 14.2M€, on the basis of the linear formula, as the cap and floor do not impact the result.

E.3. Use of the long-term equity risk sub-module in the calculation of the Solvency Capital Requirement

N/A

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

N/A

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

N/A

E.6. Other information

N/A

F. APPENDIX

F.1. S.02.01.02 - Balance Sheet

ASSETS			Solvency II value	
			C0010	
Goodwill		R0010	-	
Deferred acquisition costs		R0020	-	
Intangible assets		R0030	-	
Deferred tax assets		R0040	-	
Pension benefit surplus		R0050	-	
Property, plant & equipment held for own use		R0060	726 486	
Investments (other than assets held for index-linked and unit-linked contracts)		R0070	206 724 721	
Investments (other than assets held for index-linked and unit-linked contracts)	Property (other than for own use)		R0080	-
	Holdings in related undertakings, including participations		R0090	-
	Equities		R0100	-
	Equities	Equities - listed	R0110	-
		Equities - unlisted	R0120	-
	Bonds		R0130	132 274 934
	Bonds	Government Bonds	R0140	21 820 189
		Corporate Bonds	R0150	110 454 745
		Structured notes	R0160	-
		Collateralised securities	R0170	-
	Collective Investments Undertakings		R0180	-
	Derivatives		R0190	-
Deposits other than cash equivalents		R0200	74 449 787	
Other investments		R0210	-	
Assets held for index-linked and unit-linked contracts		R0220	-	
Loans and mortgages		R0230	-	
Loans and mortgages	Loans on policies		R0240	-
	Loans and mortgages to individuals		R0250	-
	Other loans and mortgages		R0260	-
Reinsurance recoverables from:		R0270	196 367 469	
Reinsurance recoverables from:	Non-life and health similar to non-life		R0280	190 862 810
	Non-life and health similar to non-life	Non-life excluding health	R0290	193 148 525
		Health similar to non-life	R0300	- 2 285 715
	Life and health similar to life, excluding health and index-linked		R0310	5 504 660
	Life and health similar to life, excluding health and index-linked and unit-linked	Health similar to life	R0320	-
		Life excluding health and index-linked and unit-linked	R0330	5 504 660
Life index-linked and unit-linked		R0340	-	
Deposits to cedants		R0350	-	
Insurance and intermediaries receivables		R0360	19 491 666	
Reinsurance receivables		R0370	18 942 979	
Receivables (trade, not insurance)		R0380	77 466	
Own shares (held directly)		R0390	-	
Amounts due in respect of own fund items or initial fund called up but not yet paid in		R0400	-	
Cash and cash equivalents		R0410	81 195 679	
Any other assets, not elsewhere shown		R0420	7 005 753	
Total assets		R0500	530 532 220	

			Solvency II value
LIABILITIES			C0010
Technical provisions - non-life			R0510298 998 258
Technical provisions - non-life	Technical provisions - non-life (excluding health)		R0520300 523 336
	Technical provisions - non-life (excluding health)	Technical provisions calculated as a whole	R0530-
		Best Estimate	R0540295 301 625
		Risk margin	R05505 221 711
	Technical provisions - health (similar to non-life)		R0560-1 525 077
	Technical provisions - health (similar to non-life)	Technical provisions calculated as a whole	R0570-
		Best Estimate	R0580-1 538 017
		Risk margin	R059012 940
Technical provisions - life (excluding index-linked and unit-linked)			R060020 661 660
Technical provisions - life (excluding index-linked and unit-linked)	Technical provisions - health (similar to life)		R0610-
	Technical provisions - health (similar to life)	Technical provisions calculated as a whole	R0620-
		Best Estimate	R0630-
		Risk margin	R0640-
	Technical provisions - life (excluding health and index-linked)		R065020 661 660
	Technical provisions - life (excluding health and index-linked and unit-linked)	Technical provisions calculated as a whole	R0660-
		Best Estimate	R067020 301 781
		Risk margin	R0680359 879
Technical provisions - index-linked and unit-linked			R0690-
Technical provisions - index-linked and unit-linked	Technical provisions calculated as a whole		R0700-
	Best Estimate		R0710-
	Risk margin		R0720-
Other technical provisions			R0730-
Contingent liabilities			R0740-
Provisions other than technical provisions			R0750945 754
Pension benefit obligations			R076093 034
Deposits from reinsurers			R077027 070 503
Deferred tax liabilities			R07806 137 481
Derivatives			R0790-
Debts owed to credit institutions			R0800-
Financial liabilities other than debts owed to credit institutions			R0810-
Insurance & intermediaries payables			R082026 066 539
Reinsurance payables			R083051 598 346
Payables (trade, not insurance)			R084014 329 577
Subordinated liabilities			R0850-
Subordinated liabilities	Subordinated liabilities not in Basic Own Funds		R0860-
	Subordinated liabilities in Basic Own Funds		R0870-
Any other liabilities, not elsewhere shown			R08803 862 714
Total liabilities			R0900449 763 867
Excess of assets over liabilities			R100080 768 353

F.2. S.04.05 - Premiums, claims and expenses by country

		FRANCE	ROMANIA	ITALY	NETHERLANDS	GERMANY	SLOVENIA	TOTAL FRANCE + 5 MAIN COUNTRIES
Premiums written (gross)	R0020	113 812 330	167 465 791	73 020 880	18 204 846	6 195 469	5 964 225	384 663 542
Premiums earned (gross)	R0030	114 416 516	113 775 812	13 906 812	13 079 085	5 873 696	3 266 491	264 318 411
Claims incurred (gross)	R0040	87 921 388	83 703 208	3 637 120	6 936 300	2 860 414	578 714	185 637 145
Expenses incurred (gross)	R0050	1 838 268	2 651 479	1 134 528	248 215	201 234	126 814	6 200 538

F.3. S.05.01.02 - Premiums, claims and expenses by line of business

Non-Life (direct business/accepted proportional reinsurance and accepted non-proportional reinsurance)			Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)										Total		
			Medical expense insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss			
			C0010	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120			
Premiums written	Gross - Direct Business		R0110	7 514 843	173 823 125	11 014 131	10 411 057	159 005 344	25 561 190	985 717	535 948	823 920	3 334 057	393 009 332	
	Gross - Proportional reinsurance accepted		R0120	-	-	-	-	-	-	-	-	-	-	-	
	Gross - Non-proportional reinsurance accepted		R0130	-	-	-	-	-	-	-	-	-	-	-	
	Reinsurers' share		R0140	7 512 682	115 886 540	10 220 435	9 689 500	142 262 798	23 198 703	985 454	487 214	698 379	3 058 144	313 999 848	
	Net		R0200	2 161	57 936 584	793 697	721 557	16 742 546	2 362 486	264	48 733	125 541	275 914	79 009 483	
Premiums earned	Gross - Direct Business		R0210	4 113 456	121 402 378	12 718 116	6 869 832	96 823 951	24 692 511	467 208	595 467	977 018	1 873 901	270 533 837	
	Gross - Proportional reinsurance accepted		R0220	-	-	-	-	-	-	-	-	-	-	-	
	Gross - Non-proportional reinsurance accepted		R0230	-	-	-	-	-	-	-	-	-	-	-	
	Reinsurers' share		R0240	4 110 318	114 121 470	11 801 627	6 791 936	92 137 282	23 151 397	466 825	541 321	828 150	1 809 546	255 759 873	
	Net		R0300	3 138	7 280 908	916 489	77 896	4 686 668	1 541 114	383	54 145	148 869	64 355	14 773 965	
Claims incurred	Gross - Direct Business		R0310	1 023 248	90 948 063	12 561 439	4 055 670	66 870 208	10 955 562	241 650	227 693	294 003	367 365	187 544 901	
	Gross - Proportional reinsurance accepted		R0320	-	-	-	-	-	-	-	-	-	-	-	
	Gross - Non-proportional reinsurance accepted		R0330	-	-	-	-	-	-	-	-	-	-	-	
	Reinsurers' share		R0340	1 023 248	84 743 122	12 062 268	4 002 693	63 314 350	10 392 725	241 650	227 693	454 614	352 508	176 814 871	
	Net		R0400	0	6 204 940	499 172	52 977	3 555 858	562 837	0	-	0	160 611	14 857	10 730 030
Expenses incurred			R0550	7 569	2 950 670	337 714	11 628	1 882 462	1 361 250	861	8 861	36 350	46 863	6 644 227	
Expenses incurred	Administrative expenses	Gross - Direct Business	R0610	59 863	248 917	185 086	99 976	1 462 273	359 348	6 799	8 666	14 218	655 459	3 100 606	
		Gross - Proportional reinsurance accepted	R0620	-	-	-	-	-	-	-	-	-	-	-	-
		Gross - Non-proportional reinsurance accepted	R0630	-	-	-	-	-	-	-	-	-	-	-	-
		Reinsurers' share	R0640	-	-	-	-	-	-	-	-	-	-	-	-
		Net	R0700	59 863	248 917	185 086	99 976	1 462 273	359 348	6 799	8 666	14 218	655 459	3 100 606	
	Investment management expenses	Gross - Direct Business	R0710	5 289	21 992	16 353	8 833	129 194	31 749	601	766	1 256	57 911	273 943	
		Gross - Proportional reinsurance accepted	R0720	-	-	-	-	-	-	-	-	-	-	-	-
		Gross - Non-proportional reinsurance accepted	R0730	-	-	-	-	-	-	-	-	-	-	-	-
		Reinsurers' share	R0740	-	-	-	-	-	-	-	-	-	-	-	-
		Net	R0800	5 289	21 992	16 353	8 833	129 194	31 749	601	766	1 256	57 911	273 943	
	Claims management expenses	Gross - Direct Business	R0810	-	1 864 212	886 388	513	1 230 780	260 219	-	2 566	4 619	866 325	5 115 624	
		Gross - Proportional reinsurance accepted	R0820	-	-	-	-	-	-	-	-	-	-	-	-
		Gross - Non-proportional reinsurance accepted	R0830	-	-	-	-	-	-	-	-	-	-	-	-
		Reinsurers' share	R0840	-	-	-	-	-	-	-	-	-	-	-	-
		Net	R0900	-	1 864 212	886 388	513	1 230 780	260 219	-	2 566	4 619	866 325	5 115 624	
	Acquisition expenses	Gross - Direct Business	R0910	1 733 243	19 636 728	2 244 221	1 664 860	26 572 906	6 002 077	142 261	111 204	166 205	1 153 133	57 120 572	
		Gross - Proportional reinsurance accepted	R0920	-	-	-	-	-	-	-	-	-	-	-	-
		Gross - Non-proportional reinsurance accepted	R0930	-	-	-	-	-	-	-	-	-	-	-	-
		Reinsurers' share	R0940	1 884 054	19 296 113	3 282 576	1 918 253	29 789 965	5 851 776	159 389	127 837	172 092	422 170	62 904 224	
		Net	R1000	- 150 810	340 614	- 1 038 356	- 253 393	- 3 217 059	150 301	- 17 127	- 16 632	- 5 887	- 1 575 303	- 5 783 652	
	Overhead expenses	Gross - Direct Business	R1010	93 227	474 934	288 244	155 698	2 277 274	559 632	10 589	13 496	22 143	42 470	3 937 707	
		Gross - Proportional reinsurance accepted	R1020	-	-	-	-	-	-	-	-	-	-	-	-
		Gross - Non-proportional reinsurance accepted	R1030	-	-	-	-	-	-	-	-	-	-	-	-
		Reinsurers' share	R1040	-	-	-	-	-	-	-	-	-	-	-	-
		Net	R1100	93 227	474 934	288 244	155 698	2 277 274	559 632	10 589	13 496	22 143	42 470	3 937 707	
Balance - other technical expenses/income			R1210	-	-	-	-	-	-	-	-	-	-	-	
Total technical expenses			R1300	-	-	-	-	-	-	-	-	-	-	6 644 227	

Life

Life			Line of Business for: life insurance obligations	Total	
			Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations		
					C0260
Premiums written	Gross		R1410	-	-
	Reinsurers' share		R1420	-	-
	Net		R1500	-	-
Premiums earned	Gross		R1510	-	-
	Reinsurers' share		R1520	-	-
	Net		R1600	-	-
Claims incurred	Gross		R1610	-	-
	Reinsurers' share		R1620	-	-
	Net		R1700	-	-
Expenses incurred			R1900	-	-
Expenses incurred	Administrative expenses	Gross	R1910	-	-
		Reinsurers' share	R1920	-	-
		Net	R2000	-	-
	Investment management expenses	Gross	R2010	-	-
		Reinsurers' share	R2020	-	-
		Net	R2100	-	-
	Claims management expenses	Gross	R2110	-	-
		Reinsurers' share	R2120	-	-
		Net	R2200	-	-
	Acquisition expenses	Gross	R2210	-	-
		Reinsurers' share	R2220	-	-
		Net	R2300	-	-
	Overhead expenses	Gross	R2310	-	-
		Reinsurers' share	R2320	-	-
		Net	R2400	-	-
Balance - other technical expenses/income			R2510	-	-
Total expenses			R2600	-	-
Total amount of surrenders			R2700	-	-



F.4. S.12.01.02 - Life and Health SLT Technical Provisions

				Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Total (Life other than health insurance, incl. Unit-Linked)
				C0090	C0150
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				R0020	-
Technical provisions calculated as a sum of BE and RM	Best Estimate	Gross Best Estimate		R0030	20 301 781
		Total recoverables from reinsurance/SPV and Finite Re before the		R0040	-
		Total recoverables from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	Recoverables from reinsurance (except SPV and Finite Re) before adjustment for expected losses	R0050	-
			Recoverables from SPV before adjustment for expected losses	R0060	-
			Recoverables from Finite Re before adjustment for expected losses	R0070	-
			Total Recoverables from reinsurance/SPV and Finite Re after the	R0080	5 504 660
		Best estimate minus recoverables from reinsurance/SPV and Finite Re		R0090	14 797 121
		Risk Margin		R0100	359 879
Amount of the transitional on Technical Provisions	Technical Provisions calculated as a whole			R0110	-
	Best estimate			R0120	-
	Risk margin			R0130	-
Technical provisions - total				R0200	20 661 660
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total				R0210	15 157 000

F.5. S.17.01.01 - Non-Life Technical Provisions

				Direct business and accepted proportional reinsurance											Total Non-Life obligation											
				Medical expense insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss													
				C0020	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0180												
Technical provisions calculated as a whole				R0010	-	-	-	-	-	-	-	-	-	-	-	-										
Technical provisions calculated as a whole	Direct business			R0020	-	-	-	-	-	-	-	-	-	-	-	-										
	Accepted proportional reinsurance business			R0030	-	-	-	-	-	-	-	-	-	-	-	-										
	Accepted non-proportional reinsurance			R0040	-	-	-	-	-	-	-	-	-	-	-	-										
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as				R0050	-	-	-	-	-	-	-	-	-	-	-	-										
Technical provisions calculated as a sum of BE and RM	Best estimate	Premium provisions	Gross - Total	R0060	-	2 147 278	52 586 651	542 030	-	5 859 400	2 800 912	223 385	-	771 992	22 839	78 534	-	481 540	-	46 994 141						
			Gross - Total	Gross - direct business		R0070	-	2 147 278	52 586 651	542 030	-	5 859 400	2 800 912	223 385	-	771 992	22 839	78 534	-	481 540	-	46 994 141				
				Gross - accepted proportional reinsurance business		R0080	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
				Gross - accepted non-proportional reinsurance business		R0090	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
			Total recoverable from reinsurance/SPV and Finite Re before the		R0100	-	3 587 358	-	35 430 661	-	3 209 546	-	6 768 636	-	62 418 263	-	11 377 223	-	1 069 296	18 769	1 427	-	2 578 267	-	126 419 053	
			Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses		R0110	-	3 587 358	-	35 430 661	-	3 209 546	-	6 768 636	-	62 418 263	-	11 377 223	-	1 069 296	18 769	1 427	-	2 578 267	-	126 419 053
				Recoverables from SPV before adjustment for expected losses		R0120	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
				Recoverables from Finite Reinsurance before adjustment for expected losses		R0130	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
			Total recoverable from reinsurance/SPV and Finite Re after the		R0140	-	3 587 358	-	35 430 661	-	3 209 546	-	6 768 636	-	62 418 263	-	11 377 223	-	1 069 296	18 769	1 427	-	2 578 267	-	126 419 053	
			Net Best Estimate of Premium Provisions		R0150	-	1 440 080	-	88 017 312	-	3 751 576	-	909 236	-	65 219 175	-	11 600 608	-	297 304	4 070	77 107	-	2 096 727	-	173 413 193	
	Claims provisions	Gross - Total	Gross - direct business		R0160	-	609 261	116 037 230	8 071 641	3 342 161	97 786 915	19 921 764	235 690	409 841	49 619	305 347	246 769 467									
			Gross - Total	Gross - accepted proportional reinsurance business		R0170	-	609 261	116 037 230	8 071 641	3 342 161	97 786 915	19 921 764	235 690	409 841	49 619	305 347	246 769 467								
				Gross - accepted non-proportional reinsurance business		R0180	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
				Gross - accepted non-proportional reinsurance business		R0190	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
		Total recoverable from reinsurance/SPV and Finite Re before the		R0200	-	1 302 411	92 813 258	34 347 927	4 544 632	166 317 180	17 083 896	235 690	384 464	40 076	399 640	317 469 174										
		Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses		R0210	-	1 302 411	92 813 258	34 347 927	4 544 632	166 317 180	17 083 896	235 690	384 464	40 076	399 640	317 469 174									
			Recoverables from SPV before adjustment for expected losses		R0220	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
			Recoverables from Finite Reinsurance before adjustment for expected losses		R0230	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
		Total recoverable from reinsurance/SPV and Finite Re after the		R0240	-	1 301 642	92 758 497	34 327 662	4 541 951	166 219 051	17 073 816	235 550	384 238	40 052	399 404	317 281 863										
		Net Best Estimate of Claims Provisions		R0250	-	692 382	23 278 733	-	26 256 021	-	1 199 790	-	68 432 136	-	2 847 948	139	25 603	9 567	-	94 057	-	70 512 396				
		Total Best estimate - gross		R0260	-	1 538 017	168 623 881	8 613 671	-	2 517 240	-	100 587 827	-	536 303	-	432 679	128 152	-	176 193	-	293 763 608					
		Total Best estimate - net		R0270	-	747 698	111 296 045	-	22 504 445	-	290 554	-	3 212 961	-	297 443	29 673	86 673	2 002 670	-	102 900 798						
	Risk margin		R0280	-	12 940	2 464 515	171 434	70 984	2 076 896	423 118	5 006	8 705	1 054	-	5 234 651											

F.6. S.19.01.01 - Non-life Insurance Claims Information

s.19.01.01.01

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

Accident Year		Development year												current yeat	sum of years
		0	1	2	3	4	5	6	7	8	9	10	11		
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0170	C0180
Prior	R0100	-	-	-	-	-	-	-	-	-	-	-	-	-	-
N-14	R0110	-	-	-	-	-	-	-	-	-	-	-	-	-	-
N-13	R0120	-	-	-	-	-	-	-	-	-	-	-	-	-	-
N-12	R0130	-	-	-	-	-	-	-	-	-	-	-	-	-	-
N-11	R0140	-	-	-	-	5 787 366	5 212 431	9 934 783	2 497 018	3 927 911	2 628 146	390 767	1 305 989	1 305 989	31 684 411
N-10	R0150	-	-	-	591 588	596 224	373 163	210 737	186 914	692 113	33 154	36 010	-	36 010	2 719 902
N-9	R0160	-	-	2 462 678	1 392 460	847 222	227 691	277 961	771 493	374 466	43 995	-	-	43 995	6 397 967
N-8	R0170	-	14 694 816	1 717 157	1 913 611	816 599	773 480	94 481	27 682	336 942	-	-	-	336 942	20 374 768
N-7	R0180	26 251 081	23 220 879	6 203 529	1 027 189	334 623	693 892	261 335	98 180	-	-	-	-	98 180	58 090 709
N-6	R0190	26 326 841	25 780 404	4 917 185	1 157 214	1 108 120	646 163	444 724	-	-	-	-	-	444 724	60 380 650
N-5	R0200	28 186 636	21 923 358	6 615 855	2 677 689	1 998 891	1 042 677	-	-	-	-	-	-	1 042 677	62 445 106
N-4	R0210	34 392 901	26 077 206	6 687 920	1 778 142	886 829	-	-	-	-	-	-	-	886 829	69 822 997
N-3	R0220	23 078 894	25 309 150	28 325 177	8 580 359	-	-	-	-	-	-	-	-	8 580 359	85 293 580
N-2	R0230	34 898 481	72 586 821	13 371 832	-	-	-	-	-	-	-	-	-	13 371 832	120 857 134
N-1	R0240	36 989 829	62 178 326	-	-	-	-	-	-	-	-	-	-	62 178 326	99 168 155
N	R0250	48 933 744	-	-	-	-	-	-	-	-	-	-	-	48 933 744	48 933 744
TOTAL	R0260													137 259 608	666 169 124

s.19.01.01.03

Gross undiscounted Best Estimate Claims Provisions - Development year (absolute amount))

Accident Year		Development year													
		0	1	2	3	4	5	6	7	8	9	10	11	12	end year (discounted data)
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0310	C0320	C0360
Prior	R0100	-	-	-	-	-	-	-	-	-	-	-	-	-	-
N-14	R0110	-	-	-	-	-	-	-	-	-	-	-	-	-	-
N-13	R0120	-	-	-	-	-	-	-	-	-	-	-	-	-	-
N-12	R0130	-	-	-	-	-	-	-	-	-	-	-	-	-	-
N-11	R0140	-	-	-	-		53 821 425	33 443 098	34 055 696	32 720 074	25 806 330	25 372 042	19 451 445	-	14 722 436
N-10	R0150	-	-	-	-	2 875 182	1 961 649	1 205 090	1 027 520	260 098	225 562	239 878	-	-	128 594
N-9	R0160	-	-	-	4 781 369	4 210 909	2 700 588	1 891 889	811 092	870 168	976 231		-	-	608 479
N-8	R0170	-	-	6 125 982	3 516 014	2 615 117	1 349 309	1 047 609	1 062 057	872 128	-	-	-	-	671 255
N-7	R0180	-	14 682 868	6 074 500	4 441 072	3 370 621	3 650 235	3 385 243	3 066 294	-	-	-	-	-	2 756 639
N-6	R0190	36 119 395	9 859 920	3 469 186	2 357 604	1 798 139	1 251 314	601 564	-	-	-	-	-	-	259 471
N-5	R0200	37 953 571	17 723 826	10 265 941	6 849 892	4 144 986	2 735 524	-	-	-	-	-	-	-	1 438 831
N-4	R0210	36 863 944	13 195 922	6 949 109	6 457 840	5 196 697	-	-	-	-	-	-	-	-	2 607 656
N-3	R0220	64 688 536	44 368 655	15 702 365	21 199 956	-	-	-	-	-	-	-	-	-	3 953 038
N-2	R0230	91 590 788	29 183 313	16 028 783	-	-	-	-	-	-	-	-	-	-	7 380 737
N-1	R0240	118 174 574	47 562 223	-	-	-	-	-	-	-	-	-	-	-	20 704 509
N	R0250	138 556 624	-	-	-	-	-	-	-	-	-	-	-	-	60 526 833
TOTAL	R0260													-	115 758 478

F.7. 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 2015/35	Ordinary share capital (gross of own shares)	R0010	38 000 000	38 000 000	-	-	-
	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	17 022 825	17 022 825	-	-	-
	Subordinated liabilities	R0140	-	-	-	-	-
	An amount equal to the value of net deferred tax assets	R0160	-	-	-	-	-
	Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	25 745 528	25 745 528	-	-	-
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	-	-	-	-	-
Total basic own funds after deductions		R0290	80 768 353	80 768 353	-	-	-
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	80 768 353	80 768 353	-	-	-
	Total available own funds to meet the MCR	R0510	80 768 353	80 768 353	-	-	-
	Total eligible own funds to meet the SCR	R0540	80 768 353	80 768 353	-	-	-
	Total eligible own funds to meet the MCR	R0550	80 768 353	80 768 353	-	-	-
SCR		R0580	42 953 949	-	-	-	-
MCR		R0600	14 247 846	-	-	-	-
Ratio of Eligible own funds to SCR		R0620	188%	-	-	-	-
Ratio of Eligible own funds to MCR		R0640	567%	-	-	-	-

			Value
Reconciliation reserve			C0060
Reconciliation reserve	Excess of assets over liabilities	R0700	80 768 353
	Own shares (held directly and indirectly)	R0710	-
	Foreseeable dividends, distributions and charges	R0720	-
	Other basic own fund items	R0730	63 745 528
	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	-
Reconciliation reserve		R0760	17 022 825
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	-

**F.8. S.25.01.01 - Solvency Capital Requirement -
for undertakings on Standard Formula**

		Net solvency capital requirement	Gross solvency capital requirement	Allocation from adjustments due to RFF and Matching adjustments portfolios
Basic Solvency Capital Requirement		C0030	C0040	C0050
Market risk	R0010	14 849 305	14 849 305	
Counterparty default risk	R0020	25 316 138	25 316 138	
Life underwriting risk	R0030	1 422 320	1 422 320	
Health underwriting risk	R0040	569 247	569 247	
Non-life underwriting risk	R0050	11 314 571	11 314 571	
Diversification	R0060	-	-	
Intangible asset risk	R0070	-	-	
Basic Solvency Capital Requirement	R0100	39 882 173	39 882 173	

Calculation of Solvency Capital Requirement			C0100
Operational risk		R0130	9 209 257
Loss-absorbing capacity of technical provisions		R0140	-
Loss-absorbing capacity of deferred taxes		R0150	-
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC		R0160	-
Solvency Capital Requirement excluding capital add-on		R0200	42 953 949
Capital add-ons already set		R0210	-
Capital add-ons already set	of which, capital add-ons already set - Article 37 (1) Type a	R0211	-
	of which, capital add-ons already set - Article 37 (1) Type b	R0212	-
	of which, capital add-ons already set - Article 37 (1) Type c	R0213	-
	of which, capital add-ons already set - Article 37 (1) Type d	R0214	-
Solvency capital requirement		R0220	42 953 949
Other information on SCR	Capital requirement for duration-based equity risk sub-module	R0400	-
	Total amount of Notional Solvency Capital Requirements for remaining part	R0410	-
	Total amount of Notional Solvency Capital Requirements for ring-fenced funds	R0420	-
	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	-
	Diversification effects due to RFF nSCR aggregation for article 304	R0440	-

F.9. 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

		MCR components
		C0010
MCRNL Result	R0010	13 937 107

		Background information	
		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	747 698	1 124 304
Income protection insurance and proportional reinsurance	R0030	-	-
Workers' compensation insurance and proportional reinsurance	R0040	-	-
Motor vehicle liability insurance and proportional reinsurance	R0050	111 296 045	10 390 551
Other motor insurance and proportional reinsurance	R0060	-	793 697
Marine, aviation and transport insurance and proportional reinsurance	R0070	-	652 996
Fire and other damage to property insurance and proportional reinsurance	R0080	-	14 062 415
General liability insurance and proportional reinsurance	R0090	14 448 556	1 710 952
Credit and suretyship insurance and proportional reinsurance	R0100	297 443	138 607
Legal expenses insurance and proportional reinsurance	R0110	29 673	48 733
Assistance and proportional reinsurance	R0120	86 673	125 541
Miscellaneous financial loss insurance and proportional reinsurance	R0130	2 002 670	164 878

Linear formula component for life insurance and reinsurance obligations

		Result
		C0040
MCRL Result	R0200	310 740

Total capital at risk for all life (re)insurance obligations		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	14 797 121	-
Total capital at risk for all life (re)insurance obligations	R0250	-	-

Overall MCR calculation		Value
		C0070
Linear MCR	R0300	14 247 846
SCR	R0310	42 953 949
MCR cap	R0320	19 329 277
MCR floor	R0330	10 738 487
Combined MCR	R0340	14 247 846
Absolute floor of the MCR	R0350	2 700 000
Minimum Capital Requirement	R0400	14 247 846

Axeria iard

26 rue Général Mouton-Duvernét - 69003 Lyon

Tel. 04 27 46 14 00 - Fax 04 27 46 14 76 - www.axeria-iard.fr - axeria@axeria-iard.fr

AXERIA iard - S.A. with share capital of €38,000,000 - Lyon Trade and Companies Register 352 893 200 - Company regulated by the French Insurance Autorité de Contrôle Prudentiel et de
Résolution - 4 Place de Budapest - CS 92459 - 75436 PARIS CEDEX 09