
For the year ended 31st December 2025

Chaucer Insurance Company DAC

Solvency & Financial Condition Report

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Executive Summary

Chaucer Insurance Company DAC (“CIC” or “the Company”) is an Irish domiciled insurance company that writes non-life specialty insurance and reinsurance business with clients primarily in the United Kingdom, the European Economic Area (the “EEA”) and the United States of America (“US”). CIC was incorporated on 16th August 2016 and is regulated by the Central Bank of Ireland (“CBI”) following authorisation on 16th June 2017. The Company is committed to strong systems of governance, controls and risk & capital management. The Company has a current solvency coverage ratio of 162% (2024: 176%), considerably above the Board approved risk appetite of 125%.

The Company is wholly owned by China Re International Company Limited (“CRICL”), a UK based entity that is also the Parent Company for Chaucer Syndicates Limited the managing agent for Syndicate 1084 and 1176 operating in the Society Corporation of Lloyd’s (“Lloyd’s”). CRICL is a member of The China Reinsurance (Group) Corporation, (“China Re”). China Re, headquartered in Beijing, is a Chinese insurance group and is listed on the Hong Kong stock exchange. The Company and Chaucer Syndicates Limited together are referred to as Chaucer Group (“Chaucer”).

This Solvency & Financial Condition Report (“SFCR”) is a requirement under the Solvency II regime, a harmonised EU-wide regulatory framework for insurance companies which came into effect on 1st January 2016. The purpose of the SFCR is to provide various stakeholders (including policyholders) of the Company an insight into the overall governance, risk management framework and financial condition of the Company.

This report covers certain aspects of the Company’s strategic and operating activities by discussing the Company’s Business and Performance; System of Governance; Risk Profile; Valuation of Assets & Liabilities; and, Capital Management, which are summarised as follows.

Business & Performance

CIC was established to enhance the international speciality insurance and reinsurance capabilities offered by Chaucer. CIC obtained authorisation from the CBI on 16th June 2017 to underwrite non-life specialty insurance and reinsurance business in the EEA on a Freedom of Services basis and internationally on a non-admitted basis.

CIC is headquartered in Dublin and has established Branches in the UK, Denmark and Bermuda. The UK Branch is authorised as a third country branch by the Prudential Regulation Authority (“PRA”) and the Bermuda Branch is authorised as a third country branch by the Bermuda Monetary Authority (“BMA”). The Denmark Branch operates on a freedom of establishment basis under the EU Solvency II Directive. The Branches operate from the offices of affiliated Chaucer service providing entities, and through outsourcing arrangements with these affiliates, leverage existing operational resources.

CIC is rated “A” (Excellent) by AM Best and “A” by “S&P” which reflects the continuing strategic role of the Company within China Re as it plays a key role in contributing to China Re’s international expansion.

Changes during period:

The Company continued to grow its broadly diversified underwriting portfolio in 2025, with gross premiums written increasing in line with plan to \$880.0 million (2024: \$725.9 million). This represented a 21% increase on the prior year as the Company continued to focus on the development of core classes and enhance its distribution channels. The continued growth was achieved despite an increasingly competitive market that placed pressure on the rating environment. Throughout this challenging market, the Company maintained its robust and disciplined underwriting approach.

Executive Summary

The Company recorded a net underwriting profit, excluding the impact of investments and foreign exchange, of \$18.0 million (2024: \$20.4 million) during the year. With regards to the investments, the Company continues to invest in high quality fixed income securities, whereby the investment portfolio has an average rating AA- as at 31st December 2025. The Company ensures that the duration of the assets and liabilities are closely matched and maintains strong levels of liquidity to ensure the Company is not required to liquidate assets in unrealized loss positions to meet its obligations as they arise.

The Company recorded a net unrealized gain for the year of \$8.3 million. Following this gain, the Company returned to an overall unrealized gain position on the investment portfolio of \$1.5 million, a change from the unrealized loss position of \$6.8 million at 31st December 2024.

Overall, the Company recorded a net profit before tax for the financial year ended 31 December 2025 of \$35.1m (2024: \$38.5m).

Refer to Section A for further detail relating to Business and Performance.

System of Governance

The Company is subject to the CBI's Corporate Governance Requirements for Insurance Undertakings 2015 ("the Code"). The Company has a clearly defined governance structure for risk management. The Board of Directors (the "Board") is responsible for strategic and operational oversight of the Company. The Board comprises a mix of executive directors, Group non-executives directors ("GNEDs") and independent non-executive directors ("INED's"). This provides a balance of diverse thinking with extensive business knowledge and sectoral experience.

Whilst the Board has ultimate responsibility for the Company's oversight and governance, Committees have been established to support the Board in this regard. The Board has approved the terms of reference for each Committee which comprise both Board members and the Company's senior management apart from the audit committee which comprises solely non-executive directors. These Committees have the power to carry out activities on behalf of the Board to the extent such activities are set out in the approved terms of reference.

Changes during the period:

Effective 1st January 2025, the regulatory rating of CIC has been upgraded from 'Medium/Low' to 'Medium/High' by the CBI. This upgrade is in line with the Company's expectations.

Effective 27th March 2025, Dr. Zuo Huiqiang resigned from the Board of Directors. Mr Yin Hang was appointed on 25th September 2025. The Company also appointed Ms Sinead Browne effective 6th November 2025 to the Board of Directors. Both Mr Yin Hang and Ms Sinead Browne are also members of the Company's Risk & Capital Committee and Audit Committee, respectively.

In addition, Mr Richard Barnett resigned as Company Secretary effective 1st April 2025. Mr Phillip Hamer was appointed as Company Secretary effective 30th April 2025.

Furthermore, effective 31st March 2026, Mr Timothy Carroll resigned from the Board of Directors and Committees.

Other than noted above there has been no significant change to the Company's system of governance during the year.

Refer to Section B for further detail on the Company's system of governance.

Executive Summary

Risk Profile

CIC is committed to a structured and disciplined approach to risk management which considers, evaluates and manages risks as an integral part of the day to day running of the business. The involvement of the Board in setting the direction, tone and nature of the business culture and the importance of effective risk management are fundamental parts of this.

The following is an overview of the key risks that the Company is exposed to:

- Underwriting risk;
- Market risk;
- Credit risk;
- Liquidity risk; and
- Operational risk.

In addition to these risks, the Company's risk profile comprises other material risks such as strategic, legal and compliance, governance, solvency and emerging risks.

The Board has considered these risks in its approval of the Own Risk and Solvency Assessment ("ORSA") and considered that the processes in place for managing such risks are sufficient and the capital held is also sufficient.

The Board of the Company oversees the investment policy which mandates investment in secure and liquid assets quoted on recognised markets. At the end of the year the Company was invested in Government and corporate bonds with 100% rated investment grade or better.

Changes during the period:

The Digital Operational Resilience Act ("DORA") came into force in January 2025 and the Company continues its programme of work to continually assess and enhance its ICT risk management framework, incident management and oversight of critical ICT third party service providers in alignment with the requirement of the Act. With regulatory developments in AI through the EU Artificial Intelligence Act the Company continues to monitor developments and assess the potential implications while ensuring that any use of data analytics or AI-enabled technology is supported by appropriate governance and risk management controls.

Refer to Section C for further detail on the Company's risk profile.

Valuation of Solvency II Balance Sheet

The Company's financial statements, including the balance sheet, have been prepared under the historical cost convention, as modified by the inclusion of certain investments at fair value and in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and FRS 103 "Insurance Contracts" ("FRS 103") issued by the Financial Reporting Council and promulgated by Chartered Accountants Ireland, and comply with the Companies Act 2014 and the European Union (Insurance Undertakings: Financial Statements) Regulations, 2015.

Executive Summary

The valuation rules from the Solvency II Directive utilise International Financial Reporting Standards (“IFRS”) in accordance with Regulation (EC) No 1606/2002 (IFRS as adopted by the EU) unless otherwise stated within Solvency II. FRS reporting framework is largely equivalent to the accounting principles applied under IFRS, although differences do exist. As at 31st December 2025, these framework differences do not impact the Company.

The valuation of assets and liabilities for FRS is the same as Solvency II except for:

- differences in the valuation of technical provisions and associated reinsurance recoverables; and
- additional deferred tax valued on the expected tax impact once the valuation adjustments from FRS to Solvency II unwind.

Changes during the period:

There has been no changes to the valuation methodology adopted by the Company during the year.

Refer to Section D for further detail on valuation for Solvency purposes.

Capital Management

The Company’s objectives when managing capital are:

- to hold sufficient capital to meet all of its obligations to policyholders;
- to ensure that there are adequate levels of capital to fulfil the regulatory requirements as well as economic and commercial targets.; and
- safeguard its ability to continue as a strong going concern so that it can provide returns in line with expectations of its shareholder.

For Solvency II, Own Funds are divided into levels of quality, known as tiers, depending on their loss absorbency. The tiers are ranked from Tier 1 to Tier 3, whereby Tier 1 unrestricted and is not subject to a limit, is of the highest quality, whereas Tier 3 is the lowest form of Own Funds. The Company did not pay a dividend during the year and has no current plan to pay a dividend.

Own Funds

The Company’s own funds are as follows:

	2025 Tier 1 US\$'000	2025 Tier 2 US\$'000	2025 Tier 3 US\$'000	2025 Total US\$'000	2024 Total US\$'000
Own funds					
Basic					
Ordinary share capital	1,000	-	-	1,000	1,000
Share premium account	205,000	-	-	205,000	205,000
Reconciliation reserve	65,709	-	-	65,709	40,051
Amount equal to the value of net deferred tax	-	-	-	-	-
Total Basic funds	271,709	-	-	271,709	246,051
Own Funds from Financial Statements that do not meet the criteria to be classified as Solvency II Own Funds	-	-	-	25,000	-
Total Own funds	271,709	-	-	296,709	246,051

Executive Summary

Changes during the period

The Company's Own Funds increased by \$51.3 million, 21%, compared to the prior year. This increase is primarily driven by the Company's net profit on a FRS GAAP basis combined with impact of the adjustments for SII. In addition, on 29th December 2025, the Company received a capital injection of \$25.0 million as part of its strategic plans. The CBI approved this capital injection as Solvency II Tier 1 Own Funds on 9th February 2026.

Solvency Capital Requirement

The calculation of the Solvency Capital Requirement ("SCR") and Minimum Capital Requirement ("MCR") for CIC is based on the Standard Formula model as laid out within the Solvency II Delegated Acts and other Level 2 Solvency II guidelines. The Company does not use an Internal Model or undertaking specific parameters to calculate its SCR. The Company sets a strategic target SCR coverage ratio of 125% to ensure on-going compliance with the SCR requirements. The capital position of the Company, and the respective branches where applicable, is monitored by the local management team and is reported to the Risk & Capital Committee ("RCC"), as well as the Board, on a quarterly basis.

The total SCR and MCR, along with the respective coverage ratios, at 31st December 2025 and 2024 are as follows:

Capital Requirement	31st December 2025		31st December 2024	
	US\$'000	Ratio of Eligible Own Funds	US\$'000	Ratio of Eligible Own Funds
SCR	167,848	162%	139,507	176%
MCR	41,962	648%	34,877	722%

Changes during the period:

SCR Calculation by Module	2025 US\$'000	2024 US\$'000
Market risk	26,274	32,805
Counterparty default risk	49,444	42,360
Health underwriting risk	3,919	5,609
Non-Life underwriting risk	100,299	76,014
Sum of risk components	179,937	156,788
Diversification effects	(37,511)	(38,244)
Basic Solvency Capital Requirement	142,426	118,544
SCR operational risk	25,422	20,963
SCR	167,848	139,507
Solvency II Own Funds	271,709	246,051
Ratio of Eligible Own Funds to SCR	162%	176%

Executive Summary

In addition to the Solvency II regulations, the Company's Bermuda Branch operates as a Class 4 insurer and is subject to the Bermuda Insurance Act 1978. The Branch is required to hold sufficient levels of capital in excess of the Bermuda Solvency Capital Requirements ("BSCR"), as calculated in accordance with the relevant Bermuda laws and regulations. Furthermore, the Company's UK Branch is subject to the requirements of the Solvency UK framework however following rule changes during 2025, the UK Branch is no longer required to determine a UK Branch specific Solvency Capital Requirement.

The Company and its respective branches were in full compliance with the applicable regulatory and solvency capital requirements throughout the year.

Refer to Section E for further detail on Capital Management.

Outlook for 2026

The Company enters 2026 with a clear strategy and plan to continue to grow profitably by building on the foundations and capabilities established to date.

The changing market dynamics, highlighted by increased capacity and pricing competition across most (re)insurance classes, will present some challenges to achieving plan during 2026. However, pricing adequacy, supported by several years of compound rate increases, is still apparent across the classes of business written by the Company and pricing discipline will be central to underwriting portfolio management and selecting opportunities to expand the portfolios.

In addition to these known challenges, uncertainties regarding the evolving geopolitical landscape will shape the global risk environment; the Company will continue to actively monitor and analyse any developments, look to mitigate risk as appropriate and to selectively take advantage of emerging opportunities.

A. Business & Performance

This section of the report sets out the details of the Company with particular focus on business structure and financial performance.

A.1 Business and external environment

A.1.1 Name and legal form of undertaking

Chaucer Insurance Company Designated Activity Company (“CIC” or “the Company”) is incorporated in Ireland as a single member Designated Activity Company, limited by shares and subject to Irish law. The Company’s registered office address is 112-114, The Greenway, St Stephen’s Green, Dublin 2, D02 TD28, Ireland.

A.1.2 Name of Supervisory Authority responsible for financial supervision of the undertaking

The Company is regulated by the Central Bank of Ireland (“CBI”). The CBI can be contacted at New Wapping Street, North Wall Quay, PO Box 559, Dublin 1, Ireland.

A.1.3 External Auditor of the undertaking

The Company’s external auditor is KPMG.

KPMG are located at 1 Harbourmaster Place, International Financial Services Centre, Dublin 1, D01 F6F5.

A.1.4 Holders of Qualifying Holdings in the undertaking

The Company is wholly owned by China Re International Company Limited (“CRICL”), a UK based entity that is also the Parent Company of Chaucer Syndicates Limited (“CSL”), the managing agent for Syndicates 1084 and 1176 operating in the Society Corporation of Lloyd’s (“Lloyd’s”). CRICL is a member of The China Reinsurance (Group) Corporation (“China Re”). Together, the Company and CSL are referred to as Chaucer Group.

A.1.5 Legal Structure of the Group

China Re, headquartered in Beijing, is a Chinese insurance group and is listed on the Hong Kong stock exchange. Its largest shareholder is Central Huijin (71.56%) which is, in turn, owned by the Chinese sovereign wealth fund, China Investment Corporation. The Ministry of Finance of the People’s Republic of China also holds 11.45% of China Re.

China Re’s four main businesses are P&C reinsurance, life and health reinsurance, primary P&C insurance and asset management. China Re aims to be a leading global reinsurance player with strategic focus on international diversification. CIC is key contributor to the strategic international development of China Re. China Re Group has outstanding comprehensive strength, and is rated “A” Excellent by A. M. Best and “A” by S&P, respectively.

CIC writes international specialty insurance and reinsurance business and plays a key role in delivering on China Re’s strategy for international development. CIC provides Chaucer Group with greater flexibility through increased commercial choice for customers and brokers.

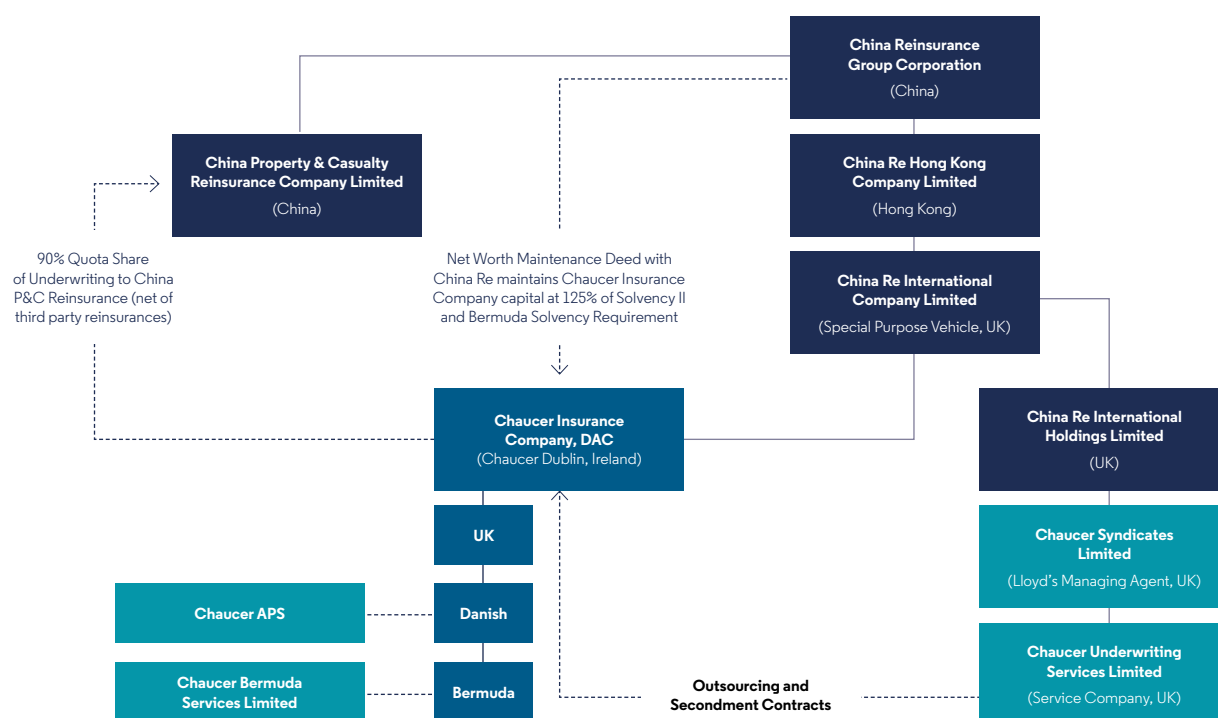
CIC headquartered in Dublin, has established Branches in the UK, Denmark and Bermuda. The Company’s Branches are subject to prudential supervision by the CBI and regulatory oversight by the Financial Conduct Authority (the “FCA”), Danish Financial Supervisory Authority (“FSA”) and the BMA, respectively, for conduct of business rules within those jurisdictions.

A. Business & Performance

The Company mitigates its exposure to the business written via extensive reinsurance arrangements with third party reinsurers and a 90% quota share, net of external reinsurance, with China Property & Casualty Reinsurance Company Limited (“China P&C Re”), a China Re affiliate, reflecting the Company’s conservative reinsurance strategy. This reinsurance structure ensures capital efficiency and supports CIC’s security ratings of “A” (Excellent) by AM Best and “A” by S&P. The strong ratings reflect the Company’s strategic role within China Re as the Company is acknowledged as a key component of Chaucer Group and therefore a key contributor to China Re’s international expansion.

Through outsourcing and delegated authority arrangements with Chaucer Group affiliates, the branches leverage existing underwriting and operational resources used to support CSL. Furthermore, the branches provide a platform for the Company to utilise Chaucer’s distribution channels via existing relationships with major international and specialist brokers. The operational resources are provided to the Company through arrangements with affiliate entities Chaucer Underwriting Services Ltd. (“CUSL”), Chaucer ApS (“CApS”) and Chaucer Bermuda Services Limited (“CBSL”) enable the Company to fully leverage the operational resources including, but not limited to, staff, technology and processes.

The following diagram is a simplified current group structure of the China Re Group:



The following entities are materially related to CIC:

- China Re due to the Net Worth Maintenance deed;
- China Property & Casualty Reinsurance Company Limited (“China P&C Re”) due to the provision of a 90% Quota share; and
- CUSL, CBSL and CApS due to the provision of outsourced services.

A. Business & Performance

A.1.6 Material lines of business and geographical areas

Please refer to Section A.2 for information on material lines of business.

The Company's growth in 2025 has been concentrated primarily on the US, through the Company's Bermuda Branch, as outlined in the following table showing gross written premium by location of underwriting risk.

	2025 US\$'000	2024 US\$'000
US	537,056	405,850
United Kingdom	138,300	133,535
Europe	130,457	127,214
Other	74,153	59,243
Total	879,965	725,842

The following table shows the gross written premium by office location for the year ended 31st December 2025 and 2024.

	2025 US\$'000	2024 US\$'000
United Kingdom	424,524	352,314
Bermuda	339,997	261,609
Ireland	61,829	61,612
Denmark	53,615	50,307
Total	879,965	725,842

The Company continued to grow its broadly diversified underwriting portfolio in 2025, with gross premiums written increasing in line with plan to \$880.0m (2024: \$725.9m). This represented a 21% increase on the prior year as the Company continued to focus on the development of core classes and enhance its distribution channels. The continued growth was achieved despite an increasingly competitive market that placed pressure on the rating environment. Throughout this challenging market, the Company maintained its robust and disciplined underwriting approach.

A.1.7 Significant business events during the reporting period

Other than noted above, no other significant events occurred during the reporting period.

A. Business & Performance

A.2 Performance from underwriting activities

The Company continued to grow its broadly diversified underwriting portfolio in 2025, with gross premiums written increasing in line with plan to \$880.0m (2024: \$725.9m). This represented a 21% increase on the prior year as the Company continued to focus on the development of core classes and enhance its distribution channels. .

The Company recorded a net underwriting profit, excluding the impact of investments and foreign exchange, of \$18.0m (2024: \$20.4m) during the year. Underwriting profits were affected by the increasingly competitive rating environment however the result benefitted from 2025 being a relatively benign loss year compared to previous years. The Company was impacted by a number of industry loss events with California wildfires being the most notable event that affected the Company. The Company's reinsurance programme however ensured that the impact of these events and specific losses is significantly dampened.

The following table shows the Company's underwriting performance for the years ended 31st December 2025 and 2024, prior to the allocation of investment return to the technical account.

For the Year Ended	2025 US\$'000	2024 US\$'000
Gross written premium	879,965	725,842
Net premium written	251,676	193,420
Net premium earned	231,154	169,704
Net claims incurred	(31,917)	(27,837)
Expenses incurred, excluding investment expenses	(181,080)	(120,976)
Total underwriting result	18,157	20,890
Investment expenses	(152)	(518)
Underwriting result as reported in the QRT	18,005	20,372

Underwriting Performance by Segment

An analysis of the underwriting result before investment returns by division of business is set out below:

For the Year Ended 31st December 2025 Total	Marine US\$'000	Casualty US\$'000	Energy US\$'000	Property US\$'000	Treaty US\$'000	Other US\$'000	Total US\$'000
Gross written premium	74,117	57,613	23,033	80,645	557,663	86,894	879,965
Net premium written	23,784	21,100	4,470	27,379	143,699	31,245	251,676
Net premium earned	24,449	23,111	4,212	25,227	92,806	61,349	231,154
Net claims incurred	(5,145)	(2,657)	(1,960)	(1,413)	(19,942)	(800)	(31,917)
Net acquisition costs (excl. operating expenses)	(11,856)	(15,721)	(1,074)	(16,032)	(69,355)	(13,200)	(127,238)
Net underwriting profit before expenses	7,449	4,733	1,178	7,781	3,508	47,348	71,999
Expense allocation	(4,592)	(3,585)	(1,448)	(4,831)	(34,157)	(5,381)	(53,994)
Underwriting result as reported in the QRT	2,857	1,148	(270)	2,950	(30,649)	41,968	18,005

A. Business & Performance

For the Year Ended 31st December 2025 United Kingdom	Marine US\$'000	Casualty US\$'000	Energy US\$'000	Property US\$'000	Treaty US\$'000	Other US\$'000	Total US\$'000
Gross written premium	11,488	8,930	3,570	12,499	86,434	13,468	136,388
Net premium written	3,686	3,270	693	4,244	22,272	4,843	39,008
Net premium earned	4,099	3,874	706	4,229	15,558	10,284	38,750
Net claims incurred	(1,111)	(574)	(423)	(305)	(4,308)	(173)	(6,895)
Net acquisition costs (excl. operating expenses)	(1,999)	(2,650)	(181)	(2,703)	(11,692)	(2,225)	(21,450)
Net underwriting profit before expenses	989	650	102	1,221	(442)	7,886	10,405
Expense allocation	(712)	(556)	(224)	(749)	(5,294)	(834)	(8,369)
Underwriting result as reported in the QRT	277	94	(123)	472	(5,736)	7,052	2,036

For the Year Ended 31st December 2025 Europe	Marine US\$'000	Casualty US\$'000	Energy US\$'000	Property US\$'000	Treaty US\$'000	Other US\$'000	Total US\$'000
Gross written premium	10,930	8,496	3,397	11,892	82,237	12,814	129,766
Net premium written	3,507	3,112	659	4,038	21,191	4,608	37,114
Net premium earned	3,967	3,750	683	4,093	15,057	9,953	37,502
Net claims incurred	(782)	(404)	(298)	(215)	(3,030)	(122)	(4,849)
Net acquisition costs (excl. operating expenses)	(1,674)	(2,219)	(152)	(2,263)	(9,790)	(1,863)	(17,961)
Net underwriting profit before expenses	1,511	1,127	234	1,615	2,236	7,968	14,691
Expense allocation	(677)	(529)	(214)	(712)	(5,037)	(793)	(7,962)
Underwriting result as reported in the QRT	834	598	20	902	(2,801)	7,175	6,729

For the Year Ended 31st December 2025 US	Marine US\$'000	Casualty US\$'000	Energy US\$'000	Property US\$'000	Treaty US\$'000	Other US\$'000	Total US\$'000
Gross written premium	44,959	34,947	13,972	48,918	338,273	52,709	533,778
Net premium written	14,427	12,799	2,712	16,608	87,166	18,953	152,664
Net premium earned	14,037	13,269	2,418	14,483	53,281	35,221	132,708
Net claims incurred	(2,772)	(1,432)	(1,056)	(762)	(10,747)	(431)	(17,200)
Net acquisition costs (excl. operating expenses)	(7,252)	(9,617)	(657)	(9,807)	(42,425)	(8,075)	(77,833)
Net underwriting profit before expenses	4,012	2,220	705	3,914	108	26,715	37,675
Expense allocation	(2,785)	(2,175)	(878)	(2,930)	(20,719)	(3,264)	(32,752)
Underwriting result as reported in the QRT	1,227	45	(173)	984	(20,611)	23,451	4,922

A. Business & Performance

For the Year Ended 31st December 2025 Other	Marine US\$'000	Casualty US\$'000	Energy US\$'000	Property US\$'000	Treaty US\$'000	Other US\$'000	Total US\$'000
Gross written premium	6,741	5,240	2,095	7,335	50,720	7,903	80,033
Net premium written	2,163	1,919	407	2,490	13,069	2,842	22,890
Net premium earned	2,348	2,219	404	2,422	8,911	5,890	22,194
Net claims incurred	(479)	(247)	(182)	(132)	(1,857)	(74)	(2,972)
Net acquisition costs (excl. operating expenses)	(931)	(1,235)	(84)	(1,259)	(5,448)	(1,037)	(9,994)
Net underwriting profit before expenses	937	737	138	1,031	1,606	4,779	9,228
Expense allocation	(418)	(326)	(132)	(439)	(3,107)	(489)	(4,911)
Underwriting result as reported in the QRT	520	411	6	592	(1,500)	4,290	4,317

For the Year Ended 31st December 2024 Total	Marine US\$'000	Casualty US\$'000	Energy US\$'000	Property US\$'000	Treaty US\$'000	Other US\$'000	Total US\$'000
Gross written premium	85,396	67,004	28,997	74,230	444,903	25,312	725,842
Net premium written	21,069	25,842	5,449	25,057	111,483	4,521	193,420
Net premium earned	21,331	25,114	4,866	23,896	89,321	5,175	169,703
Net claims incurred	-4,013	-2,438	-817	-3,717	-21,573	4,721	-27,837
Net acquisition costs (excl. operating expenses)	-6,621	-17,627	-1,576	-15,029	-35,571	-3,657	-80,081
Net underwriting profit before expenses	10,698	5,048	2,473	5,150	32,177	6,240	61,786
Expense allocation	-5,110	-6,200	-1,172	-5,774	-21,806	-1,353	-41,414
Underwriting result as reported in the QRT	5,588	-1,152	1,302	-624	10,371	4,887	20,372

For the Year Ended 31st December 2024 United Kingdom	Marine US\$'000	Casualty US\$'000	Energy US\$'000	Property US\$'000	Treaty US\$'000	Other US\$'000	Total US\$'000
Gross written premium	15,709	12,326	5,334	13,655	81,844	4,666	133,535
Net premium written	3,876	4,754	1,002	4,609	20,508	842	35,591
Net premium earned	4,293	5,054	979	4,809	17,976	1,042	34,152
Net claims incurred	-774	-470	-158	-717	-4,162	911	-5,370
Net acquisition costs (excl. operating expenses)	-1,041	-2,771	-248	-2,362	-5,591	-575	-12,588
Net underwriting profit before expenses	2,478	1,813	574	1,730	8,223	1,377	16,194
Expense allocation	-940	-1,141	-216	-1,062	-4,011	-249	-7,618
Underwriting result as reported in the QRT	1,538	672	358	667	4,211	1,129	8,576

A. Business & Performance

For the Year Ended 31st December 2024 Europe	Marine US\$'000	Casualty US\$'000	Energy US\$'000	Property US\$'000	Treaty US\$'000	Other US\$'000	Total US\$'000
Gross written premium	14,966	11,742	5,082	13,009	77,970	4,446	127,214
Net premium written	3,692	4,529	955	4,391	19,537	802	33,907
Net premium earned	3,997	4,705	912	4,477	16,735	970	31,794
Net claims incurred	-940	-571	-191	-870	-5,051	1,105	-6,518
Net acquisition costs (excl. operating expenses)	-1,289	-3,431	-307	-2,925	-6,923	-712	-15,586
Net underwriting profit before expenses	1,768	704	414	682	4,760	1,363	9,691
Expense allocation	-896	-1,087	-205	-1,012	-3,821	-237	-7,258
Underwriting result as reported in the QRT	873	-383	208	-330	939	1,126	2,433

For the Year Ended 31st December 2024 USA	Marine US\$'000	Casualty US\$'000	Energy US\$'000	Property US\$'000	Treaty US\$'000	Other US\$'000	Total US\$'000
Gross written premium	47,745	37,462	16,212	41,502	248,746	14,182	405,850
Net premium written	11,780	14,448	3,046	14,009	62,330	2,558	108,172
Net premium earned	11,348	13,360	2,589	12,712	47,518	2,753	90,281
Net claims incurred	-1,861	-1,131	-379	-1,724	-10,006	2,190	-12,912
Net acquisition costs (excl. operating expenses)	-3,903	-10,392	-929	-8,860	-20,971	-2,156	-47,211
Net underwriting profit before expenses	5,584	1,838	1,281	2,128	16,541	2,787	30,158
Expense allocation	-2,857	-3,467	-655	-3,228	-12,192	-756	-23,155
Underwriting result as reported in the QRT	2,727	-1,629	626	-1,100	4,350	2,031	7,004

For the Year Ended 31st December 2024 Other	Marine US\$'000	Casualty US\$'000	Energy US\$'000	Property US\$'000	Treaty US\$'000	Other US\$'000	Total US\$'000
Gross written premium	6,976	5,473	2,369	6,064	36,344	2,017	59,243
Net premium written	1,721	2,111	445	2,047	9,107	319	15,750
Net premium earned	1,694	1,994	386	1,897	7,093	411	13,475
Net claims incurred	-438	-266	-89	-406	-2,354	515	-3,038
Net acquisition costs (excl. operating expenses)	-388	-1,034	-92	-881	-2,086	-214	-4,697
Net underwriting profit before expenses	868	694	205	610	2,652	712	5,741
Expense allocation	-417	-506	-96	-472	-1,781	-110	-3,383
Underwriting result as reported in the QRT	450	188	109	139	871	601	2,358

A. Business & Performance

A.3 Performance from investment activities

A.3.1 Income and expenses arising by asset class

The Company's investment strategy is designed to ensure the safety of the principal investment, generating a reasonable total rate of return, whilst complying with the Company's risk appetite and investment guidelines. Accordingly, our funds are primarily invested in liquid, investment-grade fixed income securities which are designated at fair value through the profit and loss ("FVTP&L") in accordance with FRS 102 & FRS 103 issued by the Financial Reporting Council, and promulgated for use in Ireland by Chartered Accountants Ireland. The following table outlines the investment income and expenses, before tax, for the period ended 31st December 2025 and 2024:

Investment income and related expenses	2025 US\$'000	2024 US\$'000
Investment income on fixed income securities	10,389	8,937
Other interest income	2,975	2,563
Net realized gains	1,539	730
Net unrealized gains	8,342	1,756
Investment management expenses	(152)	(518)
Net return from investments	23,093	13,468

The following is a breakdown of the investment income, before expenses, by asset class for the year ended 31st December 2025 and 2024:

Return on investments by asset class before expenses 31st December 2025	Investment Income US\$'000	Net realised gains (losses) US\$'000	Net unrealised gains (losses) US\$'000	Total US\$'000
Cash & cash equivalents	2,975	-	-	2,975
US Treasury	2,012	1,842	972	4,826
US agency bonds	3,189	(5)	2,699	5,883
Non-US Government & Supranational Bonds	794	(418)	1,027	1,403
Municipal bonds	241	-	442	683
Corporate bonds	4,153	120	3,202	7,475
Total Investment Income	13,364	1,539	8,342	23,245
Investment expenses				(152)
Net return on investments				23,093

A. Business & Performance

Return on investments by asset class before expenses 31st December 2024	Investment Income US\$'000	Net realised gains (losses) US\$'000	Net unrealised gains (losses) US\$'000	Total US\$'000
Cash & cash equivalents	2,563			2,563
US Treasury	873	631	657	2,161
US agency bonds	2,779	(9)	(1,286)	1,484
Non-US Government & Supranational Bonds	495	64	6	565
Municipal bonds	254	20	248	522
Corporate bonds	4,536	24	2,131	6,691
Total Investment Income	11,500	730	1,756	13,986
Investment expenses				(518)
Net return on investments				13,468

The Company recorded a net unrealized gain for the year of \$8.3m. Following this gain, the Company returned to an overall unrealized gain position on the investment portfolio of \$1.5 million, a change from the unrealized loss position of \$6.8m at 31st December 2024. The Company typically holds assets to maturity and therefore any unrealized losses will naturally unwind as the assets move toward maturity. During the year, the Company's unrealized loss position reduced significantly as markets factored in expected rate cuts in the US. US financial markets remained volatile during 2025 reflecting market uncertainty in reacting to both US domestic and foreign developments.

The Company continues to invest in high quality fixed income securities, whereby the investment portfolio has an average rating AA- as at 31st December 2025 and ensures that the duration of the assets and liabilities are closely matched. In addition, the Company maintains strong levels of liquidity to ensure the Company is not required to liquidate assets in unrealized loss positions to meet its obligations as they arise.

As the Company does not hold any non-USD fixed income securities, the Company does not have any foreign currency fluctuations in its fixed income securities portfolio.

A.3.2 Gains and losses recognised directly in Equity

The Company does not recognize any gains/losses relating to its investment portfolio in equity. As noted previously, the Company has designated its fixed income securities as FVTP&L. As a result, the net unrealized losses, relating to fluctuations in market price, and net realized losses are recognized in net income.

A. Business & Performance

A.3.3 Investments in securitisations

At 31st December 2024, the Company's fixed income portfolio included \$71.3 million (20.0 %) (2024: \$70.7 million (21.4%)) in securitisations. The Company's exposure was exclusively to securitisations issued by US Government Sponsored Enterprises. As such these securitisations are highly rated and are amongst the most liquid of all securitisation types with an average credit rating of AA+ (excellent) (2024: AA+(excellent)), as rated by S&P (or equivalent).

A.4 Performance of Other Activities

There are no other activities to note for the year ended 31st December 2025. The Company does not expect any other material income or expenses outside the normal course of business over the planning horizon.

The Company has not entered into any material operating or finance leasing arrangements.

A.5 Any other disclosures

No further material information regarding the business or performance.

B. System of Governance

The 'System of Governance' section of the report sets out details regarding the administration and management of the Company. The section also outlines the enterprise risk management framework, as well as the controls around fitness and probity and outsourcing arrangements.

The Company's governance structure reflects and is appropriate for the nature, scale and complexity of its business.

B.1 General Governance Arrangements

B.1.1 Role and responsibilities of the administrative, management or supervisory body and key functions

The Company is subject to the CBI's Corporate Governance Requirements for Insurance Undertakings 2015 ("the Code") and the Board is satisfied that the corporate structures and practices pertaining to corporate governance, as required by the Code, are operating effectively. This is reviewed and approved annually in line with the submission of the Directors Compliance Certificates. Effective 1st January 2025, the regulatory rating of CIC has been upgraded from 'Medium/Low' to Medium/High by the CBI. This upgrade is in line with the Company's expectations.

The Board retains ultimate responsibility for strategic direction and operational oversight of the Company in addition to being ultimately responsible for the System of Governance. It sets the strategy and oversees its implementation by the Company. The CEO is responsible for implementing the strategy and for the effective running of the business in accordance with the strategy and plan ensuring compliance with laws and regulations. The Board comprises a mix of Executive Directors, Group Non-Executive Directors ("GNED") and Independent Non-Executive Directors ("INED"). This provides a balance of diverse thinking with extensive business knowledge and sectoral experience.

The governance structure incorporates well defined roles and responsibilities, key functions and a 'three lines of defence' approach to managing risk.

Whilst the Board has ultimate responsibility for the Company's oversight and governance, Committees have been established to support the Board in this regard. The Board delegates authority of certain matters, within agreed Terms of Reference, to these Board Committees. These committees act in an advisory capacity and have authority to approve delegated matters, subject to matters reserved to the Board. This delegation does not remove or absolve the Board of its responsibilities. The Board has established the following committees:

- Risk & Capital Committee;
- Audit Committee;
- Underwriting Committee;
- Finance & Investments Committee; and,
- Operations Committee.

The Board has approved the terms of reference for each Committee. Each Board Committee includes at least one Board member which serves to enhance the Board's consideration of risk related issues. These committees have the power to carry out activities on behalf of the Board to the extent such activities have been delegated by the Board in the approved terms of reference.

B. System of Governance

In addition, CSL and CIC, jointly have a Credit Committee and a Reserving Committee with management representation from both CSL and CIC. Both committees report to their respective Boards.

In addition to the Committees above, the Board established a Bermuda Branch Oversight Committee (“BBOC”). BBOC meets at least quarterly and reports to the Board. BBOC operates in accordance with its Terms of Reference, which includes reviewing business activity, monitoring performance, reviewing the risk profile of the Branch operation, as well as overseeing the quality of outsourcing arrangements provided to the Branch. BBOC is chaired by an INED with other members being the Bermuda Branch manager and two executive directors.

To support the formal Board committees, the Company also has a number of management oversight committees. These have been established to ensure effective oversight and disciplined governance processes. These include the following:

- Product Oversight Committee (“POC”): Approves, recommends and monitors matters in relation to conduct and consumer risk and product development, reporting to the Underwriting Committee;
- Service Action Performance Group (“SAPG”): Reviews the performance of all affiliates who provide contractual services to the Company and reports to the Operations Committee;
- UK Branch Oversight Committee (“UKBOC”) – Responsible for the oversight of the UK branch including monitoring performance
- Denmark Branch Oversight Committee (“DBOC”): Responsible for the oversight of the Denmark Branch and monitoring performance;
- Intermediary Remuneration Review Committee – this is a joint committee with CSL which is responsible for monitoring commissions and acquisition costs and approving non-standard arrangements. It reports to the Underwriting Committee; and,
- Delegated Authority Oversight Committee – this is a joint management committee to review, approve and ensure effective oversight of delegated underwriting authority arrangements.

The authority, functions, membership and reporting lines of the Committees and their frequency, voting rights, and numbers to be quorate are all clearly detailed in their respective terms of reference. The terms of reference for each of the Committees are reviewed at least annually.

Effective 27th March 2025, Dr. Zuo Huiqiang resigned from the Board of Directors. Mr Yin Hang was appointed on 25th September 2025. The Company also appointed Ms Sinead Browne effective 6th November 2025 to the Board of Directors. Mr Yin Hang and Ms Sinead Browne are also both members of the Company’s Risk & Capital Committee and the Audit Committee.

In addition, Mr Richard Barnett resigned as Company Secretary effective 1st April 2025. Mr Phillip Hamer was appointed as Company Secretary effective 30th April 2025.

Furthermore, effective 31st March 2026, Mr Timothy Carroll resigned from the Board of Directors and Committees.

The Company’s General Manager, who serves as an executive director and member of the Board, has responsibility for the day-to-day operations, compliance and performance of the Company. The General Manager is supported in his role by an Executive Committee comprising the senior management team.

B. System of Governance

The Company's key internal control functions of risk management, actuarial, internal audit and compliance all report into respective committees and are supported by services provided under an intercompany services agreement by CUSL, to varying degrees, under the terms of an outsourcing arrangement. This enables the Company to utilise the expertise, systems and processes of CUSL.

A review of the System of Governance, which includes a review of the overall performance of the Board, its individual directors and the respective committees, is carried out on an annual basis. The composition of the Board is kept under regular review and the Company maintains Board and executive succession plans.

The key roles and responsibilities of the respective Committees include, but are not limited to, the following:

Risk & Capital Committee

- Advising the Board on risk appetite, risk tolerance and risk strategy, taking account of the Board's overall strategy, and the current financial position of CIC;
- Drawing on the work of the Audit Committee and the internal auditors, overseeing the capacity of CIC to manage and control risks within the agreed strategy;
- Overseeing the risk management function, which is managed on a day-to-day basis by the Head of Risk & Capital;
- Ensuring the development and on-going maintenance of a risk management system ("RMS") within CIC, which is effective and proportionate to the nature, scale and complexity of the risks inherent in the business;
- Advising the Board on the effectiveness of risk management strategies and policies; and,
- Directing the Own Risk and Solvency Assessment ("ORSA").
- Considering matters related to the impact of all risks including inflation and climate change
- Monitoring CIC's exposure to related party concentration risk, in particular, the reinsurance support provided by China Re.

Audit Committee

- Monitoring the effectiveness and adequacy of CIC's internal controls processes and procedures and internal audit;
- Liaising with the external auditors;
- Reviewing the integrity of CIC's financial statements and ensuring that they provide a true and fair view of CIC's financial status;
- Reviewing financial reports and announcements and making recommendations to the Board on whether to approve CIC's annual accounts;
- Assessing the independence of auditors and the effectiveness of the audit process; and,
- Overseeing the Company's compliance processes, policies and practices, including oversight of financial crime reporting and breach reporting.

B. System of Governance

Underwriting Committee

- Undertaking detailed reviews of the underwriting performance against plan and determining the reason for, and action to be taken in respect of, any deviations;
- Reviewing the framework for measuring, monitoring and controlling all aspects of underwriting and associated risk within CIC's underwriting portfolios; and
- Reviewing any new underwriting initiatives.

Finance & Investments Committee

- Overseeing CIC's material financial matters, including investment management arrangements, investment guidelines, investment asset allocations and financing activities;
- Overseeing CIC's financial and regulatory reporting, including the monitoring of the effectiveness of the financial control environment;
- Overseeing CIC's tax obligations, reporting and compliance; and,
- Monitoring exposure to financial risk from climate change.

Operations Committee

- Providing assurance that CIC has a robust and effective control framework over all operational activities including any outsourced functions, and that all outsourced functions are managed effectively and in accordance with internal guidelines, regulatory expectations, and Operational Risk appetite.
- Maintaining oversight of Operational Resilience (including DORA) and Information Security to ensure the Company has adequate processes and procedures to support business continuity and ongoing resilience of critical business services.

Credit Committee

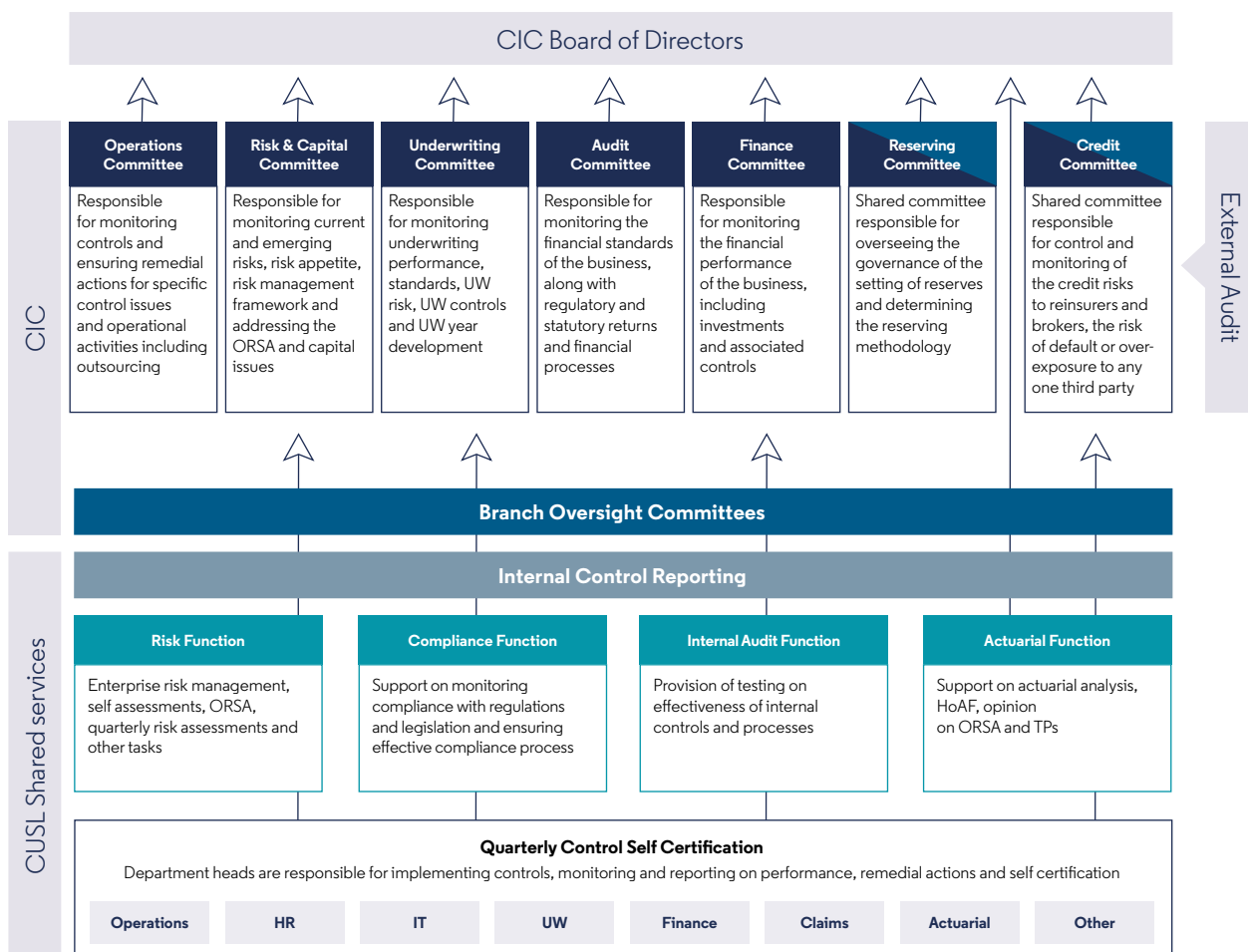
- Control and monitoring of the credit risks to reinsurers and brokers, with regards to the risk of default or over-exposure to any one third party within the parameters of the Board approved credit risk appetite.
- Monitoring of credit exposures associated with coverholders.

Reserve Committee

- Responsible for overseeing the governance of the setting of reserves; and
- determining the reserving methodology.

B. System of Governance

The following shows the structure of the Board, Committees and System of Governance of CIC:



B.1.2 Material changes in the system of governance that have taken place during the reporting period Other than noted above, there have been no material changes to the governance arrangements over the course of the year.

B.1.3 Remuneration policy for the administrative, management or supervisory body and employees The Company's Remuneration Policy is set by the Board and updated on annual basis. It is the intention of the Company to ensure that remuneration of its employees, officers and directors meets good practice standards as well as applicable regulatory requirements. It is the Board's intention to ensure that remuneration structures do not promote excessive risk taking. This aim is achieved through a suitable balance between fixed and variable remuneration, which varies depending on an individual's role and seniority.

The Board does not deem it necessary to establish a Remuneration Committee and believes it appropriate that such matters, based on the nature, scale, complexity and risk profile of the Company, be addressed by the Board. If the Company deems it necessary, the Board will establish a Remuneration Committee and follow the requirements of the Corporate Governance Requirements for Insurance Undertakings 2015.

B. System of Governance

The Company provides a range of benefits to employees, including contractual salary, life cover, permanent health insurance and paid holiday arrangements. The Company pays contributions based on a percentage of salary into Personal Retirement Savings Accounts on behalf of its employees (defined contribution plans). Once the contributions have been paid, the Company has no further payment obligations. Employees contribute additional voluntary contributions to suit their circumstances.

The Company does not offer any bonuses or incentives related exclusively to revenue, premium growth or other metrics that might encourage undue risk taking. Therefore, its remuneration practices are considered to promote sound and effective risk management and does not promote or encourage excessive risk taking.

The Company operates an annual bonus plan for employees based on Company and individual performance, which is aligned with practices within Chaucer Group and in compliance with the Company's own Remuneration Policy. The Company does not offer any supplementary pension or early retirement scheme.

With regard to the remuneration of its INEDs, the Company's policy is that, in keeping with their duty of independence, they shall be remunerated by a fixed fee only, and no incentive-based payments will be made. They do not participate in any pension scheme. It is the Company's policy that EDs who are employees of the Group shall receive no remuneration for their duties as directors of the Company. Other than payment for services for those outsourced functions set out in B.7 of this report, and the salaries and benefits of contracted employees of the Company, there were no material transactions with persons who exercise a significant influence on the undertaking or with members of the administrative, management or supervisory body during the reporting period.

The Company has an intra group quota share with an affiliate entity: China P&C Re.

There have been no dividends paid to the parent company during the reporting period.

There have been no significant changes to the entitlements of the members of the administrative, management and supervisory bodies during the year.

B.2 Fitness and Probity

B.2.1 Requirements for skills, knowledge and expertise

CIC is responsible for ensuring that individuals performing Controlled Functions (including Pre-Approval Controlled Functions ("PCF")) meet the CBI's Fitness and Probity Standards, both prior to appointment and on an on-going basis. CIC is required to satisfy itself on reasonable grounds that all individuals performing PCF roles comply with the Fitness and Probity ("F&P") Standards and appropriate due diligence is performed in this regard, including in respect of the skills, knowledge and expertise required.

The Company has a Fitness and Probity Policy that is reviewed and approved annually by the Board. The policy is supported by detailed documented procedures. These processes and procedures, including an annual Fitness & Probity review, support the Company's annual confirmation to the CBI that the Company is in compliance with the relevant regulatory requirements under the CBI's Fitness and Probity Standards 2014 and associated CBI Guidance (the "F&P Standards") including updated F&P Guidelines and FAQs issued in 2018 and updated requirements issued in the light of the industry themed inspection in 2020.

B. System of Governance

B.2.2 Process for assessing the fitness and the propriety of the persons who effectively run the undertaking or have other key functions

As part of the Company's fitness and probity processes, CIC operates a formal process to ensure all directors are considered by the CBI for pre-approval and that they continue to meet the requirements and obligations set by the CBI. Following a detailed due diligence exercise by the company to satisfy suitable fitness and probity of the proposed person, Individual Questionnaires ("IQs") are submitted to the CBI for approval in respect of each member of the Board or senior management who will be performing a PCF.

CIC ensures its on-going compliance obligations in respect of fitness and probity due diligence are met in line with the CBI's Guidance on Fitness and Probity Standards. This includes CIC's obligation to submit the Annual PCF Confirmation Return to the CBI and confirm therein that each PCF holder is compliant (and continues to agree to be compliant) with the Fitness and Probity Standards. CIC also ensures that all resignations of PCF holders are notified to the CBI without delay.

B.3 Risk Management System including Own Risk and Solvency Assessment

B.3.1 Risk Management System ("RMS")

The Board believes that effective risk management forms a critical part of the governance framework and is a source of competitive advantage. Hence, the principles and framework adopted ensure a focus on effective risk controls and management process designed to identify, measure, monitor and control risks across all areas of the risk universe.

CIC has adapted Chaucer Syndicates existing ERM framework proportionately to the size, nature and complexity of CIC's business and in line with CBI requirements. In addition, the Company is supported by Chaucer Syndicates management team through our outsourcing agreements to ensure multi-dimensional oversight based on the following principles:

- Simple objectives;
- Clear risk appetite;
- Robust governance, controls and reporting; and,
- A strong culture and tone from the top which supports the underling key principles.

B.3.2 Implementation of the Risk Management System

The Company's RMS underpins the Board's strategy and operational plan. The primary objective of the RMS is to ensure that the business has a repeatable process for identifying risk, conducting risk assessments and reporting on risks related to the pursuit of strategic and business objectives and by ensuring that it is commercially effective and supporting senior management and Board level decision-making.

B. System of Governance

The RMS is represented by the following key elements which are reinforced through the key internal controls and business management processes:

Risk Strategy, Risk Governance & Risk Appetite

- The RMS is owned by the Board with responsibility for oversight and development delegated to the second line Risk Management function via the Risk & Capital Committee;
- Responsibility for embedding lies with the first line business functions supported by risk oversight and reporting;
- The Risk and Audit functions provide assurance in terms of compliance with the key controls;
- The Risk Appetite defines categories of risk and quantum/tolerance within each category;
- The Risk Culture is integrated into the Remuneration Policy. People are not rewarded for excessive risk taking; and,
- Policy statements and business standards and procedures support adherence to the chosen appetite and set out the following:
 - Policy statements set out the parameters within which management may operate and define the standards that must be applied within the business;
 - They ensure businesses identify, measure, manage, monitor and control material risks and define the procedures which should be applied to the main risk classes; and
 - They are approved annually by the respective Committees and the Board.

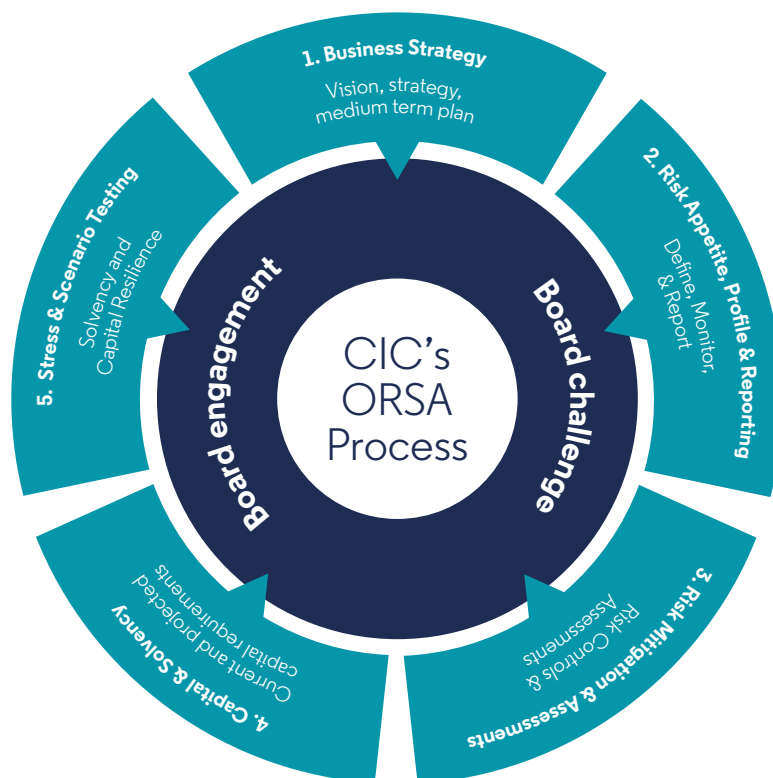
Risk Assessment and Risk Reporting

- CIC has detailed risk assessment processes which assist management in identifying, assessing and monitoring risks whilst contributing to key decision-making and assessing capital requirements by ensuring all risks are considered;
- The risk register and risk dashboard are core parts of the risk analysis and processes with the regular assessment of emerging risks both at Executive Committee, Risk & Capital Committee, and Board levels; and
- Risk reporting is led by the Head of Risk & Capital, who reports to the Risk & Capital Committee and Board. This risk reporting includes the regular monitoring of the risk appetite KRIs in the Quarterly ORSA.

CIC has developed an ORSA process whereby a framework has been designed which emphasises the risk assessment, capital management and decision-making processes that are operated on a continuous basis throughout the year and embedded within the business. Each of these activities has its own reporting requirements and supporting analysis that is demonstrable at one or more levels within the management and governance structure of the Company.

B. System of Governance

CIC's ORSA policy and framework brings together the RMS and capital management activity across the following five key business activities:



The Board owns and governs the ORSA Framework and processes. Each activity within the ORSA process is, however, overseen by a relevant governance forum (the Risk & Capital Committee) prior to recommendation for approval to the Board. The Risk & Capital Committee, for example, reviews the effective functioning and outcomes from the ORSA processes during the year and recommends to the Board for approval.

The Head of Risk & Capital is responsible for reviewing the ORSA policy and framework on at least an annual basis. The results of such review and any proposed changes are reported to the Risk & Capital Committee who review and, if deemed appropriate, recommend for approval to the Board. The performance of the framework is reviewed on an ongoing basis and on an ad-hoc basis if certain ORSA trigger events occur.

The Board formally reviews and approves the ORSA on an annual basis, however, in the event of an ORSA trigger event, the Board will review and approve an interim ORSA as required. The Risk & Capital Committee considers whether there has been a trigger event as part of the quarterly review of the risk dashboard and register.

B. System of Governance

The following briefly describes how the main ORSA process brings together the ERM across the five key business activities:

Business Strategy:

- Assessment of risks to achieving strategy and risks to the associated business model;
- Forward looking risk profile assessment based on long-term strategy and short-term business plans under normal and stressed conditions; and,
- Setting and validation of strategy/business plan or identification of management actions required to amend strategy or business plan.

Risk Appetite, Profile & Reporting:

- Setting and validation of risk appetite levels or identification of management actions required to amend risk appetite;
- Identification of risk sources and risk causes of profit and loss results (P&L Attribution); and,
- Assessment of adequacy of risk management framework and identification of improvements.

Risk Mitigation & Assessments:

- Assessment of adequacy of risk mitigation techniques; and,
- Review of risk assessments supporting key Board decision-making.

Capital & Solvency:

- Assessment of adequacy of capital and liquidity contingency plans;
- Determination of CIC's economic capital requirements; and,
- Assessment of accessibility to capital and funding arrangements.

Stress & Scenario Testing:

- Assessment of strategic scenarios considering various outcomes; and
- Assessment of mitigation and recovery options under various financial distress scenarios;
- Assessment of potential earnings volatility and stresses to capital via a range of scenarios by risk category and reverse stress tests.

Solvency needs and the SCR are calculated using the Solvency II Standard Formula. However, additional tests are performed to determine the appropriateness of the Standard Formula and, in particular, the solvency and economic capital needs of the business based on the specific risk profile and business plan. This is done by analysing the risk dashboard and individual risks contained therein to assess the link with capital and solvency and determine whether additional requirements are necessitated in view of those risks.

B. System of Governance

B.4 Internal Control System

B.4.1 Description of the internal control function

The Board has ultimate responsibility for the internal controls of the Company. The Committees with responsibilities for internal controls provide regular updates to the Board, which enables the Board to ensure that an appropriate framework is in place for identifying, assessing and monitoring the effectiveness of internal controls. CIC follows the Chaucer Group internal control system to help ensure the prevention and detection of fraud and protection of the Company's resources. In addition, senior management, CIC's Risk Management function, and CIC's Internal Auditors also provide multi-disciplinary reviews and oversight of the ongoing management of the Company.

The Internal Control System, interlinked with both the Risk Management Framework and System of Governance, includes a range of tools, techniques and processes to ensure the application of appropriate controls. This includes the suite of Internal Control Policies that set out the company policies and specific requirements on a range of critical internal control matters.

B.4.2 Implementation of the Compliance Function

The Board of the Company has ultimate responsibility for its compliance objectives.

To help achieve this aim, the Board has established a Compliance Function, staffed by an appointed Compliance Officer, to supplement the responsibilities of the Board to ensure compliance with legislation, regulations and other applicable requirements.

The role of the Board appointed Compliance Officer is to:

- assist the Board with ensuring ongoing compliance with legislation, regulation and applicable requirements;
- enhance the Company's awareness of compliance matters;
- monitor the Company's compliance with legislation and applicable requirements and guidelines;
- document any breaches identified, how they are addressed and whether any third-party reporting of the breach is required;
- ensure that the Board is kept informed of any amendment to the applicable regulations, legislation and guidelines or the addition of any new requirements and the potential impact on the Company;
- provide oversight of complaints handling processes, and lead the response to Ombudsman cases;
- provide opinions, recommendations, supervision and independent controls; and
- provide reasonable assessment of the effectiveness and consistency of the internal processes used to control the compliance of the Company's operations and protect its reputation.

The Compliance Officer presents a compliance report to the Audit Committee quarterly which includes the following:

- Details of regulatory correspondence with the Company;
- Details of regulatory developments;
- Details of complaints, including assurance on compliance with regulatory principles;
- Details of any breaches or matters of concern to be reported;
- Details of which controls were tested since the last report and the results of the tests; and
- Conclusions and recommendations on the Company's compliance with legislation and guidelines.

The Compliance Officer is also an attendee of the Risk & Capital Committee and Board.

B. System of Governance

B.5 Internal Audit Function

B.5.1 Implementation of the Internal Audit function

The Company has established an Internal Audit function, with the Head of Internal Audit (“HIA”) and internal audit resources being provided by CUSL under the outsourcing arrangement.

The Company’s Internal Audit function assists the Board and senior management to protect the assets, reputation and sustainability of the organisation. The Internal Audit function assists in the achievement of this by assessing the significant risks to the business and assessing whether they are adequately monitored, controlled and mitigated. This includes challenging senior management to improve the effectiveness of governance, risk management and internal controls over business processes. The Company’s Internal Audit function operates within the three lines of defence model, providing independent assurance over the effectiveness of processes in the first and second lines of defence.

B.5.2 Independence of the Internal Audit function

The Internal Audit function is independent of CIC’s operational functions so as to ensure that the judgements essential to its proper conduct and impartial advice to the Audit Committee are unbiased. It reports directly to the Company’s Audit Committee and to the Board, as required. The HIA confirms her organisational independence to the Audit Committee at least on an annual basis, in accordance with Audit Committee Terms of Reference.

B.6 Actuarial Function

The work of CIC’s Actuarial Function is coordinated by the Head of Actuarial Function (“HoAF”). The HoAF holds the appropriate professional qualifications and experience and satisfies the Fitness and Probity requirements of the Central Bank of Ireland. The CIC Actuarial Function, is performed by the Dublin-based actuarial team, supported by CUSL actuarial services, with work drawn from other departments and external reviews as required. The Actuarial function comprises of fellows/students of the Society of Actuaries in Ireland / Institute & Faculty of Actuaries and operate under the standards set out by those bodies and the Board for Actuarial Standards (or equivalent).

The main activities of the Actuarial Function, as outlined under Solvency II and associated CBI guidance include:

- Coordinate the calculation of technical provisions
- Ensure methodologies, assumptions and data used in the calculation of technical provisions are appropriate
- Produce an annual Actuarial Opinion on Technical Provisions to be submitted to the CBI in conjunction with the Solvency II annual quantitative reporting templates
- Present an annual Actuarial Report on Technical Provisions
- Express an opinion on the overall underwriting policy annually
- Express an opinion on the adequacy of reinsurance arrangements annually
- Contribute to the effective implementation of the risk management system
- Express an opinion on the ORSA annually

The Board has approved the detailed objectives in the Actuarial Function’s terms of reference and reviews it annually. The HoAF provides reports to the Board, the Audit Committee and the Risk & Capital Committee as required, with full authority to escalate any concern areas to the CIC Board, Audit Committee or any delegated committee as deemed appropriate.

B. System of Governance

B.7 Outsourcing

The Board is responsible for ensuring that the outsourcing policy and the outsourcing arrangements comply with the relevant regulations and for ensuring that due skill, care and diligence is exercised when entering into, managing or terminating any arrangement for the outsourcing to a service provider that is deemed to be a critical or important function or activity (“CIFA”) pursuant to Article 49 of the Solvency II Directive 2009/138/EC. The entering into, managing or terminating of all other outsourcing arrangements is delegated by the Board to the Operations Committee or Underwriting Committee to the extent it related to outsourcing of underwriting or claims activities.

The Company requires service providers to cooperate with the relevant supervisory authorities in connection with any outsourced function or activity. The Company’s staff, auditors and the relevant supervisory authorities have the right to request access to data related to the outsourced functions or activities and, where appropriate, the supervisory authorities would have right to access to the business premises of the service provider.

The Company maintains its Outsourcing Register in line with CBI requirements and any submission requirements and deadlines. The Company’s Outsourcing Strategy is also aligned with the Outsourcing Policy with ongoing annual review by the board.

The Outsourcing Policy covers the following areas:

- Objectives of the outsourcing policy;
- Organisational arrangements setting out the roles and responsibilities;
- The decision-making process;
- The selection process for outsourced service providers;
- The process for ongoing supervision and management of risks;
- Procedures for notification to the CBI upon outsourcing a material activity;
- Procedures for notification to the CBI in the event of an outsourced service provider’s inability to meet its obligations under an agreement;
- Procedures for appropriate monitoring and assessment of the outsourced service provider’s financial performance and changes to its organisational structure;
- Reporting arrangements and requirements;
- Business continuity requirements; and,
- The process and timelines for approval, review and updating of the outsourcing policy by the Board.

The Company outsources to affiliate entities CUSL, located in the UK, CApS, located in Denmark, and CBSL in Bermuda, respectively. CApS in Denmark provides underwriting, finance, claims and operational support, CBSL in Bermuda provides underwriting, finance, operations, audit and administration support whilst CUSL provides operational support and services to CIC including underwriting; claims, risk management; legal and compliance; IT; finance; actuarial and internal audit services.

The Company also outsources the provision of underwriting and claims settlement services to Managing General Agents (“MGAs”)/ coverholders under the terms of delegated underwriting authority agreements. Furthermore, the Company’s investment management activities are outsourced to professional investment managers under an Investment Management Agreement.

B. System of Governance

All outsourcing arrangements are reviewed by the Operations Committee, or the Underwriting Committee if delegation of underwriting, and if deemed to meet the criteria of a critical and or important function or activity (“CIFA”), are presented to the Board for approval. Once the Board has approved the CIFA, the General Manager or Head of Operations notifies the CBI. All CIFAs are closely monitored by the Company’s General Manager and Operations Committee, Underwriting Committee or Finance & Investments Committee, as appropriate. All CIFA arrangements are reviewed on an ongoing basis and, where material, changes are brought to the Board for consideration and approval.

B.8 Assessment of the adequacy of the system of governance to the nature, scale and complexity of the risks

The Company is committed to embedding a culture of compliance and excellence in all governance matters. To that end, the Company has:

- Appointed an experienced Board, comprising a mix of executives, group NEDs and INEDs, providing a balance of diverse and innovative thinking within depth insurance industry and business knowledge and experience;
- Appointed a management team in Ireland directly responsible for ensuring that CIC operates an effective system of governance;
- Appointed highly experienced UK, Danish and Bermudian Branch Managers; and
- Developed and embedded a committee structure to ensure challenging engagement with all areas of the business and segregated oversight by committees with appropriate authorities and responsibilities delegated from, but ultimately overseen by, the Board of Directors.

Taking all of the above into account, the Company’s assessment is that its system of governance in respect of the oversight the Company, its Branches and outsourcing is adequate for a company of its nature, scale and complexity.

B.9 Any other material information regarding the system of governance of the Company

There are no other material disclosures or relevant information to note.

C. Risk Profile

The 'Risk Profile' section of the report captures the nature of the overall risk status of the Company, considering all material risks to which the Company is exposed.

C.1 Overview

CIC is committed to a structured and disciplined approach to risk management which considers, evaluates and manages risks as an integral part of the day to day running of the business. The involvement of the Board in setting the direction, tone and nature of the business and culture and the importance of effective risk management are fundamental parts of this. The aim of a stable, secure and efficient business is integrated with a transparent communication and engagement model which seeks to build a sustainable business model where financial value is developed over the long-term. The Board reviews the Company's risk profile on an ongoing basis (at least quarterly) via a risk dashboard and register. This allows it to see, understand and ensure mitigations are in place to oversee appropriate actions.

Additionally, as the Company uses the Solvency II Standard Formula for the purposes of assessing capital requirements, the Board must gain comfort that this approach is an appropriate method for the Company. The key assumptions underlying the Standard Formula have been assessed and consideration given to whether additional levels of capital are maintained. The Company performs stress and scenario testing to ensure the SCR position for each risk module is capable of withstanding extreme, unforeseen, or "shock" events. These tests, whilst extreme, are plausible occurrences. These have been selected based on the lines and classes of business, products and operational model of the Company.

The SCR arising from the Standard Formula as at 31 December 2025 in US\$ million is as follows:



C. Risk Profile

The following sections contain further information on the key risks to which the Company is exposed in accordance with the Company's risk profile. These consider the exposure, concentrations, risk mitigations and stress testing applied under each of the main risk categories.

C.2 Non-Life Underwriting Risk

C.2.1 Risk exposures

Underwriting of insurance and reinsurance products is the principal activity of the Company and effective management of insurance risk, both underwriting and claims risk, is vital to ensure the Company meets its strategic and regulatory objectives.

Underwriting risk includes the risk of loss to the Company as a result of inappropriate or ineffective underwriting processes, the risk of loss as a result of inappropriate or ineffective claims handling or the risk that the ultimate value of insurance liabilities proves to be greater than the estimated value, and the risk that inadequate pricing leads to unprofitable business.

The Company takes a conservative approach to managing all aspects of underwriting risk. Policy limits are clearly defined within the Company's Risk Appetite Statement which is actively managed and reported to the Board on a quarterly basis. The maximum gross limit is \$150 million and net retention, after reinsurance, is \$1.3 million.

The appetite is supported by underlying internal control policies which define the standards to be followed by those involved in underwriting, claims, pricing and reserving. Underwriters have specific authority limits, which limit the extent to which they can bind business. The Company adopts a best estimate approach in determining its ultimate liability to policyholders.

Underwriting authorities are tightly managed. They are approved by the General Manager based on the knowledge and experience of the individual underwriter. The Company utilises the expertise and knowledge of the underwriters at Chaucer through its outsourcing arrangements.

As well as being able to meet its strategic and regulatory objectives, high quality management of its underwriting, claims, pricing and reserving risks enables the Company to make better informed decisions that explicitly consider the implications of underwriting and claims risk exposures and therefore better protect the Company and its sole shareholder against earnings volatility and capital erosion.

Material risk exposures will arise in all planned portfolios. In addition to being carefully underwritten the company has a reinsurance strategy that helps minimise the net exposures on individual risks and portfolios. This includes external excess of loss and proportional insurance contracts as well as an intragroup quota-share agreement.

Underwriting risk includes reserving and pricing risk. Reserving risk arises when actual claims experience differs adversely from the assumptions included in setting reserves, in large part due to the length of time between the occurrences of a loss, the reporting of the loss and the ultimate resolution of the claim. Provisions may ultimately develop differently from the actuarial assumptions made when initially estimating the provision for claims. To the extent reserves prove to be insufficient to cover actual losses and adjustment expenses, the Company would have to recognise such reserve shortfalls and increase future reserves.

C. Risk Profile

The Company's loss reserving methodologies continuously monitor the emergence of loss and loss development trends, seeking, on a timely basis, to both adjust reserves for the impact of trends shifts and to factor the impact of such shifts into the Company's underwriting and pricing on a prospective basis.

The HoAF assesses the adequacy of the Company's insurance liabilities on an annual basis. Statistical projections are used at a given point in time of the Company's expectations of the ultimate claims settlement for losses which occurred in the current financial year and prior. Such statistical tools analyse and extrapolate the development of paid and incurred claims to ultimate.

The Company is exposed to pricing risk to the extent that unearned premiums are insufficient to meet the related future policy costs. Evaluation is performed regularly to estimate future claims costs, related expenses, investment income and expected profit in relation to unearned premiums.

Underwriting Risk includes Catastrophic ("Cat") risk. The Company is exposed to unpredictable events arising from man-made or natural catastrophes that could significantly impact the operating results and financial condition of the Company. The Company manages its catastrophe-exposed risks through a cycle of planning, pricing, accumulation and post-event monitoring. Planning primarily involves determining how much capacity the Company can absorb using stress and scenario tests. This includes reverse stress testing.

C.2.2 Risk concentrations

CIC offers a range of property and casualty (non-motor) products through professional intermediaries, brokers and cover-holders. Risk concentrations are managed in a number of ways, including but not limited to the following:

- Exposure management forms a key element of our underwriting process. The Company, within Chaucer Group, manages its portfolio "globally" and on a class-by-class basis using a variety of exceedance probability curves, realistic disaster scenarios and other deterministic scenarios. The Exposure Management team in CUSL manage the reporting of the current position against risk appetites to CIC's Underwriting Committee as well as CIC's Risk & Capital Committee. The team is also responsible for the day-to-day modelling service provided to the underwriting functions as well as the modellers involved in this process.
- Distribution concentrations, particularly around exposures to MGAs are managed through the approval process and reporting of distribution concentrations through the Underwriting Committee.

C. Risk Profile

The concentration of insurance by type of contract is summarised below by reference to gross claims outstanding:

Class of Business	Gross 2025 US\$'000	Reinsurers' share 2025 US\$'000	Net 2025 US\$'000
Marine	(83,847)	76,225	(7,622)
Casualty	(193,257)	178,808	(14,448)
Property & Political Violence	(40,751)	37,113	(3,638)
Energy	(32,072)	29,760	(2,312)
Cyber	(42,307)	38,105	(4,202)
Other	(10,485)	9,559	(927)
Total Direct	(402,718)	369,570	(33,150)
Specialty	(77,760)	72,496	(5,265)
Property	(185,153)	171,846	(13,306)
Casualty	(141,661)	127,047	(14,613)
Total Reinsurance	(404,573)	371,390	(33,184)
At 31 December 2025	(807,291)	740,960	(66,334)

C.2.3 Risk mitigation

There are detailed underwriting and acceptance guidelines in place for all lines of business and products within those lines. Chaucer underwriters have extensive experience in these lines of business and products. Each underwriter has individual limits commensurate with their experience and the Company's risk appetite.

The scope of authority is issued by means of a Letter of Authority from the Company's General Manager, scheduling the Classes of Business that may be underwritten by any individual in accordance with the Business Plan for that Class. Letters of Authority are issued individually to underwriters. The general limits of these authorities in terms of line size and exposure accumulation, consistent with the Business Plan, are set out in the Underwriting Controls Manual.

Any material changes or developments in lines, portfolios or products only occur after detailed analysis. Monitoring is provided via regular updates to the Underwriting Committee and Board.

The Company's reinsurance strategy is conservative and reflects the risk appetite of CIC. This strategy is reviewed at least annually and is aligned to both the level of capital and underwriting risk appetite in order to mitigate the underwriting risk and limit the risk of losses exceeding the Company's appetite.

CIC participates on a shared reinsurance programme with Syndicate 1084. The impact of the reinsurance strategy (combining external and internal reinsurance) reduces the net retention to below 10% (approx. 8% on average).

Oversight of MGA and coverholder arrangements comes under the remit of the Product Oversight Committee and the DA Underwriting Committee with these reporting into the UW committee on a range of management information and performance metrics. A set of risk metrics are also monitored by CIC's Risk & Capital Committee every quarter as part of an MGA Risk Appetite statement. This risk appetite statement is reviewed and approved by the Board every year.

C. Risk Profile

C.2.4 Stress and scenario testing

Using the Standard Formula, the SCR as at 31st December 2025 for Underwriting Risk (Non-Life) is \$100.3 million (2024: \$76.0 million) on pre-diversified basis, which is 56% (2024: 48%) of the Basic Solvency Capital Requirement before diversification.

A number of stress and scenario tests are available for understanding how the Company's risk profile would look under stressed conditions and for determining the associated impact on capital requirements.

Underwriting risk analysis includes scenarios such as undisciplined underwriting and the impact of natural catastrophe volatility. These were translated into potential catastrophic and non-catastrophic scenarios based on the expected risk profile of the principal classes.

The results of the stress and scenario testing demonstrated that the Company is in a very strong and highly resilient capital position over its planning horizon.

C.2.5 Other material information

The Company also faces underwriting and reserving risk in respect of its non-life health underwriting risk, which is a separate module within the Standard Formula. The SCR for health underwriting is \$3.9 million (2024: \$5.6 million) which represents 2% (2024: 4%) of the undiversified Basic Solvency Capital Requirement. The same risk factors and mitigations apply to this sub-module as apply to non-life underwriting.

C.3 Market Risk

Market risk is the risk that changes in market prices of investments, arising primarily from changes in interest rates and foreign exchange rates, will affect the Company's income or the value of its holdings of financial instruments. Market Risk can be broken down into three broad categories with the following high-level definitions:

Market Risk – The risk that arises from fluctuation and uncertainty of assets prices, interest rates, credit spreads and other macro-economic factors.

Currency Risk – The risk that arises from fluctuation of foreign exchange rates.

Asset Liability Matching Risk – The risk that arises from changes in macro-economic factors that impact net assets and liabilities differently due to a mismatch of asset and liability characteristics such as original currency and duration.

C. Risk Profile

C.3.1 Risk exposures

CIC is exposed to, and manages, a variety of market risks that could prevent the achievement of business objectives. These risks arise as the Company invests funds designed to ensure the preservation of the principal while generating an investment return. The Company applies the prudent person principle to the management of its investments. Investments are managed for and on behalf of the Company by Goldman Sachs Asset Management International. In accordance with the Company's conservative investment guidelines, the Company invests in liquid, high quality investment-grade fixed income securities. The Company typically holds assets to maturity and therefore any unrealized losses will naturally unwind as the asset moves toward maturity.

The Company's portfolio is comprised of USD assets, with cash balances held in USD, Euro and Great British Pounds, respectively.

C.3.2 Risk concentrations

Concentration Risk is the risk that arises from large investment in individual counterparties and single name exposures. As at 31st December 2025, the Company's single largest exposure to an individual counterparty is through its US Treasury positions, representing 26% (2024: 24%) of its investment portfolio. This level of exposure to a single counterparty is in accordance with the Company's investment guidelines.

C.3.3 Risk mitigation

Market risk is mitigated by:

- Limits on duration, credit quality and concentration levels mitigate market risks and are embedded within the investment guidelines;
- Selection of knowledgeable and reliable investment managers who operate within the investment guidelines;
- Regular compliance monitoring to the Board;
- The market risk policy sets out the assessment and determination of what constitutes market risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Risk & Capital Committee. The policy is reviewed regularly for pertinence and for changes to the risk environment;
- Investment guidelines are set to ensure that the investment manager operates within the portfolio parameters; and,
- There is strict control over hedging activities (only currency hedging is permitted)

The Company manages its foreign currency risk exposures by calculating the net exposures (assets less liabilities), in original currency, on a regular basis and assesses it against a predetermined tolerance appetite as approved by the Board of Directors. In the event exposure is outside of the appetite range the Company looks to rebalance net exposures and reduce overall currency risk.

C. Risk Profile

C.3.4 Stress testing

Using the Standard Formula, the SCR for market risk as at 31st December 2025 is \$26.3 million (2024: \$32.8 million), which is 15% (2024: 21%) of the Basic Solvency Capital Requirement before diversification.

The stress and scenario testing performed in respect of market risk considers the impact of extreme events on interest rates and fluctuations on exchange rates. As at 31 December 2025, if interest rates on debt securities had been 100bps higher/lower, with all other variables held constant, shareholder's equity would have been higher/lower by \$9.7 million (2024: higher/lower by \$7.3 million) respectively.

The following table details the Company's sensitivity to a 10% increase and decrease in the US dollar against the relevant foreign currencies for the year end 31st December 2025 and 2024. A 10% sensitivity rate is used when reporting foreign currency risk as it represents a reasonable possible change in foreign exchange rates. For each sensitivity, the impact of change in a single factor is shown, with other assumptions unchanged.

	Pre-Tax Profit 2025 US\$'000	Equity 2025 US\$'000	Pre-Tax Profit 2024 US\$'000	Equity 2024 US\$'000
10% Strengthening in rates	3,166	3,159	(1,925)	(1,921)
10% Weakening in rates	(3,869)	(3,861)	2,352	2,348

The impact on investment counterparty risk (concentration) is assessed in section C.4 – Credit Risk.

C.3.5 Other material information

There are no other material disclosures or relevant information to note.

C.4 Credit / Counterparty Risk

Credit Risk is the risk that one party to a contract fails or fails to discharge an obligation, thereby causing financial loss to the other party.

C.4.1 Risk exposures

CIC is exposed to credit risk through its investment portfolio (including cash and cash equivalents) and through its exposure to (re)insurance counterparties (i.e. companies with whom CIC places reinsurance and brokers/intermediaries). In the event that any of the counterparties fail, CIC may incur a loss of financial assets or reinsurance recoverables. CIC has a low-risk appetite and therefore a conservative approach to the selection of counterparties both on a short, medium and long terms basis.

The primary reinsurance exposure is to CIC's affiliate entity China P&C Re, by virtue of the quota-share agreement which reinsures 90% of the net retentions of the Company. China P&C Re has an S&P credit rating of 'A' and the board believes the arrangement represents an effective mitigation of the underwriting exposures without presenting undue credit risk exposure to the business.

C.4.2 Risk concentrations

CIC participates on a shared reinsurance programmes with Syndicate 1084. As at 31st December 2025, approximately 99.9% of the Company's external reinsurance counterparties are rated A or above. In addition, the Company has entered into an agreement whereby the Company cedes an amount equal to 90%, net of inuring reinsurance, of its premiums, losses and loss adjustment expenses, commissions and any other costs incurred by the Company to affiliate entity China P&C Re, which has a Standard & Poor's credit rating of 'A' as at the reporting date.

C. Risk Profile

As at 31st December 2025 and 2024, the Reinsurers' share of the Claims Outstanding as set out in the Company's Statement of Financial Position, includes an asset of \$741.0 million (2024: \$588.1 million) in respect of claims outstanding. Included in this amount is \$561.9 million (76%), (2024: \$450.4 million (77%)) recoverable from China P&C Re. The remaining \$179.1 million (24%), (2024: \$137.7 million (23%)) represents amounts recoverable from non-group reinsurers. The following table provides details regarding the credit risk exposure of the Company, classifying fixed maturity counterparties by Standard & Poor's (or equivalent) credit ratings of the counterparties:

Debt securities and other fixed incomes	2025 US\$'000	2025 %	2024 US\$'000	2024 %
AAA	5,268	1%	181,610	55%
AA	220,104	63%	22,129	7%
A	65,560	19%	65,732	20%
BBB or lower	61,220	17%	58,732	18%
Total	352,152	100%	328,202	100%

Cash and Cash equivalents are held with banks and financial institution counterparties which are rated AA to BBB-, based on Standard & Poor's ratings, or equivalent.

Cash at Bank	2025 US\$'000	2025 %	2024 US\$'000	2024 %
AA	23,737	17%	11,457	18%
A	116,819	83%	52,140	82%
Total	140,556	100%	63,597	100%

The following table shows the carrying value of assets that are neither past due or impaired and the ageing of the assets. No assets are impaired at the reporting date.

	Neither due nor impaired 2025 US\$'000	Up to three months 2025 US\$'000	Three to six months 2025 US\$'000	Greater than six months 2025 US\$'000	Total 2025 US\$'000
Debtors arising out of insurance operations	89,325	7,372	155	2,409	99,261
Debtors arising out of reinsurance operations	203,169	2,914	2,592	14,635	223,310
Other debtors	1,119	-	-	-	1,119
Total credit risk	293,613	10,287	2,747	17,043	323,689

C. Risk Profile

C.4.3 Risk mitigations

The credit risk related to cash, cash equivalents and fixed maturities is primarily mitigated by placing constraints on the credit quality of the portfolio and managing the concentrations with single providers.

The credit risk related to reinsurers is primarily mitigated through robust reviews of all reinsurer counterparties with whom the Company wishes to conduct business and setting credit thresholds for the total potential recoveries due from each reinsurer. The review includes an analysis of the financial strength of the reinsurer, its payment performance record and standing within the market. Thereafter, management of reinsurer credit risk follows active and regular review, with the assistance of outside expertise, of the credit rating and financial exposure to all approved reinsurers.

Reinsurers and intermediaries are monitored closely by the Company's credit committee and the Company actively reviews its aged receivables in respect of each counterparty, recognizing a bad debt provision or impairment where appropriate.

In respect of mitigating the credit risk associated with brokers and intermediaries, the Company will only accept business from a broker or intermediary where a terms of business agreement is in place, following the performance of appropriate due diligence.

C.4.4 Stress testing

Using the Standard Formula, the SCR for Credit Risk as at 31st December 2025 is \$49.4 million (2024: \$42.0 million), which is 27% (2024: 26%) of the Basic Solvency Capital Requirement before diversification.

The stress and scenario testing performed in respect of Credit Risk considers the impact of extreme events on our reinsurance counterparties and our investment counterparties. Within the testing for reinsurance counterparty credit risk, we assessed the impact of:

- A downgrade of China P&C Re credit rating from A to BBB
- A reduction in the China Re QS percentage from 90% to 50%
- The limited availability of external reinsurance to mitigate large catastrophe events

The stress and scenario testing concluded that the Company is projected to hold sufficient levels of capital over the planning horizon to absorb extreme credit risk related scenarios.

C.4.5 Other material information

There are no other material disclosures or relevant information to note.

C. Risk Profile

C.5 Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities. In respect of catastrophic events, there is also a liquidity risk associated with the timing difference between gross cash out-flows and expected reinsurance recoveries.

C.5.1 Risk exposures

CIC seeks to avoid any situation where funds are not available to meet claims or any other financial obligations arising from a lack of sufficient liquidity. The Company recognises its duty to manage funds in order to settle claims and other obligations promptly and is mindful that, due to the nature of the Company's business, significant cash flow demands may arise in the event of single or multiple large claims or catastrophes. The approach to management of funds undertaken ensures the availability of sufficient funds from such adverse circumstances. Liquidity levels are reported to the Finance & Investments Committee with any exceptions reported to the Risk & Capital Committee as part of the Company's continuous risk appetite reporting processes.

C.5.2 Risk mitigations

Liquidity risk is assessed in the context of two dimensions, funding and asset liquidity.

In order to ensure the effective management of liquidity risks, processes and procedures are in place to ensure:

- Minimum liquidity requirements are being adhered to;
- Cash flow is being regularly forecasted and monitored;
- A cash-call provision incorporated in the intra group quota share agreement to ensure CIC remains within its liquidity limits; and,
- There is appropriate matching between the maturities of assets and liabilities.

Minimum liquidity limits are set at a level designed to ensure the Company has sufficient funds to meet obligations and is not forced to sell assets at a significant discount to true economic value.

C.5.3 Stress Testing

The Company does not perform any material stress tests on its liquidity risk as the Company holds a highly liquid investment portfolio and maintains at least 3% of its total investments and cash in cash balances to ensure there is sufficiently available funds to meet its obligations.

C.5.4 Other material information

The net expected profit in future premiums ("EPIFP") is \$24.4 million (2024: \$6.6 million).

The liquidity risk associated with EPIFP is negligible.

C. Risk Profile

C.6 Operational Risk

Operational risk is the risk of loss arising from processes, procedures, human or system inadequacy or failure, loss of key personnel, outsourcing relationship failures or other external events. It includes legal, regulatory and reputational risks in addition to technology (including the emergence of Artificial Intelligence risks) and cyber risks. It extends to any ineffectiveness in internal controls which could have an adverse effect on the Company's business. Instances of ineffective internal control include but are not limited to, poor quality management information or the failure of IT systems to capture data and business performance; or, a potential lack of control over the actions of third parties operating on behalf of the Company.

C.6.1 Risk exposures

Using the Standard Formula, the SCR for Operational Risk as at 31st December 2025 is \$25.4 million (2024: \$20.9 million). Under the Standard Formula, Operational Risk is not a risk module within the Basic Solvency Capital Requirement.

CIC has a low-risk appetite for operational failures that interrupt or hinder trading or adversely impacts on the reputation of the Company.

CIC manages this risk through a combination of operational risk management, supported by internal controls, control policies, processes and procedures, segregation of duties and the three lines of defence model. It is however recognised that achieving complete system and process resilience to ensure no losses is impractical and management seeks to balance the risk through the overall management system.

Legal, compliance and regulatory risk is a subset of operational risk and is an inevitable consequence of operating as a regulated financial services entity. CIC seeks to mitigate these risks by operating robust corporate governance and internal control processes and employing experienced personnel. Governance risk incorporates risks arising from the failure to ensure proper stewardship of the affairs of the entity and safeguard the assets of the Company and protect the overall interests of its stakeholders.

The Board regards a strong governance framework to be vital in achieving its objectives as well as providing transparency and accountability to its various stakeholders. A strong System of Internal Controls, robust System of Governance and the application of the "three lines of defence" model helps to mitigate these risks.

C.6.2 Risk concentrations

The Company is exposed to material concentration of operational risk through its outsourcing arrangements with CUSL. In the event of a failure by CUSL to deliver the services required by CIC, this could result in financial losses or regulatory sanction. This arrangement is managed in accordance with CIFA requirements under Solvency II.

C. Risk Profile

C.6.3 Risk mitigation

In accordance with the Company's Business Continuity/Operational Resilience planning policies processes are in place to reduce the risk and impact of an external event on the Company, so the Company can continue its operations and maintain continuity of operations. The Company places a high priority on the management of contracts and the monitoring of services provided under those contracts, including the assessment of the third-party outsourced service provider's ability to withstand an external event. During 2025, operational resilience scenario and disaster recovery testing continued to be conducted at local and group level along with reviews of CICs Critical or Important Business Services and their related Impact tolerances. DORA requirements have enhanced the frameworks, controls and oversight of ICT third parties and the Company incident management and information security resilience. As part of the technology strategy, Cloud migration will also provide the responsiveness, scalability, resiliency and flexibility for future growth. Procedures are in place to ensure the effective oversight of the UK, Denmark and Bermuda Branches, including reporting through the CIC Operations Committee. These processes will reflect the operational standards already in place in respect of the arrangements between CIC & CUSL.

C.6.4 Stress testing

There are no specific sensitivities but stress and scenario tests have been performed around individual events that would result in operational costs or losses to CIC. Individual events considered included the failure of a critical outsourcing relationship combined with a regulatory fine and subsequent loss of a key staff member.

The combined stress tests led to the Board concluding the Operational Risk module of the SCR was sufficient to cater for the operational risks of the company. The Board concluded that the actual level of capital held by CIC is more than adequate to cover operational risk scenarios which are considered to have return periods greater than 1:200 years.

C.6.5 Other Material Information

There are no other material disclosures or relevant information to note.

C.7 Other Material Risks

C.7.1 Strategic risk

Strategic risk arises from the failure to appropriately and sufficiently define and articulate the direction and objectives of the Company together with the resourcing and monitoring of the achievement of the same. This risk category considers the ability of the Company to respond to external factors, ability to write critical classes of business, outsourcing risk and other global economic factors such as the US tariff regime.

These risks are mitigated by ensuring the Company has strong governance procedures and the necessary resources available to it, including a robust system of processes and internal controls to manage the associated risks. Furthermore, a risk assessment approach is adopted which uses risk appetites, limits linked to business plans, along with aggregation and accumulation management. Additionally, the Company has a well-developed business plan, a key input in the ORSA process, which is approved by the Board.

C. Risk Profile

The Company's strategic risk is mitigated by ensuring a strong connection and relationship with both CIC's ultimate parent and affiliate Chaucer Syndicates through membership of the CIC Board by senior China Re and Chaucer Syndicates executives.

C.7.2 Solvency risk/Capital Management

This is the risk that the CIC fails to maintain adequate levels of capital resources of sufficient quality and quantity in order to carry out its business objectives and in order to meet all domestic and international regulatory considerations regarding the capital resource requirements.

This risk is mitigated by the setting of a minimum capital ratio that is sufficiently conservative to ensure appropriate intervention and remedial activity well before the SCR is breached. Regular monitoring, forecasting and reporting are undertaken as the Company has no appetite for breaching its SCR.

Refer to Section E for further detail on Capital Management.

C.7.3 Emerging risks

CIC has in place a process for monitoring the external environment to identify risks that may not previously have been considered material or present an emerging threat to the business environment, industry or Company. These are classified as emerging risks and are regularly discussed and reviewed by management and with the Board.

C.8 Other disclosures/Other information

C.8.1 Climate and Sustainability Risks

CIC recognises the threat of climate change risk within its ORSA process. Furthermore, the Company, as part of Chaucer Group, will continue to refine its climate risk strategy to bolster the management of risks and also opportunities arising from climate change. The Company has been developing specific risk management tools and processes to address climate risks and also ensure the sustainability of its business. This development will complement the existing strategies in place that are designed to ensure the Company is well-positioned to meet the demands of a dynamic and changing environment. These strategies include, but are not limited to:

- Enhanced focus on catastrophe perils where climate change is identified as a driver of increased risk, including improved modelling capability and reporting;
- Underwriting of renewable energy;
- Enhanced risk management capability and framework specifically adapted to improve understanding and management of climate change risks;
- Formation of Climate Change and Sustainability Working Groups and the ongoing development of strategy and objectives which will contribute to the mitigation of climate-related operational risks;
- Development of Own View of Risk which is core to managing climate risk.

D. Valuation for Solvency Purposes

The 'Valuation for Solvency Purposes' section of the report describes the valuation of assets, technical provisions and other liabilities for both the FRS 102 basis and the Solvency II basis. This section also outlines the approach and methodology underlying the valuation.

In accordance with Article 75 of the Solvency II Directive, the Company's assets and liabilities, other than technical provisions, are measured in accordance with principles of an arm's length transaction between knowledgeable willing parties using market consistent valuation methods.

The Company's Solvency II balance sheet, valued using Solvency II rules, at 31st December 2025 and 2024, was as follows:

Solvency II Balance Sheet	Section	2025 US\$'000	2024 US\$'000
Financial Assets – Investments	D.1.1	355,146	330,503
Cash & Cash Equivalents	D.1.2	93,713	39,344
Other Assets	D.1.2	156,266	120,414
Total Assets		605,125	490,261
Net Non-life Technical Provisions	D.2	83,034	84,457
Other Liabilities	D.3	225,382	159,753
Total Liabilities		308,416	244,210
Excess of assets over liabilities		296,709	246,051

For a discussion of valuation bases, methods and assumptions for the Company's assets and liabilities see the following sections below.

D.1 Assets

D1.1 Financial Instruments – Investments

Under Solvency II, investments are measured using fair value principles in line with FRS 102. As this FRS standard is adopted in the Company's Annual Reports, no measurement differences arise on the valuation of the investment portfolio.

The Company is required to classify its investments using the Solvency II hierarchy as follows:

- Quoted market price in active markets for the same assets ("QMP");
- Quoted market price in active markets for similar assets ("QMPS");
- Alternative valuation methods ("AVM");
- Adjusted equity methods ("AEM") applicable for the valuation of the participations; and
- FRS 102 equity method ("IEM") applicable for the valuation of the participations.

D. Valuation for Solvency Purposes

Accordingly, the Company's investments under Solvency II at 31st December 2025 and 2024, by category and by valuation classification, are as follows:

Fair Value Categories at 31st December 2025	QMP US\$'000	QMPS US\$'000	Other US\$'000	Total US\$'000
Government Bonds	87,391	39,595	-	126,986
Corporate Bonds	-	156,784	-	156,784
Collateralised Securities	-	71,376	-	71,376
Total Fixed Income securities	87,391	267,755	-	355,146

Fair Value Categories at 31st December 2024	QMP US\$'000	QMPS US\$'000	Other US\$'000	Total US\$'000
Government Bonds	78,679	32,156	-	110,835
Corporate Bonds	-	148,992	-	148,992
Collateralised Securities	-	70,675	-	70,675
Total Fixed Income securities	78,679	251,823	-	330,502

Bonds included within QMP are US Treasury issues that are highly liquid and for which quoted market prices are readily available. Bonds included within QMPS are securities valued using the available prices for similar securities and pricing models that incorporate observable inputs including, but not limited to, yield curves and issuer spreads.

The Company utilises a third-party pricing service for the valuation of the majority of its fixed maturity securities and receives one quote per security. When quoted market prices in an active market are available, they are provided by the pricing service as the fair value and such values are classified as QMP. Since fixed maturities other than US Treasury issues generally do not trade on a daily basis, the pricing service prepares estimates of fair value for those securities using pricing applications based on a market approach. The inputs into the fair value pricing method which is common to all asset classes include: benchmark US Treasury security yield curves; reported trades of identical or similar fixed maturity securities; broker/dealer quotes of identical or similar fixed maturity securities and structural characteristics such as maturity date, coupon, mandatory principal payment dates, frequency of interest and principal payments, and optional redemption features.

The inputs into the fair value applications that are unique by asset class include, for QMPS, but are not limited to the following:

Government Bonds

US government agencies – determination of direct versus indirect government support and whether any contingencies exist with respect to the timely payment of principal and interest.

Non-US Government and Supranational – prices quoted in an active regulated bond market, or in the case of less active markets securities are priced using broker quotes, local exchanges / central banks or other valuation models.

Municipals – overall credit quality, including assessments of the level and variability of: sources of payment such as income, sales or property taxes, levies or user fees; credit support such as insurance; state or local economic and political base; natural resource availability; and susceptibility to natural or man-made catastrophic events such as hurricanes, earthquakes or acts of terrorism.

D. Valuation for Solvency Purposes

Corporate Bonds

Corporate fixed maturities – overall credit quality, including assessments of the level and variability of: economic sensitivity; liquidity; corporate financial policies; management quality; regulatory environment; competitive position; ownership; restrictive covenants; and security or collateral.

Collateralised securities

Mortgage-backed securities – estimates of prepayment speeds based upon historical prepayment rate trends; underlying collateral interest rates; geographic concentration; vintage year; borrower credit quality characteristics; interest rate and yield curve forecasts; government or monetary authority support programs; tax policies and delinquency/default trends.

The Company does not hold any investments that are priced or classified in the remaining Solvency II hierarchy.

The accrued interest is reclassified from other receivables under FRS 102 to the value of the underlying investment under Solvency II. This resulted in a change of \$2.9 million in the value of investment on the Solvency II economic Balance Sheet as at 31st December 2025 (2024: \$2.3 million).

D.1.2 Other Assets

This section outlines the valuation basis and comparison for other assets excluding Investments as at 31st December 2025 and 2024.

Other assets at 31st December 2025	Reference	Solvency II Balance Sheet US\$'000	FRS 102 Balance Sheet US\$'000	Variance US\$'000
Cash & cash equivalents	D.1.2.1	93,713	140,555	(46,842)
Net deferred acquisition costs	D.1.2.2	-	85,380	(85,380)
Insurance and intermediaries receivables	D.1.2.3	38,031	322,571	(284,540)
Reinsurance receivables	D.1.2.4	70,271	243,479	(173,208)
Deferred tax assets	D.1.2.5	-	958	(958)
Receivables (trade, not insurance)		1,122	2,875	(1,749)
Any other assets	D.1.2.6	46,842	-	46,842
Total other assets		249,979	795,818	(545,835)

D. Valuation for Solvency Purposes

Other assets at 31st December 2024	Reference	Solvency II Balance Sheet US\$'000	FRS 102 Balance Sheet US\$'000	Variance US\$'000
Cash & cash equivalents	D.1.2.1	39,344	63,597	(24,253)
Net deferred acquisition costs	D.1.2.2	-	65,804	(65,804)
Insurance and intermediaries receivables	D.1.2.3	34,131	252,078	(217,947)
Reinsurance receivables	D.1.2.4	59,465	193,954	(134,489)
Deferred tax assets	D.1.2.5	-	699	(699)
Receivables (trade, not insurance)		2,565	2,590	(25)
Any other asset	D.1.2.6	24,253	-	24,253
Total other assets		159,758	578,722	(418,964)

The following notes describe the material Other assets in the table above:

D.1.2.1 Cash & cash equivalents

Cash & cash equivalents comprise cash on hand and demand deposits in banks. The carrying amounts of cash & cash equivalents are considered to equate to fair value under Solvency II.

D.1.2.2 Deferred acquisition cost

Acquisition costs consist of fees and commissions paid to intermediaries and costs directly related to the acquisition and renewal of insurance contracts. Under FRS, acquisition costs are deferred to the extent that they are attributable to premiums unearned at the period end date.

Under Solvency II, cash flow projections used in the calculation of Solvency II technical provisions include acquisition costs. As a result, deferred acquisition costs are nil under the Solvency II valuation methodology.

D.1.2.3 (Re)Insurance and intermediaries receivables

(Re) Insurance and intermediaries receivables comprise amounts owed to the Company from policyholders and debtors arising from reinsurance. Reinsurance receivables are comprised of the reinsurers share of unearned premiums.

Under FRS, premium and commission receivable balances arising under insurance contracts are recognized when due and measured at cost. A provision for impairment is established when there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated future cash flows have been impacted. Under Solvency II, premium and commission receivable balances not yet due are included in the technical provision best estimate calculations. A balance is deemed not yet due at the balance sheet date, if the receivable becomes due for settlement after the balance sheet date. Premium and commission receivables past due are recognized at fair value on the Solvency II Balance Sheet.

D. Valuation for Solvency Purposes

D.1.2.4 Reinsurance receivables

Under FRS, ceded premium advances and losses paid recoverable are recognized at cost with a provision for impairment where necessary.

Under Solvency II, similar to insurance and intermediaries receivables, balances deemed not yet due are included in best estimate calculations within the technical provisions and removed from the FRS reinsurance receivables balance. All expected payments from reinsurers to the undertaking corresponding to payments already made by the undertaking to policyholders are included in reinsurance receivables on the Solvency II Balance Sheet.

D.1.2.5 Deferred tax assets

Deferred tax assets are recognised from the carry forward of unused tax losses and taxable timing differences as a result of the tax impact of the difference between the values ascribed to assets and liabilities recognised and valued in accordance with Solvency II rules, and the values ascribed to assets and liabilities as recognised and valued for tax purposes.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the deferred tax asset can be utilised, taking into account any time limits relating to the carry forward of unused tax losses. Deferred tax assets and liabilities are not discounted. The difference between the values of the Solvency II balance sheet deferred tax assets and liabilities and the FRS 102 values are due to the tax impact of valuation adjustments to other assets and liabilities on the balance sheet

D.1.2.6 Any other assets

Any other assets represents Cash & Cash Equivalents that are deposited, pledged or held in escrow accounts in favor of policyholders to comply with insurance laws within jurisdictions in which the Company operates. The carrying amounts of restricted cash & cash equivalents are considered to equate to fair value under Solvency II.

D.2 Technical Provisions

As required under Article 77 of the Solvency II EU Directive, the technical provisions are calculated as the sum of a best estimate of discounted future cash-flows and a risk margin.

The best estimate corresponds to a probability-weighted average of all future cash flows, discounted to allow for the time value of money using the relevant risk-free interest rate. This includes all policies for which the Company has a legal obligation as at the valuation date whether they have incepted or not. The cash flow projection includes all cash in-flows and out-flows required to settle the insurance and reinsurance obligations over their lifetime, including expenses. The best estimate is split into a 'premium provision' and a 'claims provision'. The premium provision relates to the unearned exposures and the claims provision relates to earned exposures at a specific point in time. These provisions are calculated gross of reinsurance with an appropriate allowance for reinsurance recoveries.

The risk margin represents the risk premium that would be required by another insurance or reinsurance undertaking in order to take over and meet the insurance and reinsurance obligations.

D. Valuation for Solvency Purposes

The Company's technical provisions for the year end 31st December 2025 are summarised below in US\$'000.

Line of Business	Gross Best Estimate Liability	Risk Margin	Gross Technical Provisions (calculated as a whole)	Recoverables from Reinsurance Contracts and SPVs	Total Technical Provisions Net of Recoverables
Medical expense insurance	4,118	64	4,182	-2,361	1,821
Income protection insurance	-	-	-	-	-
Workers' compensation insurance	38,207	746	38,953	-36,534	2,419
Motor vehicle liability insurance	-934	115	-819	308	-511
Marine, aviation and transport insurance	87,741	2,247	89,988	-70,839	19,149
Fire and other damage to property insurance	73,563	3,435	76,998	-60,192	16,806
General liability insurance	181,197	5,446	186,643	-167,006	19,637
Credit and suretyship insurance	1,105	74	1,179	-636	543
Legal expenses insurance	-	-	-	-	-
Assistance	-	-	-	-	-
Miscellaneous financial loss	-	-	-	-	-
Non-proportional health reinsurance	7,140	278	7,418	-7,848	-430
Non-proportional casualty reinsurance	60,934	2,067	63,001	-66,103	-3,102
Non-proportional marine, aviation and transport reinsurance	33,069	844	33,913	-31,341	2,572
Non-proportional property reinsurance	63,928	3,500	67,428	-43,298	24,130
Total Non-Life obligation	550,068	18,816	568,884	-485,850	83,034

D.2.1 Valuation of Technical Provisions

The following describes the various components of the technical provisions and the valuation methodology employed by the Company on each component.

D.2.2 Basis, methods and assumptions

(i) Best Estimate

The starting point for the calculation of the claims provision component of the Solvency II technical provisions is the actuarial best estimate reserves as calculated in accordance with FRS 102. The best estimate reserves are calculated using standard actuarial techniques as appropriate, including loss ratios, development factor methods, the Bornhuetter-Ferguson method, earnings-based methods and frequency/severity analyses. The calculation of the best estimate reserves contains a high degree of expert judgment in selecting the reserving method and assumptions, including development factors and prior loss ratios.

D. Valuation for Solvency Purposes

The starting point for the calculation of the premium provision is the Unearned Premium Reserve (“UPR”), as determined in accordance with FRS 102. Under Solvency II, all future cash-flows associated with the UPR (future premium, future claims and expenses) need to be considered when calculating the discounted future cash-flows. The future claims element of the premium provision is calculated by applying loss ratios and reinsurance to gross ratios that are consistent with those used in the best estimate reserving process.

The following adjustments are applied to the premium and claims provisions in accordance with Solvency II valuation principles:

(a) Allowance for ENIDs (Events Not in Data)

Under Solvency II valuation principles, the Company is required to include an allowance within the technical provisions for events or circumstances that are not reasonably foreseeable (i.e. have very low probabilities) and/or are at levels not contained in historical data (i.e. have a very large severity or very low probabilities)

The Company separates ENIDs into two different components: extreme claims which impact the premium provisions and latent claims which impact the claims provisions. The scale of the type of events that have to be considered, and the lack of data on which to base estimates, means that this is a highly subjective element of the technical provisions where judgement is a fundamental requirement.

(b) Allowance for ‘committed to’ business

Allowance for ‘committed to’ business refers to contracts, which have not incepted at the valuation date, but to which the Company has a legal obligation.

The gross premiums from these policies are calculated and prior loss ratios are applied to obtain the gross claims allowance. The ‘committed to’ reinsurance recoveries are calculated by applying reinsurance to gross IBNR percentages from the best estimate reserving process.

For reinsurance premiums, the committed to allowance is calculated by applying a ratio to the gross premium allowance for non-excess of loss (“XL”) reinsurance, whilst for XL, an allowance is made for any covers due to incept on the 1st day of the month following the valuation date.

Provisions for bad debt, expenses, ENIDs and discounting associated with these policies are assessed and calculated as per the methodology described in this document for these items.

There are no further contract boundary assumptions in the TPs or contracts that include significant renewals within existing business.

(c) Allowance for expenses

Solvency II requires a provision be included to allow for all expenses that will be incurred in servicing insurance and reinsurance obligations. The Company allocates these expenses into four separate categories; direct, indirect, one-off and claims handling costs, which includes unallocated loss adjustment expenses. The future expenses are based on the Company’s business plan, which includes a forecast for future calendar years. The estimated future cash outflows of these expenses are calculated and allocated to both the premium and claims provisions as appropriate.

D. Valuation for Solvency Purposes

(d) Allowance for bad debt

A counterparty default provision has been added in 2025 based on the simplified method with China Re as the only counterparty. Any bad debt on external RI recoveries are ceded 90% to the intragroup quota share. The counterparty default provision is derived based on the credit rating of the reinsurer and the expected term of the best estimate reinsurance recoveries.

(e) Allowance for discounting

A full cashflow of future payments has been calculated and then discounted using EIOPA risk-free rates. Payment patterns are based on CIC data where credible, otherwise Syndicate 1084 benchmark data for comparable classes is used. Claims cashflows are discounted at class level for gross and external reinsurance, and at Branch level for the parental QS. The discount effect reduces Gross and Net TPs, as expected.

(f) Allocation to Solvency II segment

Best estimate reserving is initially performed at homogeneous risk group levels. These risk groups generally follow the classes in which the Company manages the business, however in some instances, due to differing development characteristics, exposures, performance etc. certain risk groups are managed on a more granular basis. Premium, paid and outstanding claims data is available at a year of account, settlement currency, business unit, method of placement and risk code level. From this data, the allocation of internal classes to Solvency II classes can be derived. Items that are not calculated by class of business, e.g. overhead expenses, are allocated to classes of business within the TPs in line with gross written income.

(ii) Risk Margin

The risk margin represents the risk premium that would be required by another insurance or reinsurance undertaking in order to take over and meet the insurance and reinsurance obligations. The risk margin is calculated on a total basis and is allocated to SII classes for reporting purposes only. The amount of eligible Own Funds required to support the obligations until run-off is calculated using the Standard Formula SCR, projected to each future year-end. The Cost-of-Capital applied to the amount of eligible own funds is set at 6% by EIOPA.

D.2.3 Level of uncertainty associated with the Technical Provisions

There are elements of uncertainty inherent in our estimates of the Solvency II technical provisions. As a result of this inherent uncertainty, there is a limitation on the accuracy of these estimates. This uncertainty is because the ultimate liability for claims, as determined at a specific point in time, may be significantly impacted by factors yet to occur.

D. Valuation for Solvency Purposes

The following is a list of potential factors that could impact the Solvency II technical provisions:

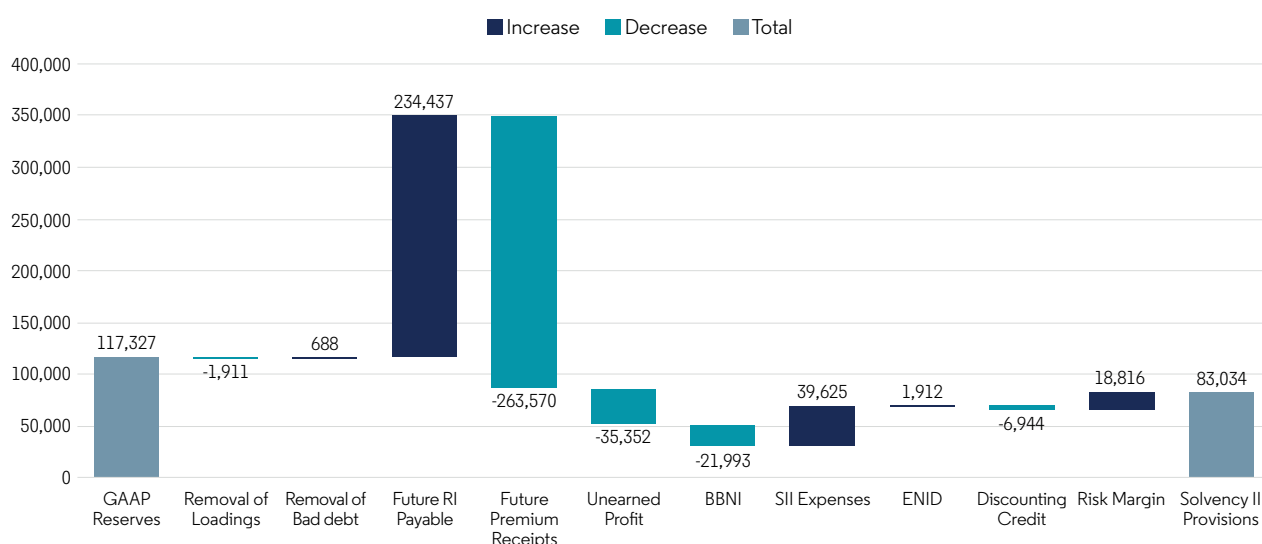
- Premium Provision (in respect of unearned and BBNI business) is negative, consistent with the best estimate view that the business is expected to be profitable, however these risks are exposed to low likelihood extreme losses
- The level of future inflation compared to current expectations
- The lack of fully developed data specific to the risks written means that prior loss ratios, development curves and tail factors for the models are typically derived based on Syndicate 1084, market, or other external, data;
- Evolution in legislative environment, size of future court awards and emergence of new types of claims;
- Systemic risks arising from climate change and biodiversity loss causing an increase in modelled or non-modelled loss events;
- The estimation of future expenses introduces uncertainty as many factors could influence the size of these; and
- The estimation of the provision for ENIDs does, by nature, contain a high level of uncertainty; and
- Risk Margin: uncertainties and limitations are consistent with those for the standard formula.

The Company has employed techniques and assumptions that are deemed appropriate, given the information currently available, in determining the ultimate liability. However, it should be recognised that future premium and loss emergence is likely to deviate, perhaps materially, from our estimates. Uncertainty in the technical provisions is considered in process of producing the Actuarial Report on Technical Provisions (“AOTP”) and is documented in the uncertainty analysis and sensitivity testing of the Annual Report on Technical Provisions (“ARTP”).

The reinsurance protection in place, much of it proportional, means that the level of uncertainty that the Company is exposed to is significantly reduced.

D.2.4 Material differences between FRS 102 and Solvency II Technical Provisions

The Company’s net technical provisions under FRS 102 at 31st December 2025 are \$117.3 million. Under Solvency II basis, the net technical provision calculated are \$83.0 million, 71% of the GAAP basis reserves. The following chart illustrates the translation from GAAP reserves to Solvency II reserves for CIC:



D. Valuation for Solvency Purposes

The drivers of the change from GAAP to SII are:

- GAAP adjustments are the removal of management loadings to bring reserves to a best estimate basis;
- Unearned Profit replaces the Unearned Premium Reserve. It consists of profits on the unearned business (future premiums expected to receive on unearned business less future claim payments on unearned business);
- BBNI Committed To decreases TPs due to expected profit from inwards bound but not incepted;
- ENIDs increase TPs by \$1.9 million;
- Expenses under Solvency II have to include all expenses incurred in running-off the existing business; they increase TPs by \$39.6 million;
- Discounting decreases TPs as expected in the current interest rate environment; and,
- Risk Margin, representing the risk premium required by another insurance/reinsurance undertaking to take over and meet the insurance and reinsurance obligations, increase TPs by \$18.8 million.

D.2.5 Matching adjustment, volatility adjustment or transitional measures

The Solvency II technical provision calculations do not apply a matching adjustment, a volatility adjustment or the transitional risk-free interest rate term structure as these adjustments are not applicable to the types of business written by the Company.

D.2.6 Recoverables from Reinsurance and SPVs (“Special Purpose Vehicle”)

The reinsurance recoveries, included within the Solvency II technical provisions, are calculated primarily using the methodology used under FRS 102, however exceptions to this are the inclusion of separate reinsurance recovery provisions within the technical provisions for “committed to” business and ENIDs (see D.2.2 above).

In determining the reinsurance recoveries, for non-XL reinsurance contracts, the ceded loss ratio is set equal to the gross loss ratio. The calculated recoveries for the proportional reinsurance take account of any over-rider premiums payable, where applicable.

For XL reinsurance recoveries, the ceded loss ratio is derived at layer level and is based on a combination of modelled output, where available, output from underwriter rating models, where applicable, and judgemental picks provided by underwriters. The ceded loss ratios are used to calculate reinsurance to gross ratios that are applied to future gross claims to obtain the corresponding future reinsurance recoveries.

Reinsurance recoveries for known large losses are calculated separately by applying the applicable reinsurance programme to the gross loss to obtain the reinsurance recovery.

Finally, CIC has not purchased reinsurance through any SPVs or similar structures.

D. Valuation for Solvency Purposes

D.2.7 Material changes in assumptions since last year

There are no material changes to assumptions in the technical provisions the previous reporting period.

D.2.8 Significant simplifications used in the calculation of Technical Provisions

There are no significant simplifications used in the calculation of the technical provisions.

D.3 Other Liabilities

This section outlines the valuation basis and comparison for other liabilities excluding technical provisions as at 31st December 2025 and 2024.

Other liabilities at 31st December 2025	Reference	Solvency II Balance Sheet US\$'000	FRS 102 Balance Sheet US\$'000	Variance US\$'000
Provision for unearned premium	D.3.1	-	351,417	(351,417)
Creditors arising out of insurance operations	D.3.2	2,991	195,779	(192,788)
Creditors arising out of reinsurance operations	D.3.2	218,551	233,851	(15,300)
Other liabilities	D.3.3	3,841	8,178	(4,337)
Total other liabilities		225,383	789,225	(563,842)

Other liabilities at 31st December 2024	Reference	Solvency II Balance Sheet US\$'000	FRS 102 Balance Sheet US\$'000	Variance US\$'000
Provision for unearned premium	D.3.1	-	277,851	(277,851)
Creditors arising out of insurance operations	D.3.2	4,843	139,946	(135,103)
Creditors arising out of reinsurance operations	D.3.2	153,410	177,768	(24,355)
Other liabilities	D.3.3	1,500	17,468	(15,968)
Total other liabilities		159,753	613,030	(453,277)

D.3.1 Provision for unearned premium

Under Solvency II, provisions for unearned premiums are recognized in technical provisions. Under FRS, unearned premiums represent the proportion of the gross premiums written that relate to unexpired risks under contracts in force at the period end date, calculated on the basis of established earnings patterns or time apportionment as appropriate.

D.3.2 Creditors arising out of insurance and reinsurance operations

Under FRS, creditors are recognized at cost. A provision for impairment is established when there is objective evidence that as a result of one or more events that occurred after initial recognition, the estimate future cash flows have been impacted.

Similar to Insurance balances receivable, under Solvency II, balances not yet due for payment are removed and recognized in technical provisions. All expected payments to reinsurers from the undertaking corresponding to payments already made by policyholders to the undertaking are included in reinsurance payables on the Solvency II Balance Sheet.

D. Valuation for Solvency Purposes

D.3.3 Other liabilities

Under FRS, the carrying amount of Other Liabilities is historical cost which is considered to equate to the fair value due to the short term nature of these liabilities. The effect of movement in own credit risk on the valuation is not expected to be material, therefore no adjustment to the FRS 102 values are needed. Under Solvency II, any other liabilities are recognized at fair value included in the technical provision where applicable.

The Company has deferred tax liabilities arising on the expected future profits on future premiums and also due to the tax impact of the difference between the values ascribed to assets recognised and valued in accordance with Solvency II rules, and the values ascribed to assets under FRS 102.

D.3.4 Other

The Company does not have any leasing arrangements or other obligations than noted above as at 31st December 2025 (2024: \$nil). In addition, the Company does not hold any intangible assets as at 31st December 2025 (2024: \$nil).

With regards to employees benefits, the Company participates in a defined contribution pension plan whereby the assets are held in a separate trust-administered fund. The pension plan is funded by payments from both the Company and its employees. For the defined contribution plan, once the contributions have been paid, the Company has no further payment obligations. For the year ended 31st December 2025, the total expense to the Company was \$0.3 million (2024 \$0.2m).

No judgements, other than noted in D.1 and D.2 above, or other sources of estimation uncertainty would materially impact the values noted in this section.

D.4 Alternative Methods for Valuation

As all of the Company's investments are deemed to meet the criteria for QMP and QMPS under Solvency II hierarchy guidelines, the Company does not use AVM.

D.5 Any other information

The information presented in Section D provides a true and fair view of the valuation for Solvency II purposes of the Company during the reporting period.

The directors have reasonable expectations, having made appropriate enquiries that the Company has adequate resources to continue in operational existence for the foreseeable future. The directors have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue. For this reason, they continue to adopt the going concern basis or preparation in preparing the financial statements.

In making this assessment the directors considered a number of factors, including but not limited to, the following:

- the Company's performance and expected levels of growth planned for the next 12 months;
- the Company's strong capital and liquidity position, and also the ongoing capital support it receives through the 90% quota share agreement from a Group affiliate entity; and,
- Events that have occurred after the balance sheet date.

E. Capital Management

The “Capital Management” Section of the report describes the internal operational procedures underlying capital management within the Company. The Company’s capital position is considered over a three year planning horizon. This three year planning horizon is updated at least annually, or more frequently, if a material change occurs to the Company’s risk profile, business strategy, overall business plan, or if regulatory feedback warrants a change.

The Company’s objectives when managing capital are:

- to safeguard the Company’s ability to continue as a strong going concern so that it can continue to provide returns for its stakeholders and pay claims; and
- to ensure that there are adequate levels of capital to fulfil the regulatory requirements as well as economic and commercial targets.

The capital position of the Company is monitored by the local management team, who conduct regulatory stress and scenario testing. The capital position is reported to the Risk & Capital Committee, as well as the Board, on a quarterly basis.

Any dividend payments must be approved by the Board and take account of the short-term and long-term interests of the Company whilst ensuring due consideration is taken regarding the interests of shareholders and other key stakeholders. The Company did not pay any dividends during the period. The Company has no current plan to pay a dividend.

E.1 Own Funds

E.1.1 Own Funds

The Company’s Own funds comprise of items on the balance sheet which are referred to as Basic Own Funds and (“BOF”). The following table shows the Own Funds composition of the Company as at 31st December 2025 and 2024:

Own funds	2025 Tier 1 US\$'000	2025 Tier 2 US\$'000	2025 Tier 3 US\$'000	2025 Total US\$'000	2024 Total US\$'000
Basic					
Ordinary share capital	1,000	-	-	1,000	1,000
Share premium account	205,000	-	-	205,000	205,000
Reconciliation reserve	65,709	-	-	65,709	40,051
Amount equal to the value of net deferred tax	-	-	-	-	-
Total Basic funds	271,709	-	-	271,709	246,051
Own Funds from Financial Statements that do not meet the criteria to be classified as Solvency II Own Funds	-	-	-	25,000	-
Total Own funds	271,709	-	-	296,709	246,051

E. Capital Management

E.1.2 Own funds analysed by Tiers

The Company's Tier 1 BOF comprise the following:

- 1,000,001 Ordinary shares that the Company has issued at a nominal value of \$1 per share;
- A reconciliation reserve at 31st December 2025 of \$65.7 million (2024: \$40.1 million). This reconciliation reserve is made up of the FRS 102 retained earnings, and the valuation differences between FRS 102 and Solvency II; and,
- On 29th December 2025, the Company received a capital injection of \$25.0 million as part of its strategic plans. The CBI approved this capital injection as Solvency II Tier One Own Funds on 9th February 2026. As a result, the Company presents this capital injection as Own Funds from Financial Statements that do not meet the criteria to be classified as Solvency II Own Funds as at 31st December 2025.
- All capital contributions received to fund the insurance operations. The Company has received approval from the CBI to classify all other contributions as Tier 1 Own Funds.

The Company does not hold Tier 2 or Tier 3 BOF

The Company does not hold any Tier 2 or Ancillary Own Funds at 31st December 2025 or 2024.

E.1.3 Eligible amount of Own Funds to cover the SCR

The Company's Tier 1 BOF of \$271.7 million (2024: \$246.1 million), are wholly eligible to meet the Company's SCR of \$167.8 million (2024: \$139.5 million).

E.1.4 Eligible amount of Own Funds to cover the Minimum Capital Requirement ("MCR")

The Company's Tier 1 BOF of \$271.7 million (2024: \$246.1 million), are wholly eligible to meet the Company's MCR of \$42.0 million (2024: \$34.9 million).

E.1.5 Reconciliation of FRS 102 Shareholders Equity to Solvency II Own Funds

The following table compares the shareholder's equity from the Company's FRS 102 financial statements to the Solvency II Own Funds:

Reconciliation Reserve comparison	2025 US\$'000	2024 US\$'000
FRS 102 Shareholder's Equity	\$295,408	\$243,056
Revaluation of Reserves	5,578	5,194
Revaluation of Other Assets and Liabilities	(4,277)	(2,198)
Own Funds from Financial Statements that do not meet the criteria to be classified as Solvency II Own Funds	(25,000)	-
Solvency II Own Funds	271,709	246,051
Change in Equity	23,699	2,996

E. Capital Management

- See section D.1 For further details of the valuation basis of investments.
- See section D.2.1 of this report for a detailed explanation of the differences in valuation of non-life technical provisions.
- The difference between other assets and liabilities primarily arises from the difference in deferred tax balances due to the tax impact of the other valuation adjustments. See section D.1.2. and D.3, respectively, for further details of the valuation basis for other assets and other liabilities. A detailed line by line Solvency II balance sheet is provided in Annex 1 (S.02.01.02 template) to this report.

During the year ended 31st December 2025, no capital instruments were issued or redeemed. In addition, there were no restrictions on Own Funds due to ring fencing or other commitments.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

The SCR and MCR section of this report aims to provide a comprehensive view to assess the adequacy of the Company's capital in line with regulatory requirements.

E.2.1 SCR requirements

The SCR is the amount of funds that the Company is required to hold in accordance with the Solvency II Directive. The Company's SCR is determined using the Standard Formula approach. The assessment of the SCR, using the Standard Formula approach, is based on certain risk modules. These risk modules are aggregated in the Standard Formula using correlation matrices. The result of this is the Basic Solvency Capital Requirement. An operational risk component and adjustments for the risk absorbing effect of deferred taxes are then allowed for, to give the overall SCR at the period end.

The following table shows the components of the SCR (using the Standard Formula) for each risk module as at 31st December 2025 and 2024:

SCR Calculation by Module	2025 US\$'000	2024 US\$'000
Market risk	26,274	32,805
Counterparty default risk	49,445	42,360
Health underwriting risk	3,919	5,609
Non-Life underwriting risk	100,299	76,014
Sum of risk components	179,937	156,788
Diversification effects	(37,511)	(38,244)
Basic Solvency Capital Requirement	142,426	118,544
SCR operational risk	25,422	20,963
SCR	167,848	139,507
Solvency II Own Funds	271,709	246,051
Ratio of Eligible Own Funds to SCR	162%	176%

E. Capital Management

The calculation of the SCR for CIC is based on the Standard Formula model and parameters as laid out within the Solvency II Delegated Acts and other Level 2 Solvency II guidelines. No material adjustments have been made to the Standard Formula parameters or assumptions.

The following simplifications have been used by the Company:

- Non-life underwriting risk: The Delegated Acts allow for a 20% reduction in the premium risk standard deviation for Fire & Property, General Liability and proportional classes. It has been assumed this reduction applies in these three classes;
- Market Risk: Interest rate risk on assets has been calculated using accumulated cash flows at currency level rather than individual asset level; and,
- Counterparty Risk: The Delegated Acts permits the application of a simplification for risk mitigating effects of reinsurance. The simplification calculation derives a gross underwriting risk SCR from which the net underwriting risk SCR is deducted to estimate the allowance of reinsurance on the SCR. This amount is then apportioned across the current reinsurance exposures in line with the outstanding recoverables.

The Company has not used any undertaking-specific parameters in calculating the SCR. Furthermore, the Company does not hold any capital add-ons.

E.2.2 MCR requirements

The Company also uses the Standard Formula to calculate the MCR. Please refer to Annex 1 (S.28.01.01 template) to this report for a further breakdown of the MCR calculation. The following table outlines the components of the MCR as at 31st December 2025 and 2024:

MCR Calculation	2025 US\$'000	2024 US\$'000
Linear MCR	38,593	31,889
SCR	167,848	139,507
MCR cap	75,532	62,777
MCR floor	41,962	34,877
Combined MCR	41,962	34,877
Absolute floor of the MCR	4,346	3,831
MCR	41,962	34,877

The Company's MCR of \$41.9 million is the MCR floor, derived off the Company's SCR (2024: MCR \$34.9 million). The increase in the capital requirement since year-end 2024 reflects the continued growth in CIC's business as the Company continues to achieve its strategic objectives.

E.2.3 Material movements in MCR or SCR over the year and the reasons for such changes

The Company's SCR has increased by \$28.3 million, or 20%, during the year ended 31st December 2025 compared to 2024. The increase in the capital requirement since year-end 2024 reflects the continued growth in CIC's business.

E. Capital Management

E.3 Use of the Duration-Based Equity Risk Sub-Module in the calculation of the Solvency Capital Requirement

The Company does not use the duration-based equity risk submodule as the Company does not hold any equities.

E.4 Internal Model Information

For the calculation of the regulatory capital requirement, the Company uses the Standard Formula and does not use an internal model.

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

There were no instances of non-compliance with the MCR or SCR during the reporting period. In addition, there is no reasonably foreseeable risk of non-compliance with the MCR or SCR by the Company.

E.6 Any Other Information

No additional information to be disclosed.

Glossary of Terms

AEM	Adjusted Equity Methods
AVM	Alternative valuation methods
BSCR	Bermuda Solvency Capital Requirement
BOF	Basic Own Funds
CBI	Central Bank of Ireland
Chaucer Group	The Company and Chaucer Syndicates Limited
China Re	China Reinsurance Group Corporation
China Re P&C	China Property & Casualty Reinsurance Company Limited
CIC	Chaucer Insurance Company DAC
CIFA	Critical or Important function or activity
CRHK	China Re Hong Kong Company
CRICL	China Re International Company Limited
CRIHL	China Re International Holdings Limited
CSL	Chaucer Syndicates Limited
CUSL	Chaucer Underwriting Services Ltd.
EEA	European Economic Area
ENID	Events not in data set
FRS	Financial Reporting Standards issued by the Financial Reporting Council
FVTP&L	Fair value through profit and loss
HIA	Head of Internal Audit
HoAF	Head of Actuarial function
INED	Independent Non-executive director
IEM	FRS Equity Method
IQ	Individual Questionnaires
Lloyds	Society and Corporation of Lloyds (Lloyds of London)
MCR	Minimum Capital Requirements
NWMD	Net Worth Maintenance Deed
ORSA	Own risk and Solvency Assessment
PCF	Pre-Approval Controlled Function
PRA	Prudential Regulatory Authority
POG	Product Oversight Group
QMP	Quoted Market Price in active markets for the same asset
QMPS	Quoted market price in active markets for similar assets
RMS	Risk Management System
SFCR	Solvency and Financial Condition Report
SCR	Solvency Capital Requirements
SPV	Special Purpose Vehicle
UPR	Unearned Premium Reserve
XL	Excess of loss

F. Annex 1 – Quantative Reporting Templates

Solo QRT	Description
S.02.01.02	Balance Sheet
S.05.01.02	Premiums, claims and expenses by line of business
S.05.02.01	Premiums, claims and expenses by country
S.17.01.02	Non-Life Technical Provisions
S.19.01.21	Non-life Insurance Claims Information
S.23.01.01	Own Funds
S.25.01.21	Solvency Capital Requirement- for undertakings on Standard Formula
S.28.01.01	Minimum Capital Requirement- Only life or only non-life insurance or reinsurance activity

F. Annex 1

S.02.01.02 Balance sheet

Assets		Solvency II value C0010
Intangible assets	R0030	
Deferred tax assets	R0040	
Pension benefit surplus	R0050	
Property, plant & equipment held for own use	R0060	
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	355,146
Property (other than for own use)	R0080	
Holdings in related undertakings, including participations	R0090	
Equities	R0100	0
Equities - listed	R0110	
Equities - unlisted	R0120	
Bonds	R0130	355,146
Government Bonds	R0140	126,987
Corporate Bonds	R0150	156,784
Structured notes	R0160	
Collateralised securities	R0170	71,376
Collective Investments Undertakings	R0180	
Derivatives	R0190	
Deposits other than cash equivalents	R0200	
Other investments	R0210	
Assets held for index-linked and unit-linked contracts	R0220	
Loans and mortgages	R0230	0
Loans on policies	R0240	
Loans and mortgages to individuals	R0250	
Other loans and mortgages	R0260	
Reinsurance recoverables from:	R0270	485,850
Non-life and health similar to non-life	R0280	485,850
Non-life excluding health	R0290	439,106
Health similar to non-life	R0300	46,744
Life and health similar to life, excluding index-linked and unit-linked	R0310	0
Health similar to life	R0320	
Life excluding health and index-linked and unit-linked	R0330	
Life index-linked and unit-linked	R0340	
Deposits to cedants	R0350	0
Insurance and intermediaries receivables	R0360	38,031
Reinsurance receivables	R0370	70,271
Receivables (trade, not insurance)	R0380	1,122
Own shares (held directly)	R0390	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	0
Cash and cash equivalents	R0410	93,713
Any other assets, not elsewhere shown	R0420	46,842
Total assets	R0500	1,090,976

F. Annex 1

S.02.01.02 Balance sheet

		Solvency II value C0010
Liabilities		
Technical provisions - non-life	R0510	568,885
Technical provisions - non-life (excluding health)	R0520	518,332
TP calculated as a whole	R0530	0
Best Estimate	R0540	500,603
Risk margin	R0550	17,730
Technical provisions - health (similar to non-life)	R0560	50,552
TP calculated as a whole	R0570	0
Best Estimate	R0580	49,466
Risk margin	R0590	1,087
Technical provisions - life (excluding index-linked and unit-linked)	R0600	0
Technical provisions - health (similar to life)	R0610	0
TP calculated as a whole	R0620	
Best Estimate	R0630	
Risk margin	R0640	
Technical provisions - life (excluding health and index-linked and unit-linked)	R0650	0
TP calculated as a whole	R0660	
Best Estimate	R0670	
Risk margin	R0680	
Technical provisions - index-linked and unit-linked	R0690	0
TP calculated as a whole	R0700	
Best Estimate	R0710	
Risk margin	R0720	
Contingent liabilities	R0740	
Provisions other than technical provisions	R0750	
Pension benefit obligations	R0760	
Deposits from reinsurers	R0770	
Deferred tax liabilities	R0780	3,842
Derivatives	R0790	
Debts owed to credit institutions	R0800	
Financial liabilities other than debts owed to credit institutions	R0810	
Insurance & intermediaries payables	R0820	2,991
Reinsurance payables	R0830	218,551
Payables (trade, not insurance)	R0840	
Subordinated liabilities	R0850	0
Subordinated liabilities not in BOF	R0860	
Subordinated liabilities in BOF	R0870	
Any other liabilities, not elsewhere shown	R0880	
Total liabilities	R0900	794,268
Excess of assets over liabilities	R1000	296,709

F. Annex 1

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

	Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)									
	Medical expense insurance	Income protection insurance	Workers' compen- sation 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	
Non-life	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	
Premiums written										
Gross - Direct Business	R0110	49	0	12,528	0	0	70,377	102,942	111,361	988
Gross - Proportional reinsurance accepted	R0120	0	0	0	241	0	14,346	120,254	128,585	3,356
Gross - Non-proportional reinsurance accepted	R0130									
Reinsurers' share	R0140	46	0	7,801	141	0	57,314	142,450	146,336	2,715
Net	R0200	3	0	4,727	99	0	27,408	80,746	93,610	1,629
Premiums earned										
Gross - Direct Business	R0210	49	0	12,788	0	0	74,981	89,526	90,659	947
Gross - Proportional reinsurance accepted	R0220	0	0	0	-77	0	15,508	120,537	100,741	2,718
Gross - Non-proportional reinsurance accepted	R0230									
Reinsurers' share	R0240	46	0	7,969	-65	0	62,148	131,594	116,574	2,078
Net	R0300	3	0	4,819	-13	0	28,341	78,469	74,826	1,588
Claims incurred										
Gross - Direct Business	R0310	1		8,622			50,300	35,452	41,098	-62
Gross - Proportional reinsurance accepted	R0320	0		0	344		11,420	55,499	52,761	1,140
Gross - Non-proportional reinsurance accepted	R0330									
Reinsurers' share	R0340	1		7,946	317		56,882	83,822	86,502	993
Net	R0400	0	0	676	27		4,838	7,129	7,357	84
Expenses incurred										
	R0550	27	0	3,506	27		18,901	57,799	55,669	1,657
Balance - other technical expenses/income										
	R1210									
Total technical expenses										
	R1300									

F. Annex 1

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

	Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)			Line of business for: accepted non-proportional reinsurance				Total	
	Legal expenses insurance	Assistance	Misc. financial loss	Health	Casualty	Marine, aviation and transport	Property		
Non-life	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200	
Premiums written									
Gross - Direct Business	R0110	0	0	0				298,245	
Gross - Proportional reinsurance accepted	R0120	0	0	0				266,781	
Gross - Non-proportional reinsurance accepted	R0130				8,923	49,055	17,448	239,514	314,939
Reinsurers' share	R0140	0	0	0	7,326	40,401	14,488	209,271	628,289
Net	R0200	0	0	0	1,597	8,653	2,960	30,243	251,676
Premiums earned									
Gross - Direct Business	R0210	0	0	0				268,951	
Gross - Proportional reinsurance accepted	R0220	0	0	0				239,426	
Gross - Non-proportional reinsurance accepted	R0230				9,033	44,395	20,330	238,913	312,671
Reinsurers' share	R0240	0	0	0	7,428	37,105	17,038	207,980	589,894
Net	R0300	0	0	0	1,605	7,290	3,292	30,933	231,154
Claims incurred									
Gross - Direct Business	R0310	0	0	0				135,410	
Gross - Proportional reinsurance accepted	R0320	0	0	0				121,165	
Gross - Non-proportional reinsurance accepted	R0330				4,949	35,021	14,788	95,842	150,600
Reinsurers' share	R0340	0	0	0	4,561	32,276	13,629	88,329	375,258
Net	R0400	0	0	0	388	2,745	1,159	7,513	31,917
Expenses incurred	R0550	0	0	0	1,199	6,807	3,080	32,392	181,064
Balance - other technical expenses/income	R1210	0	0	0	0	0	0	0	
Total technical expenses	R1300	0	0	0	0	0	0	0	181,064

F. Annex 1

S.17.01.02 Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance								
		Medical expense insurance	Income protection insurance	Workers' compen- sation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100
Technical provisions calculated as a whole	R0010	0	0	0	0	0	0	0	0	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050	0	0	0	0	0	0	0	0	0
Technical provisions calculated as a sum of BE and RM										
Best estimate										
Premium provisions										
Gross	R0060	1,371	0	915	-758	0	6,553	-10,368	-10,152	-736
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	2,593	0	1,275	-226	0	6,951	-5,152	-2,012	-284
Net Best Estimate of Premium Provisions	R0150	-1,222	0	-360	-533	0	-399	-5,216	-8,140	-451
Claims provisions										
Gross	R0160	2,747	0	37,292	-176	0	81,188	83,931	191,349	1,840
"Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default"	R0240	-232		35,259	-82	0	63,887	65,344	169,018	921
Net Best Estimate of Claims Provisions	R0250	2,979	0	2,033	-94	0	17,301	18,587	22,331	920
Total best estimate - gross	R0260	4,118	0	38,207	-934	0	87,741	73,563	181,197	1,105
Total best estimate - net	R0270	1,757	0	1,673	-626	0	16,902	13,371	14,191	468
Risk margin	R0280	63		746	116	0	2,247	3,436	5,446	74
Technical provisions - total	R0320	4,182	0	38,953	-819	0	89,988	76,999	186,644	1,179
"Recoverable from reinsurance contract/ SPV and Finite Re after the adjustment for expected losses due to counterparty default - total"	R0330	2,361	0	36,534	-308	0	70,839	60,192	167,006	636
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	1,821	0	2,419	-511	0	19,149	16,807	19,638	542

F. Annex 1

S.17.01 Non-Life Technical Provisions (continued)

		Direct business and accepted proportional reinsurance			Accepted non-proportional reinsurance				Total Non-Life obligation
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional aviation and transport reinsurance	Non-proportional property reinsurance	
		C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	R0010	0	0	0	0	0	0	0	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050	0	0	0	0	0	0	0	0
Technical provisions calculated as a sum of BE and RM									
Best estimate									
Premium provisions									
Gross	R0060	0	0	0	-2,839	-8,729	410	-63,692	-88,026
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	0	0	0	-1,589	-990	1,027	-56,786	-55,193
Net Best Estimate of Premium Provisions	R0150	0	0	0	-1,250	-7,739	-616	-6,906	-32,832
Claims provisions									
Gross	R0160	0	0	0	9,979	69,663	32,659	127,620	638,094
"Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default"	R0240	0	0	0	9,438	67,093	30,314	100,084	541,044
Net Best Estimate of Claims Provisions	R0250	0	0	0	542	2,570	2,345	27,536	97,050
Total best estimate - gross	R0260	0	0	0	7,140	60,933	33,069	63,928	550,068
Total best estimate - net	R0270	0	0	0	-709	-5,169	1,729	20,631	64,218
Risk margin	R0280	0	0	0	278	2,067	844	3,500	18,816
Technical provisions - total	R0320	0	0	0	7,418	63,001	33,913	67,428	568,885
"Recoverable from reinsurance contract/ SPV and Finite Re after the adjustment for expected losses due to counterparty default - total"	R0330	0	0	0	7,849	66,103	31,341	43,298	485,850
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	0	0	0	-431	-3,102	2,572	24,130	83,034

F. Annex 1

S.19.01.21 Non-Life insurance claims

Total Non-Life Business

Z0020 Accident year / underwriting year

Underwriting Year

Gross Claims Paid (non-cumulative)

(absolute amount)

	Year	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
		Development year											Sum or years (cumulative)	
		0	1	2	3	4	5	6	7	8	9	10 & +		In current year
R0100	Prior											0	0	0
R0160	-9	0	0	0	0	0	0	0	0	0	0		0	0
R0170	-8	0	0	0	0	0	0	0	0	0			0	0
R0180	-7	0	495	630	6,804	566	356	4	0				0	8,855
R0190	-6	2,992	14,494	9,413	1,283	847	1,546	52					52	30,627
R0200	-5	2,524	16,042	19,214	9,664	2,748	3,213						3,213	53,404
R0210	-4	13,753	40,384	38,680	16,345	18,276							18,276	127,437
R0220	-3	12,728	70,840	46,666	37,884								37,884	168,118
R0230	-2	13,225	58,017	54,200									54,200	125,443
R0240	-1	22,361	136,116										136,116	158,478
R0250	0	28,872											28,872	28,872
R0260													278,614	701,234

Gross Undiscounted Best Estimate Claims Provisions

(absolute amount)

	Year	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
		Development year											Year end (discounted data)
		0	1	2	3	4	5	6	7	8	9	10 & +	
R0100	Prior											0	0
R0160	-9	0	0	0	0	0	0	0	0	0	0		0
R0170	-8	0	0	0	0	0	0	0	0	0			0
R0180	-7	625	5,717	10,622	1,883	2,505	1,991	812	924				908
R0190	-6	6,136	27,434	16,102	10,491	7,240	1,633	2,216					1,904
R0200	-5	30,766	48,295	34,531	35,284	29,517	21,045						19,423
R0210	-4	59,549	96,742	75,282	59,028	45,579							41,324
R0220	-3	141,827	162,863	144,350	111,385								101,297
R0230	-2	141,489	177,115	158,721									142,227
R0240	-1	166,588	243,168										218,978
R0250	0	128,332											112,034
R0260													638,094

F. Annex 1

S.23.01.01 Own Funds

Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35		Total C0010	Tier 1 unrestricted C0020	Tier 1 restricted C0030	Tier 2 C0040	Tier 3 C0050
Ordinary share capital (gross of own shares)	R0010	1,000	1,000		0	
Share premium account related to ordinary share capital	R0030	0	0		0	
Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	R0040	0	0		0	
Subordinated mutual member accounts	R0050	0		0	0	0
Surplus funds	R0070	0	0			
Preference shares	R0090	0		0	0	0
Share premium account related to preference shares	R0110	0		0	0	0
Reconciliation reserve	R0130	90,709	90,709			
Subordinated liabilities	R0140	0		0	0	0
An amount equal to the value of net deferred tax assets	R0160	0	0	0	0	0
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	205,000	205,000	0	0	0
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	25,000				
Deductions for participations in financial and credit institutions	R0230	0				
Total basic own funds after deductions	R0290	271,709	271,709	0	0	0
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	0			0	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	0			0	
Unpaid and uncalled preference shares callable on demand	R0320	0			0	0
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0			0	0
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	0			0	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	0			0	0
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	0			0	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	0			0	0
Other ancillary own funds	R0390	0			0	0
Total ancillary own funds	R0400	0			0	0

F. Annex 1

S.23.01.01 Own Funds (continued)

Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35		Total C0010	Tier 1 - unrestricted C0020	Tier 1 - restricted C0030	Tier 2 C0040	Tier 3 C0050
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	271,709	271,709	0	0	0
Total available own funds to meet the MCR	R0510	271,709	271,709	0	0	
Total eligible own funds to meet the SCR	R0540	271,709	271,709	0	0	0
Total eligible own funds to meet the MCR	R0550	271,709	271,709	0	0	
SCR	R0580	167,848				
MCR	R0600	41,962				
Ratio of Eligible own funds to SCR	R0620	161.88%				
Ratio of Eligible own funds to MCR	R0640	647.51%				
Reconciliation reserve			C0060			
Excess of assets over liabilities	R0700	296,709				
Own shares (held directly and indirectly)	R0710	0				
Foreseeable dividends, distributions and charges	R0720					
Other basic own fund items	R0730	206,000				
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	0				
Reconciliation reserve	R0760	90,709				
Expected profits						
Expected profits included in future premiums (EPIFP) - Life business	R0770	0				
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	117,159				
Total Expected profits included in future premiums (EPIFP)	R0790	117,159				

F. Annex 1

S.25.01.21 Solvency Capital Requirement – for undertakings on Standard Formula

		Gross solvency capital requirement C0110	USP C0090	Simplifications C0120
Market risk	R0010	26,274	0	0
Counterparty default risk	R0020	49,445	0	0
Life underwriting risk	R0030	0	0	0
Health underwriting risk	R0040	3,919	0	0
Non-life underwriting risk	R0050	100,299	0	0
Diversification	R0060	-37,511	0	0
Intangible asset risk	R0070	0	0	0
Basic Solvency Capital Requirement	R0100	142,426	0	0
Calculation of Solvency Capital Requirement		C0100		
Operational risk	R0130	25,422		
Loss-absorbing capacity of technical provisions	R0140	0		
Loss-absorbing capacity of deferred taxes	R0150	0		
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	0		
Solvency Capital Requirement excluding capital add-on	R0200	167,848		
Capital add-ons already set	R0210	0		
of which, capital add-ons already set - Article 37 (1) Type a	R0211	0		
of which, capital add-ons already set - Article 37 (1) Type b	R0212	0		
of which, capital add-ons already set - Article 37 (1) Type c	R0213	0		
of which, capital add-ons already set - Article 37 (1) Type d	R0214	0		
Solvency capital requirement	R0220	167,848		
Other information on SCR				
Capital requirement for duration-based equity risk sub-module	R0400	0		
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	0		
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	0		
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	0		
Diversification effects due to RFF nSCR aggregation for article 304	R0440	0		
Approach to tax rate		Yes/No C0109		
Approach based on average tax rate	R0590	0		
Calculation of loss absorbing capacity of deferred taxes		LAC DT C0130		
LAC DT	R0640	0		
LAC DT justified by reversion of deferred tax liabilities	R0650	0		
LAC DT justified by reference to probable future taxable economic profit	R0660	0		
LAC DT justified by carry back, current year	R0670	0		
LAC DT justified by carry back, future years	R0680	0		
Maximum LAC DT	R0690	0		

USP Key

For life underwriting risk:

- 1 - Increase in the amount of annuity benefits
- 9 - None

For health underwriting risk:

- 1 - Increase in the amount of annuity benefits
- 2 - Standard deviation for NSLT health premium risk
- 3 - Standard deviation for NSLT health gross premium risk
- 4 - Adjustment factor for non-proportional reinsurance
- 5 - Standard deviation for NSLT health reserve risk
- 9 - None

For non-life underwriting risk:

- 4 - Adjustment factor for non-proportional reinsurance
- 6 - Standard deviation for non-life premium risk
- 7 - Standard deviation for non-life gross premium risk
- 8 - Standard deviation for non-life reserve risk
- 9 - None

Registered office

The Greenway
112-114 St Stephen's Green
Dublin 2
Ireland
D02 TD28

www.chaucergroup.com