IPB Insurance CLG
Trading as IPB Insurance

Solvency and Financial Condition Report 2024

Contents

Introduction / Summary

IPB Insurance CLG ("the company" or "IPB'') has prepared this Solvency and Financial Condition Report ("SFCR") to satisfy the public disclosure requirements under the Commission Delegated Regulation (EU) 2015/35 of the European Parliament supplementing Directive 2009/138/EC, known as Solvency II, which came into effect from 1 January 2016. This SFCR covers the business and performance of the company, its system of governance, risk profile, valuation for solvency purposes, and capital management. The ultimate responsibility for all of these matters lies with the company's Board of Directors ("the Board"), with support from various governance and control functions that monitor and manage the operations of the business. This SFCR went through both an internal and external review and approval process, including Board approval as per the *EIOPA Guideline 37* and was subject to controls to ensure that the information contained herein is reliable, complete, and consistent with information and other reports submitted to the Central Bank of Ireland ("Central Bank").

The company is a mutual non-life Insurance company established under the Companies Acts in 1926 and regulated by the Central Bank. The principal activity of the company continues to be the provision of insurance and risk management support to its Members and customers, both in the public and private sectors, with most of its underwriting risk concentrated in the Republic of Ireland. The company is 100% Irish owned and is a S&P Global's A- stable rated insurer with excellent financial strength.

The company made a profit before tax of €109.1 million in 2024 (2023 profit of €89.6 million). This increase in profit before tax is largely due to a strong underwriting result.

The company delivered an investment gain of €68 million compared to a gain of €77.5 million for the prior year which was ahead of the market weighted benchmarks.

The company delivered an underwriting profit of €41 million (2023: profit €12.1 million).

The company has in place a comprehensive set of terms of reference, policies and procedures supporting all aspects of its governance and control framework and appropriate to its nature, size, and complexity. The Board delegates authority to its sub-committees to complete separate programmes of work on its behalf whilst ensuring regular reporting with clear terms of reference. The company has also established the four key independent control functions required under the Corporate Governance Requirements for Insurance Undertakings 2015 and in accordance with Articles 44, 46, 47 and 48 of the Solvency II Directive – Risk Management, Compliance, Actuarial, and Internal Audit. These functions are responsible for providing oversight of and challenge to the business and for providing assurance to the Board in relation to the company's control framework. Each of the independent functions have direct reporting lines to the Board, as well as to the relevant Board Committees.

The Risk Profile of the company is stable and is currently dominated by underwriting and market risk. The company has complied with the Solvency II Directive on an on-going basis throughout the year and the capital available to the company is of a very high quality, consisting wholly of retained earnings. The assets that comprise the available capital are invested in a very balanced investment portfolio with limited risk accepted within the parameters of the Board approved Risk Appetite Statement.

As at 31 December 2024, the company's eligible own funds to cover the Solvency Capital Requirement ("SCR") and Minimum Capital Requirement ("MCR") stood at €802 million (2023: €747.4 million), which represented a solvency ratio of 2.96 times the SCR (2023: 3.1 times). The company's SCR and MCR were

€271.2 million and €67.8 million respectively (2023: €239.5 million and €64.4 million respectively). There was no breach of the SCR (and hence the MCR) over the reporting period.

A: Business and Performance

A.1 Business

The company is a mutual non-life insurance company limited by guarantee and established under the Companies Acts in Ireland in 1926. The company is a single entity and does not form part of a group. It is governed by the "Constitution of IPB Insurance CLG" together with corporate and regulatory legislation. The principal activity of the company continues to be the provision of insurance and risk management support to its Members and customers, both in the public and private sector, with most of its underwriting risk concentrated in the Republic of Ireland. Membership consists of Local Authorities, Education and Training Boards, Regional Assemblies, the Health Service Executive and the Land Development Agency. The company is 100% Irish owned and is a S&P Global's A- stable rated insurer with excellent financial strength. It is not leveraged, and it maintains large capital buffers accumulated from retained earnings. The company's current organisational structure is set out on page 13.

The company's registered office and operating address is: 1 Grand Canal Square, Grand Canal Harbour, Dublin 2 D02 P820.

The Central Bank is responsible for the financial regulation of the company. The Central Bank's address is: Central Bank of Ireland, New Wapping Street, North Wall Quay, Dublin 1.

The company's external auditor is: KPMG, Chartered Accountants and Statutory Audit Firm, 1 Harbourmaster Place, IFSC, Dublin 1.

The company's financial year end is 31 December each year and it reports its results in EUR (Euro).

A.2 Underwriting Performance

The company delivered Gross written premiums ("GWP") for the year of €177.7m, up 3% on the previous year (2023: €171.7m) and an underwriting surplus of €41m (2023: €12.1m), an increase of €28.9m on the previous year and €35.2m ahead of the budget of €5.8m.

The result is primarily driven by a significant reserve release in Q2 reflecting the impact of the Supreme Court decision in upholding the constitutionality of the Personal Injuries Guidelines. In addition, following a change in the methodology used in our earned premium policy there was a one-off adjustment to the Net Earned Premium which flowed directly to the bottom line. It should be noted that both items noted are one off exceptional items. Other key drivers of the 2024 underwriting performance were continued strong profitable growth, better than expected development of some prior underwriting years and a prudent reinsurance programme, which protects our balance sheet from significant volatility.

As detailed in prior year reports, there have been several factors driving the significant reduction in claims frequency on Casualty lines of business over the last 5 years, and in turn the strong Underwriting performance. It is arguable that the recent insurance reforms have had the most significant impact, and as such we welcomed the outcome of the Supreme Court decision in the "Delaney Appeal" referenced above. However, the proposed draft amendments to the Personal Injuries Guidelines by the Judicial Council, namely the inflationary adjustment of 16% to the awards, in our view could have a significant and detrimental impact on the positive reduction in overall claims costs the market has observed in recent years. As a mutual we have passed on the benefit of these reforms as early as possible to Members and customers in reduced insurance premiums over the last number of years, however such an outcome could lead to future increased claims costs which in turn could have a knock-on impact on premiums.

As stakeholders of the business, it is important that Members are protected by having a mutual insurer that delivers a positive underwriting result on a consistent basis. We strive to deliver an optimal level of pricing for our Members to ensure we deliver a moderate, but acceptable, underwriting profit throughout the underwriting cycle. Our continued focus on targeted and appropriate pricing is one of the essential components influencing the financial performance. The prudent pricing of Member and non-member business has again delivered a positive underwriting performance this year. The key challenge we face is pricing future risks adequately. As underwriters we believe that past experience is one of the greatest indicators of future claims, however the level of change in the last number of years has brought greater levels of uncertainty in doing so. Additionally, the increasing scope of services provided by our Members and the emergence of new risks, bring ever changing and new exposures to our portfolio which didn't previously exist. This mix of reduced claims frequency from long term services coupled with the potential for increased claims in new areas of risk exposure require us to maintain a prudent approach to pricing risk across the portfolio and throughout the cycle.

Claims incurred net of reinsurance amounted to €64.2m (2023: €90.8m).

The claims environment is largely a function of two primary elements, frequency and severity. Looking at frequency initially, moderation in injury claim frequency has been evident over the course of the last five years, originally attributable to the pandemic and maintained latterly due to the ongoing dividends from Government insurance reforms and reduced injury values of the Personal Injuries Guidelines ("PIGs"). For IPB, Public Liability ("PL") injury claims are our most significant claims category and market wide PL injury claim frequency, as reported by the Injuries Board ("IB"), while showing a slight increase in 2023 (+3%), reported further moderation in H1 2024 (-8%) and this aligns with IPBs own claims data for the full year 2024. Notwithstanding the above frequency moderation in PL Injury claims, overall claims volumes registered by IPB in 2024 was 16% higher than 2019 (the pre pandemic / pre-PIGs benchmark). This increase was largely driven by a pick-up in public liability damage claims and personal accident (PA) claims following a targeted increase in penetration of the PA product in late 2023 and 2024.

Severity, in this context, relates to the cost of the claim as driven by the nature of loss or cost inputs in claim resolution. The keenly awaited Supreme Court decision in April 2024 provided much needed reassurance on the legal basis of the PIGs and some further clarity on the steps required in any statutory revision of the PIGs. The first proposed revision of the PIGs as released by the Judicial Council in December is a cause for concern, with a blanket increase of 16.7% proposed, the revision is poised to erase much of the hard yards gained in the Government insurance reforms of the last decade. It is significant that under legislation the proposed increases to the PIGs require Oireachtas approval and there is an opportunity for the Oireachtas to press pause on the increases proposed which would impact negatively on policyholders across all of society.

There is some concern also relating to a potential inflationary impact on claims to which PIGs version one, should apply, with reports of application of the Judicial Council recommended uplift being applied, prior to commencement, and to older cases. We are hopeful, in Oireachtas consideration of the proposed PIGs revision, that clarity is provided in relation to any uplift approved and indeed inception rules for such an uplift.

We welcome the extension of the Injuries Board mediation channel to include Public Liability claims, and we believe this represents an opportunity to deal with many claims where liability issues exist, but where quantum is largely agreed. These claims historically would not be resolved via the Injuries Board but move on to a more expensive litigated resolution. We look forward to greater engagement with claimants and their representatives in mediation to achieve speedier, effective and fair injury claims resolution.

While not impacting 2024 financial performance, two weather events of January 2025 are worthy of mention. The snowfall of early January and more significantly storm Eowyn on the 23rd and 24th of January have caused significant losses to commercial property and residential/social housing stock. IPB staff and service providers have worked diligently to assist Members and Policyholders alike, and while the full extent of loss may not be quantified for some time, IPB operates a comprehensive and prudent scheme of Reinsurance to protect and limit impact on our Member capital.

Net commission income was €9.6m for the year (2023: €7m). Commission income is earned on reinsurance contracts entered with a panel of global reinsurers. Commission expenses are paid to brokers through whom we source some of our customers.

The following tables shows an analysis of the underwriting result by product and by location, compared to the prior year, as per the year-end financial statements:

Analysis of underwriting result by product **2024**	**Third-party liability €'000**	**Fire and other damage to property €'000**	**Motor €'000**	**Other €'000**	**Total €'000**
Gross written premiums	101,344	50,827	9,347	16,158	177,676
Premium ceded to reinsurers	(9,074)	(37,460)	(836)	(2,246)	(49,616)
Change in the gross provision for unearned premiums	4,178	(1,543)	350	460	3,445
Change in the reinsurance provision for unearned premiums	16	(104)	-	-	(88)
Net earned premiums	**96,464**	**11,720**	**8,861**	**14,372**	**131,417**
Gross claims paid	(68,006)	(13,516)	(5,492)	(2,665)	(89,679)
Claims recovered from reinsurers	3,562	6,930	-	66	10,558
Gross change in contract liabilities	11,606	(1,213)	(1,358)	1,871	10,906
Change in contract liabilities recoverable from reinsurers	1,194	2,210	140	520	4,064
Claims incurred net of reinsurance	**(51,644)**	**(5,589)**	**(6,710)**	**(208)**	**(64,151)**
Technical underwriting result - net	**44,820**	**6,131**	**2,151**	**14,164**	**67,266**
Commission income	596	13,394	59	349	14,398
Operating expenses	(20,430)	(10,246)	(1,884)	(3,257)	(35,817)
Underwriting expenses	(1,367)	(3,197)	(57)	(191)	(4,812)
Underwriting result	**23,619**	**6,082**	**269**	**11,065**	**41,035**
Net investment return	38,796	19,457	3,578	6,186	68,017
Profit/(loss) before taxation	**62,415**	**25,539**	**3,847**	**17,251**	**109,052**
Net insurance liabilities	**514,918**	**25,471**	**19,157**	**18,585**	**578,131**

Analysis of underwriting result by product 2023	**Third-party liability €'000**	**Fire and other damage to property €'000**	**Motor €'000**	**Other €'000**	**Total €'000**
Gross written premiums	106,685	41,091	9,295	14,665	171,736
Premium ceded to reinsurers	(9,458)	(29,349)	(833)	(2,179)	(41,819)
Change in the gross provision for unearned premiums	(765)	(2,254)	(26)	(447)	(3,492)
Change in the reinsurance provision for unearned premiums	25	335	-	-	360
Net earned premiums	**96,487**	**9,823**	**8,436**	**12,039**	**126,785**
Gross claims paid	(60,661)	(12,678)	(5,171)	(3,462)	(81,972)
Claims recovered from reinsurers	1,642	6,476	-	364	8,482
Gross change in contract liabilities	(7,980)	(14,902)	(242)	(4,030)	(27,154)
Change in contract liabilities recoverable from reinsurers	(1,742)	11,814	(114)	(96)	9,862
Claims incurred net of reinsurance	**(68,741)**	**(9,290)**	**(5,527)**	**(7,224)**	**(90,782)**
Technical underwriting result - net	**27,746**	**533**	**2,909**	**4,815**	**36,003**
Commission income	636	10,392	59	326	11,413
Operating expenses	(19,248)	(7,413)	(1,677)	(2,646)	(30,984)
Underwriting expenses	(1,318)	(2,852)	(54)	(145)	(4,369)
Underwriting result	**7,816**	**660**	**1,237**	**2,350**	**12,063**
Net investment return	48,139	18,541	4,194	6,617	77,492
Profit/(loss) before taxation	**55,955**	**19,201**	**5,431**	**8,967**	**89,555**
Net insurance liabilities	**531,912**	**24,822**	**18,289**	**21,436**	**596,459**

Analysis of underwriting result by location	**2024**			**2023**		
	Republic of Ireland €'000	**Northern Ireland €'000**	**Total €'000**	**Republic of Ireland €'000**	**Northern Ireland €'000**	**Total €'000**
Gross written premiums	177,676	-	177,676	171,736	-	171,736
Premium ceded to reinsurers	(49,616)	-	(49,616)	(41,819)	-	(41,819)
Change in the gross provision for unearned premiums	3,445	-	3,445	(3,492)	-	(3,492)
Change in the reinsurance provision for unearned premiums	(88)	-	(88)	360	-	360
Net earned premiums	**131,417**	**-**	**131,417**	**126,785**	**-**	**126,785**
Gross claims paid	(89,570)	(109)	(89,679)	(81,563)	(409)	(81,972)
Claims recovered from reinsurers	10,558	-	10,558	8,482	-	8,482
Gross change in contract liabilities	10,996	(90)	10,906	(27,762)	608	(27,154)
Change in contract liabilities recoverable from reinsurers	4,064	-	4,064	9,862	-	9,862
Claims incurred net of reinsurance	**(63,952)**	**(199)**	**(64,151)**	**(90,981)**	**199**	**(90,782)**
Technical underwriting result - net	**67,465**	**(199)**	**67,266**	**35,804**	**199**	**36,003**
Commission income	14,398	-	14,398	11,413	-	11,413
Operating expenses	(35,817)	-	(35,817)	(30,984)	-	(30,984)
Underwriting expenses	(4,812)	-	(4,812)	(4,369)	-	(4,369)
Underwriting result	**41,234**	**(199)**	**41,035**	**11,864**	**199**	**12,063**
Net investment return	68,017	-	68,017	77,492	-	77,492
Profit/(loss) before taxation	**109,251**	**(199)**	**109,052**	**89,356**	**199**	**89,555**
Net insurance liabilities	**574,762**	**3,369**	**578,131**	**593,018**	**3,441**	**596,459**

Appendix 1 and Appendix 2 provide further detail on the underwriting performance as per the year end *S.05 Premium, Claims and Expenses* Templates and the *S.19.01.21 Non-Life Insurance Claims* Template.

A.3 Investment Performance

The company achieved an investment gain of €68 million this year, down from the €77.5 million gain of the previous year, yet still outperforming market-weighted benchmarks by over one percent. The US equity markets posted exceptionally strong returns, while bond market yields were more restrained in 2024 compared to 2023. This was largely due to central banks being cautious in reducing interest rates amidst higher inflation and growth in the US. The credit quality of these bond investments remains high, with government bonds rated AA and corporate bonds rated A-. Additionally, the office property portfolio delivered positive results, bolstered by successful reletting, and increased rental income tied to inflation.

Company assets are invested in highly rated investments in accordance with the "prudent person principle". Investment decisions are made in the best interests of Members and other stakeholders. The fundamental objective is that all valid claims and expenses are paid as they fall due. In practice, assets are allocated into two notional portfolios which have different objectives – The matched portfolio and the risk portfolio. These objectives are discussed in more detail later in this Report.

The following tables show an analysis of the investment return compared to the prior year, as per the financial statements.

Analysis of net investment return **2024**	**Investment income €'000**	**Net realised gains/ (losses) €'000**	**Net unrealised gains/ (losses) €'000**	**FX gains/ (losses) €'000**	**Investment expenses €'000**	**Total investment return €'000**
Investment properties	5,502	-	(840)	-	-	4,662
At fair value through profit or loss						
- Debt securities	25,105	(3,396)	13,480	609	-	35,798
- Equity securities	4,810	14,039	7,807	4,237	-	30,893
Loans and receivables						
- Loans to local authorities	314	-	-	-	-	314
- Deposits with credit institutions	1,173	-	-	-	-	1,173
Cash and cash equivalents	1,334	-	-	-	-	1,334
Derivatives	-	-	-	(5,112)	-	(5,112)
FX gain/(loss) on insurance business	-	-	-	(255)	-	(255)
Investment Income	**38,238**	**10,643**	**20,447**	**(521)**	**-**	**68,807**
Investment expenses	-	-	-	-	(790)	(790)
Total net investment return	**38,238**	**10,643**	**20,447**	**(521)**	**(790)**	**68,017**

Analysis of net investment return **2023**	**Investment income €'000**	**Net realised gains/ (losses) €'000**	**Net unrealised gains/ (losses) €'000**	**FX gains/ (losses) €'000**	**Investment expenses €'000**	**Total investment return €'000**
Investment properties	5,460	-	(18,227)	-	-	(12,767)
At fair value through profit or loss						
- Debt securities	16,509	14,153	43,790	(254)	-	74,198
- Equity securities	3,923	6,761	3,342	(1,067)	-	12,959
Loans and receivables						
- Loans to local authorities	342	-	-	-	-	342
- Deposits with credit institutions	1,909	-	-	-	-	1,909
Cash and cash equivalents	1,478	-	-	-	-	1,478
Derivatives	-	-	-	257	-	257
FX gain/(loss) on insurance business	-	-	-	(168)	-	(168)
Investment Income	**29,621**	**20,914**	**28,905**	**(1,232)**	**-**	**78,208**
Investment expenses	-	-	-	-	(716)	(716)
Total net investment return	**29,621**	**20,914**	**28,905**	**(1,232)**	**(716)**	**77,492**

The company has no gains / losses recognised directly in equity because all gains and losses are recognised through the Profit & Loss Account as opposed to through the Statement of Changes in Equity. The company does not engage in any securitisation.

Company assets are invested in highly rated investments in accordance with the “prudent person principle”. Investment decisions are made in the best interests of Members and other stakeholders. The fundamental objective is that all valid claims and expenses are paid as they fall due. In practice, assets are allocated into two notional portfolios which have different objectives – The matched portfolio and the risk portfolio. These objectives are discussed in more detail later in this Report.

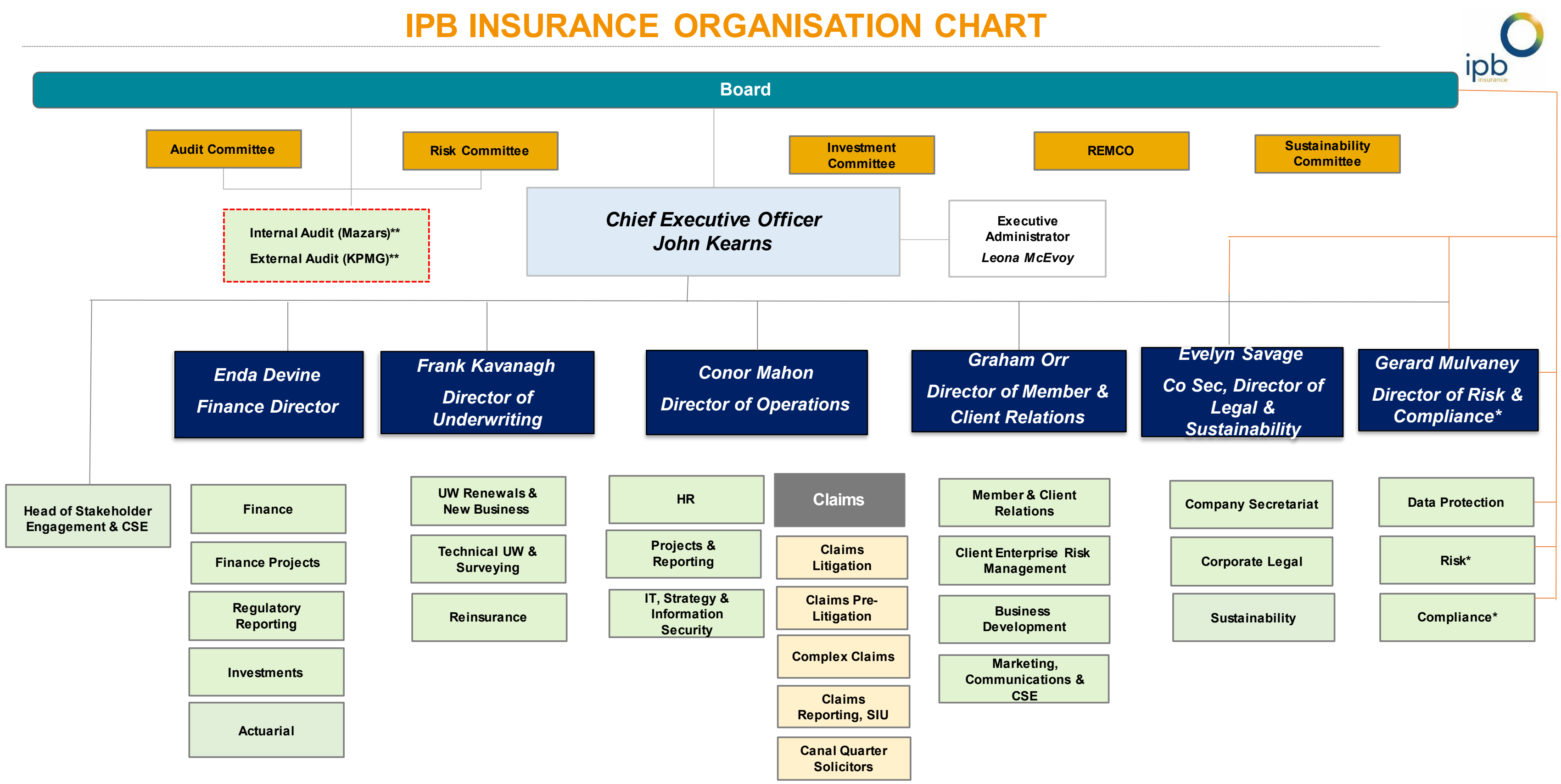
A.4 Performance of other activities

Operating expenses were up compared to the prior year. Total operating expenses amounted to €35.8 million for the year (2023: €31 million). The largest component of operating expenses related to staff costs.

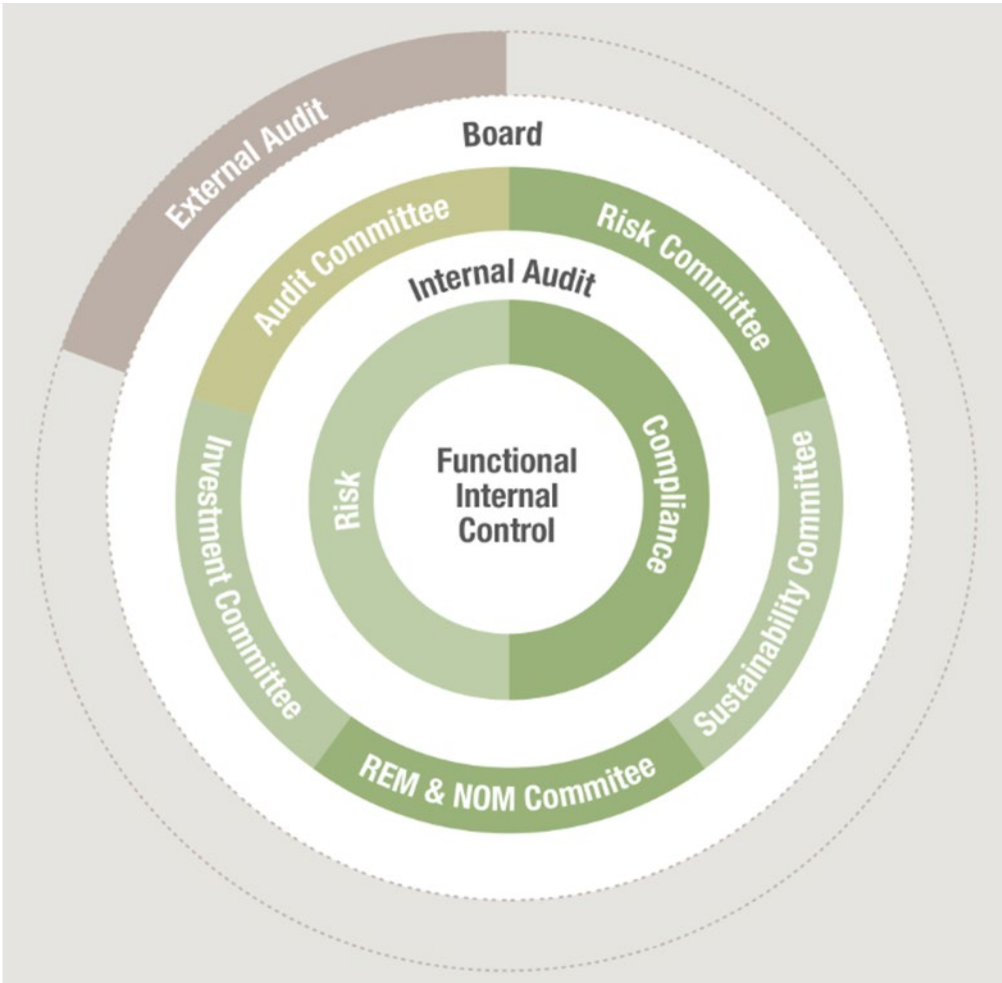
A.5 Any other Information

An €10m Members’ commercial dividend was paid during the year.

B: System of Governance



*The Company Secretary and the Control Functions of Risk and Compliance have direct regulatory reporting responsibilities to the Board and its Committees.
** Internal & External Audit have direct regulatory reporting to the Board and Audit Committee – also have a relationship with Risk, Compliance and Finance



B.1 General Information on the System of Governance

Role of the Board of Directors

The key role of the Board involves leadership and oversight of the Chief Executive Officer's ("CEO") effective implementation of the business's strategy. The Chair, John Hogan, is responsible for leading the Board and ensuring the full participation of each Director. Constructive challenge by the Board to management is critical in providing assurance to the company's stakeholders that the business and its management team achieve appropriate governance standards while meeting the goals and objectives of the business.

Board of Directors Composition

The composition of the Board is consistent with regulatory requirements and responsive to the evolution of the company's business activities. The Board, following Central Bank consultation on its optimum composition, comprises of three group non-executive Directors (GNED) (John Hogan, Ronan McMahon and Eddie Hoare, four Independent Non-Executive Directors ("INED") (Caitríona Somers, Barbara Cotter, Joan Garahy and Mary Cregan) and two Executive Directors, the CEO, John Kearns, and the Finance Director, Enda Devine. There is a clear division of responsibilities between the Chair and the CEO. The

Board has the strength and balance to ensure that all aspects of the business are addressed. The skills of the INEDs assist with the development of the business while the GNEDs ensure maintenance of the experience of the Membership's operations. The Executive Directors have a significant amount of technical, financial and insurance experience and they are tasked with delivering on the strategic objectives of the company and in doing so, oversee the day-to-day operations of the company. Each member of the Board participates in a comprehensive training and development programme to ensure continuous skills enhancement.

Board Committees

The company has in place a comprehensive set of terms of reference, policies and procedures supporting all aspects of its governance and control framework all of which is appropriate to its nature, size and complexity. The Board delegates, and in no way abrogates, authority to the following Board Committees to complete programmes of work on its behalf with clear terms of reference ensuring regular reporting to the Board:

- **A Risk Committee,** the main role of which includes responsibility to establish, document and devolve throughout the company a comprehensive risk management framework. The Risk Committee assists the Board with its oversight of risk and risk management. It meets at least four times per year and follows a structured approach that covers all key risk types within the business, including emerging and strategic risks. The Risk Committee is advised by subject matter experts on risk management, underwriting, claims, investments and compliance.
- **An Audit Committee,** the main role of which includes responsibility for maintaining oversight of the company's financial reporting, internal controls, audit processes and processes for monitoring legal and regulatory compliance. The Audit Committee also reviews the escalation process for employees in accordance with the company's Speak Up Policy.
- **An Investment Committee,** the main role of which includes responsibility for ensuring discharge by the Board of its oversight responsibilities in respect of the conduct of the company's investment management operations within approved investment policy and risk parameters. The Investment Committee also monitors the compliance of the company's investment activities with legislative provisions and regulatory requirements.
- **A Remuneration and Nomination Committee,** the main role of which includes responsibility for recommending succession planning for the Board and Management for Board approval. This includes overseeing the fitness and probity process associated with the appointment or removal of Board members and any head of control function by conducting an annual review of their compliance with requisite standards. The Remuneration and Nomination Committee is also responsible for Board recommendation of the company's Remuneration Policy, non-executive Director fee structures, and the remuneration of Executive Directors and individuals remunerated per criteria specified in its Terms of Reference.
- **A Sustainability Committee,** which includes responsibility for setting tone and developing the Company's sustainability ambitions and strategy whilst ensuring that the Company's Sustainability Strategy has a balanced focus on Environmental, Social and Governance aspects.

Independent Control Functions

The company has also established the four key independent control functions required under the Corporate Governance Requirements for Insurance Undertakings 2015 and in accordance with Articles 44, 46, 47 and 48 of the Solvency II Directive – Risk Management, Compliance, Actuarial and Internal Audit. These functions are responsible for providing oversight of and challenge to the business and for providing assurance to the Board in relation to the company's control framework. Each of the independent functions have direct reporting lines to the Board, as well as the relevant Board Committees. These functions are discussed in more detail later in this report.

Remuneration, Employee Benefits and Practices

It is the policy of IPB to provide all employees of the Company with appropriate remuneration and incentives to encourage high performance and to ensure that they are, in a fair and responsible manner, rewarded for their individual contributions which are aligned to the success of the Company while also ensuring that the principles of sound, prudent risk management are fully reflected. The Remuneration Framework is designed to ensure that excessive risk taking is neither encouraged nor rewarded, having regard for IPB’s mutual status and value creation for IPB’s stakeholders.

Our philosophy has the objective of retaining, developing, motivating, and attracting high-performing employees, and fairly and responsibly rewarding individual contributions to IPB’s success in realising the Company’s strategic objectives and in adherence to risk appetite, whilst ensuring that excessive risk taking is discouraged. IPB’s remuneration Policy and practices are aligned with IPB’s strategic direction, strategy, and stakeholders’ interests and consistent with a reasonable assessment of its financial situation and prospects.

We have adopted a clear D&I strategy that sets out our diversity priorities in respect of Gender Balance and Pay Gap, Diversity of Thought, Under-represented groups, and Generational Diversity (age and tenure). We have also defined our strategic priorities in respect of inclusion to include Fairness and Respect, Safety and Openness, and Empowerment and Growth. Together, these priority areas are designed to drive an increased sense of Value and Belonging which is central to ensuring that we have the right culture in place – one which has diversity and inclusion as key building blocks.

In addition, the company places significant strategic importance on Sustainability and has a clear and widely communicated Sustainability Strategy with clear measures of success and targets for the coming three years.

In setting objectives at a company level, a balanced scorecard approach is adopted. Objectives are set in respect of Financial performance, Member & Customer, Strategy & Process and People & Culture. This balanced scorecard approach ensures that there is a rounded assessment of the performance of the company reflecting all key strategic considerations and measures of success. This balanced scorecard approach is reflected in individual performance assessments also which further underpins our commitment to ensuring that our remuneration practices neither encourage nor reward excessive risk taking.

The key principles underpinning IPB’s Remuneration Policy are:

- To reflect IPB’s commitment to compliance with applicable legal and regulatory requirements, including but not limited to the Corporate Governance Requirements for Insurance Undertakings 2015, the Central Bank of Ireland’s Guidelines on Variable Remuneration Arrangements for Sales Staff issued in 2014, the EIOPA Guidelines on the System of Governance, the Solvency II Delegated Regulation (EU) 2015/35, the EIOPA Opinion on the Supervision of Remuneration Principles in the Insurance and Reinsurance Sector and the Central Bank’s Guidance for (Re)Insurance Undertakings on Climate Change Risk.

- In addition, the Remuneration Policy and associated practices are aligned with the Company's overall strategy, risk profile, objectives, risk management practices and long-term interests of all stakeholders. This includes our commitment to sustainability and to the management of sustainability risks, including climate change, to our business in the medium and long term. The Policy and framework are based on Company Objectives which are agreed by the Board on an annual basis and reflect our long-term strategic priorities, our purpose, and a commitment to our culture, values, and behaviours.

The company provides employees, including Executive Directors, with a range of benefits including income protection and death in service benefits. Employees are also provided with health insurance contributions and contributions payable into the company's defined contribution pension plans based on percentage of salary, to which they can also contribute to suit their circumstances.

Share options or shares do not form part of the available employee benefits however the company operates an annual bonus plan for employees payable in certain circumstances subject to the assessment of both individual and company performance. The focus of the company's approach to variable remuneration, which is secondary in terms of quantum and certainty of availability relative to fixed remuneration, is on ensuring sound and effective risk management and avoidance of potential perception or encouragement of excessive risk taking. This is achieved through framing eligibility to participate on satisfactory company and individual performance, inclusion of financial and non-financial measures and with submission of the company performance objectives against which overall performance is measured and evaluated to the Remuneration Committee and the Board for annual review and approval.

A comprehensive Learning and Development framework, supported by educational assistance and comprising internal and external training and leadership development, is available to employees. A wide range of additional, non-financial, benefits are also provided by the company to employees to ensure that the employee value proposition is both compelling and in line with the wider market and supports our aim of retaining and attracting employees with the necessary skills, capabilities, and experience to positively contribute to realising our shared strategic objectives.

The company, through the Remuneration and Nomination Committee of the Board of Directors, continually reviews the Remuneration and Benefits Framework in place to ensure that it is appropriate in the context of all market, regulatory, and compliance requirements.

Material Transactions with Members during the reporting period

The company historically issued a number of loans to local authorities for the purpose of developing local community initiatives (including local authority premises, roads and amenities). The company ceased providing these loans with effect from 2009, therefore there were no loan advances made to local authorities during the year. Loan capital repayments and interest payments made by the local authorities during the year amounted to €4.2 million (2023: €1.9 million). Loan balances outstanding at year end amounted to €3.9 million (2023: €7.8 million).

B.2 "Fit and Proper" and Individual Accountability Framework requirements

The company has always been committed to ensuring its employees are of the highest calibre. The company's Fitness & Probity & Minimum Competency Policy illustrates its commitment to adherence to legal and regulatory requirements in engaging personnel and reinforces the philosophy of ensuring that all employees perform their duties with integrity and a strong sense of ethical responsibility.

Its provisions apply to any employee, non-employee such as Directors, candidates, temporary staff, contractors or third-party service providers of the company who perform duties that are considered, by the Central Bank to involve either a Controlled Function ("CF") or a Pre-approval Controlled Function ("PCF"). Its provisions apply from the beginning of the recruitment process and due regard to them must be considered as mandatory during any recruitment of persons performing duties involving a CF or PCF, and the application of the Fitness & Probity ("F&P") Standards and the Minimum Competency Code and Regulations 2017 (hereafter "the F&P regulatory requirements") remain applicable and must be maintained throughout their employment with the company.

Standards

In order to meet the F&P regulatory requirements, the company does not allow a person to perform duties involving a CF or a PCF, unless satisfied, on reasonable grounds, that they meet the Central Bank Standards. As an employer, the company is responsible for ensuring that each of its CF or PCF personnel meets the F&P regulatory requirements, on entry to the financial services industry and throughout their career.

The company is satisfied of its ability to judge whether an individual has the competence, experience and ability to understand the technical requirements of the business, the inherent risks and the management processes required to conduct the operations of the company effectively. Whereas common standards of probity apply regardless of the size or activity of the company, the competence requirements will vary to reflect the nature of the post and the size and activity of the company and the applicable approach ensures that the company undertakes necessary due diligence to ensure satisfaction of the F&P regulatory requirements. In meeting the F&P regulatory requirements, a person performing duties involving a PCF or a CF role in the company must be:

- Competent and capable;
- Honest and ethical and act with integrity; and
- Financially sound.

The company undertakes a number of procedures to ensure the above requirements are met and to ensure compliance with the F&P regulatory requirements and the company's F&P Policy. Such procedures include the following:

Heads of Department

Heads of business departments within the company have overall responsibility for ensuring that all employees in their respective departments are aware of and adhere to the company's F&P Policy and to provide relevant information to the Human Resources Department and the Compliance Department as requested in relation to compliance with the F&P Policy.

Compliance Department

The Compliance Department ensure that the F&P Policy is available to all employees on the compliance page on the company's intranet and that education and training in relation to the F&P Policy is provided as required. In addition, the Compliance Department will review compliance with the F&P Policy as part of the overall compliance monitoring programme and ensure adherence to regulatory requirements.

Human Resources Department

The Human Resources Department is responsible for the implementation and maintenance of the company's Recruitment and Selection Policy which sets out the process for the recruitment of internal and external candidates to the company. The Recruitment & Selection Policy sets out the due diligence to be performed when recruiting for PCF and CF roles by management and HR.

In addition, the Human Resources Department is responsible for the maintenance of the internal registers related to F&P. The F&P Register must record all PCF and CF roles, both present and past. These registers are maintained on the Compliance Module of the Company's HR system.

The Human Resources Department must ensure that the contract of employment for all new hires and appointees (whether PCF or otherwise) provides that the offer is subject to the necessary pre-employment fitness and probity screening and that for PCF roles, the offer is subject to and effective only on receipt of the Central Bank's prior approval in writing of the appointment of the person to perform the function.

Company Secretariat

The Company Secretariat Department is responsible, in conjunction with the Directors themselves, for ensuring INEDs and GNEDs are in compliance with the F&P Policy and the relevant regulatory requirements.

Remuneration and Nomination Committee

In accordance with the Terms of Reference of the Remuneration and Nomination Committee, the proposed arrangements particular to all employees categorised as PCF and/or CF1 and remunerated at defined levels must be presented to the Remuneration and Nomination Committee for approval and to the Board for noting before they commence employment with the company.

Due Diligence

The company is required to undertake due diligence to ensure that the F&P Standards are met. The Recruitment & Selection Policy sets out the due diligence to be performed when recruiting all staff members including PCF and CF role holders. This due diligence exercise is also carried out on an annual basis for all PCF and selected CF role holders to ensure ongoing compliance with the company's F&P Standards.

In the event that any material items are identified during the due diligence process this will be duly addressed and appropriately actioned. The company may engage with an external provider to assist with conducting due diligence.

Offers of employment are subject to full compliance being met by the candidate by checking F&P regulatory requirements, references, professional memberships and qualification, and court judgements.

This checking process is conducted by an external provider on behalf of the company. This service provides an independent, objective check in relation to candidates.

Outsourced Functions

Pre-approved Control Functions (PCF)

The company requires that all persons performing duties involving a PCF role on an outsourced basis are compliant with the F&P regulatory requirements.

Where a PCF role is outsourced to an 'unregulated entity', the company will obtain the Central Bank's approval for the individual, who will perform the duties, prior to their appointment.

Control Functions

Where performance of duties involving a CF role is outsourced to an 'unregulated entity', the company requires the unregulated entity to be able to identify the individuals who perform such duties, and to assess whether they are compliant with the F&P regulatory requirements and obtain agreement to abide by them.

F&P requirements are relevant and must be adhered to for the duration of an individual's employment with the company. On an annual basis, the company requires all relevant employees to complete a F&P declaration and confirmation so that any material changes to an employee's F&P status can be communicated to the company. All F&P declarations and confirmations are submitted on the Company's HR system for retention.

Ongoing Nature of Fitness and Probity requirements

F&P requirements are relevant and must be adhered to for the duration of an individual's employment with the company. On an annual basis, the company requires all relevant employees to complete a F&P declaration and confirmation so that any material changes to an employees F&P status can be communicated to the company. All F&P declarations and confirmations are submitted to HR for retention on the employees' files.

Individual Accountability Framework ("IAF")

The implementation of the Central Bank (Individual Accountability Framework) Act 2023 is split into 3 phases.

- Phase 1 introduced both the Common Conduct Standards, which are a set of expected standards of conduct which apply to all individuals in Controlled Function ("CF") roles in the company, and the Additional Conduct Standards which apply to its senior executives, i.e. those in Pre-Approval Controlled Functions ("PCF") roles or deemed to have significant influence (CF1) within IPB, from 29th December 2023. Enhancements to the previously existing Fitness & Probity Regime also became effective in 2023. The company established a project team which implemented these new requirements prior to the 29th December 2023 effective date.
- Phase 2 introduced the Senior Executive Accountability Regime ("SEAR") which had an effective date of 1st July 2024 for all individuals in PCF roles, (except for (I)NEDs who have an effective date of 1st July 2025 and will be included in Phase 3). The project team oversaw the allocation of Prescribed Responsibilities to in-scope individuals and the drafting of Statements of Responsibilities for each PCF role, and the development of the company's Management Responsibilities Map.
- Phase 3, as noted above, will see SEAR apply to IPB's (I)NEDs from 1st July 2025.

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

Risk Management Structure

Risk management is central to safeguarding the promise that the company makes to its policyholders and Members and in the interests of all stakeholders, risk management seeks to:

- Protect the company's operations by promoting a sound culture of risk awareness as well as disciplined and informed risk taking.
- Protect the company's strong capital base by monitoring to ensure that risks taken are not beyond the company's risk appetite.
- Support decision making processes by providing consistent, reliable and timely risk information.

The Board is responsible for ensuring that risk is effectively managed by those involved in running the company on a day-to-day basis. The Board establishes prudent and effective controls to manage risk via the Risk Framework and sets the company's appetite for risk via the Risk Appetite Statement.

The Risk Committee assists the Board with its oversight of risk and risk management. The Risk Committee is advised by subject matter experts on risk management, underwriting, claims, investments and compliance.

Risk management is core to all business activities and staff are guided by documented policies and procedures, underpinned by an active and embedded risk management function.

The Management Risk Forum is a Committee of the Leadership Team of IPB with responsibility for supporting the Risk Function in risk identification, measurement, monitoring, management and reporting on material current and emerging risks within the Company. This includes supporting the Director of Risk & Compliance who has distinct responsibility for the risk management function and for maintaining and monitoring the effectiveness of IPB's risk management system.

The Risk Framework

The Risk Framework describes the company's system to identify, measure, monitor, manage and report on risk in the business. It ensures that risk management is aligned with the company's strategic objectives and it is guided by seven key principles. The Risk Framework continues to be enhanced through evolving our risk identification, assessment and management by proactively monitoring and mitigating the threats and opportunities associated with the environmental, social and governance issues facing the company as well as our stakeholders. Implementation of the Risk Framework relies on a system of integrated risk management tools that promote a culture of risk management throughout the company.

The Board articulates risk appetite in order to ensure the solvency of the company at all times. Risk appetite is ultimately expressed in terms of detailed operating limits that guide the day-to-day activities of those entrusted to run the business. This enables the company to pursue its strategic objectives while limiting risk in a transparent and structured manner. All risks are monitored regularly, and certain risk types are monitored daily. Procedures are in place to reduce risk levels should operating limits be threatened, and a system of intermediate warning points is used to ensure that remedial action can be taken long before a breach is threatened as shown below:

Within Risk Appetite Status

The company is normally expected to operate within Risk Appetite.

Risk Appetite Proximity Warning

A Risk Appetite Proximity Warning indicates that a Risk Appetite Alert is threatened and corrective action is required.

In the event of a Risk Appetite Proximity Warning the Director of Risk & Compliance and the relevant business area shall take appropriate immediate steps to return the company to risk appetite. The Director of Risk & Compliance shall inform the CEO without undue delay. The CEO shall decide on the need for further escalation.

Risk Appetite Alert

A Risk Appetite Alert indicates that a Risk Appetite Limit breach is threatened and swift and decisive corrective action is required.

In the event of a Risk Appetite Alert the Director of Risk & Compliance and the relevant business area shall take the appropriate immediate steps to return the company to risk appetite. The Director of Risk & Compliance shall consider engaging the company's Incident and Error Management Policy. The Director of Risk & Compliance must inform the Risk Committee and any other relevant internal stakeholder without undue delay. The Risk Committee shall agree on necessary steps to restore appetite and consider further escalation to the Board.

Risk Appetite Limit Breach

A Risk Appetite Limit breach is serious and requires prompt action at Board level.

In the event of a Risk Appetite Limit breach the Director of Risk & Compliance must engage the company's Incident and Error Management Policy informing the Board without undue delay. The Board shall be briefed and furnished with a recommended plan to return to Risk Appetite. The details of the breach and the planned actions to remedy the breach must be communicated to the Central Bank by the Board promptly in writing.

The Risk Committee and the Board are regularly and at least annually informed by a comprehensive Risk Report and subject experts from relevant areas of the company. The Risk Report covers all risk types and includes detailed risk metrics and other data on key risk exposures. It also captures detailed information at the individual risk level. A dynamic Operational Risk Register is the key tool in the management of operational risk. The risk management function engages with staff at all levels to ensure a detailed understanding of the various operational risks to which the company is exposed. The management of risk is further facilitated by a robust incident and error management policy promoting the prompt reporting and root cause analysis of incidents and errors.

Risk and other company policies define the formal risk management and risk control requirements of the company. The effectiveness of policies and key controls is regularly reviewed and tested.

Own Risk and Solvency Assessment (ORSA)

The ORSA is the entirety of the processes employed to identify, measure, monitor, manage, and report the material risks that the company faces, or may face. It expresses overall solvency needs in quantitative terms where possible, complemented by a qualitative description of the material risks.

The ORSA determines the overall capital necessary to achieve the strategic objectives of the company under a range of scenarios, including ensuring that solvency needs are met at all times. It also considers deviations from the assumptions underlying the SCR calculation.

The scope of the ORSA extends beyond regulatory capital requirements. The scope of the ORSA includes an assessment of:

- Overall solvency needs given the risk profile, risk appetite and strategic objectives
- Continuous compliance with capital requirements
- The significance with which the risk profile deviates from the Capital Model.

The ORSA shall be conducted in a manner that is proportional to the nature, scale and complexity of the risks to which the company is exposed. The ORSA process is conducted throughout the year on an annual cycle and relates to a 12-month period. Any material change to the business strategy also triggers an interim ORSA.

The Company relies on the Solvency II standard formula Solvency Capital Requirement (SCR) as its key risk and solvency measure. Therefore, there is a dependency on the appropriateness of the SCR to model the risk profile of the Company and in terms of input to strategic decision making. The appropriateness of the Standard Formula is assessed as part of the annual Own Risk and Solvency Assessment (ORSA) process.

On an annual basis IPB considers, and where possible tests, the materiality and appropriateness of the underlying assumptions and parameters of the SCR relative to the IPB business model. Key relevant risks deemed to fall outside the standard formula include catastrophe risk (flood and freeze), sovereign default risk, reputational, strategic, inflation and liquidity risk, all of which are tested via specific stress tests. Overall, those risks outside the standard formula are deemed to be adequately addressed by separate stress and scenario testing as well as qualitative measures. In addition, IPB stressed a number of the key calibrations of the SCR. The results of these stresses did not highlight any particular issues in terms of appropriateness for IPB.

B.4 Internal Control System

Description of Internal Control System

The Board is responsible for the company’s internal controls system and its effectiveness. The system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement and/or loss. In accordance with the Central Bank's Corporate Governance Requirements for Insurance Undertakings 2015, the Board confirms that there is an on-going and regularly reviewed process for identifying, evaluating and managing any significant risks faced by the company. The key risk management and internal control layers that provide strong assurance to the Board include:

- Board Committees (as previously mentioned).
- An **internal audit function** and internal control framework which includes senior management whose leading role is to identify, keep under review and manage significant internal control risks facing the company.
- Underpinning all aspects of the business is a robust **risk management function** that oversees a risk management framework which includes the operation of approved risk management policies in the areas of underwriting, reinsurance, claims reserving and investments.
- A robust **compliance function** that oversees compliance and a regulatory governance framework providing assurance that the company operates in a transparent, controlled and compliant manner.
- A **legal function** that identifies and manages legal risks, providing legal advice and assistance across all business units and promotes the value of in-house legal services.
- A comprehensive system of **functional level controls** that are overseen by the various heads of functions including, inter alia, financial controls incorporating budgeting, periodic financial reporting and variance analysis.
- **Operational controls** such as physical access controls, IT controls, policies and procedures, four eye reviews, segregation of duties and authorisation limits.

All the above layers are reinforced by skilled and experienced management and employees who operate within an organisation structure of clearly defined lines of responsibility and authority.

The various layers of governance and control functions help to ensure that risks applicable to the company are identified and appropriately managed and internal controls are in place and are operating effectively. Supporting these layers of oversight are a number of internal controls that are pervasive across the organisation.

Description of how the compliance function is implemented.

Position within IPB Insurance

The compliance function is led by the Head of Compliance. The Head of Compliance is responsible for the compliance function and reports to the Director of Risk & Compliance with additional reporting lines directly to the CEO and the Board. The role of the Head of Compliance includes both the management of regulatory matters and the oversight of the implementation of relevant legislation by Management as required within the business. This is with the co-operation and strong participation of Management within that process particularly with respect to the day-to-day operational requirements which are the responsibility of Management.

The Head of Compliance is an invitee to the Board, Audit Committee, Risk Committee, Investment Committee and the Remuneration and Nomination Committee meetings, as required. The Head of Compliance retains direct access to the Board should the need arise.

Roles & Responsibilities

The role of the compliance function is to provide sufficient assurances to the Board to enable it and its members to discharge its statutory duties to ensure compliance with relevant obligations. The compliance function reports to the Board via the Compliance Report. IPB has a Compliance Management Policy and Framework in place and its fundamental building block is a strong compliance culture, based on support and commitment from the Board and Management. The compliance function implements the Framework through the following key high-level activities:

- Assurance
    - Identification, measurement and assessment of compliance risk
    - Review of new and emerging regulatory risks
- Oversight
    - Monitoring, testing and reporting on compliance risks
- Support
    - Provision of Compliance advice and guidance to management and the Board
    - Compliance Training
- Regulatory Relationship Management

B.5 Internal Audit Function

Description of how the internal audit function is implemented.

Position within IPB Insurance

The role of the internal audit function is to provide independent, objective assurance in relation to the effectiveness of the company's internal control system. IPB have outsourced the role of internal audit to an independent third party, Forvis Mazars, to carry out the internal audit role.

The company's internal audit function's primary reporting responsibility is to the Chair of the Audit Committee. They also report directly to the CEO and/or Audit Committee on findings in respect of the above or other material considerations which may come to light. In addition, it may address such issues with the appropriate level of senior management and will have direct access to the Board Chair. It also engages with the Director of Risk & Compliance as relationship manager for this outsourced function with a view to ensuring that the function operates effectively within the company and is supported by Management.

Roles & Responsibilities

The primary role of the internal audit function is to ensure that the internal audit process is performed for the company in an efficient and effective manner. The internal audit functions are carried out using a risk-based approach, and address:

- *Compliance* – adherence to legislation, as well as to the company's established policies, standards, and procedures.
- *Operational* - the quality of formal policies, standards, and procedures, and the quality of management, efficiency of operations, the design and maintenance or the adequacy of procedures and internal controls.
- *Integrity* – systems integrity and soundness, including design and implementation, fraud, monitoring of employee activities, and the reliability and integrity of financial matters.

- *Safeguard of Assets* – reasonable assurance regarding prevention, timely detection of unauthorised acquisition, use or disposition of the company's assets.

Description of how its independence and objectivity is maintained.

As a role involving performance of a control function, the internal audit function operates independently of the business units of the company. The internal audit function will be given independence and sufficient authority and resources to enable it to carry out its tasks in an effective manner.

If the internal audit function concludes that its independence and/or authority has been compromised, these concerns should be brought to the attention of the CEO and/or the Board.

The Audit Committee carries out an assessment of the independence of the internal audit function on an annual basis.

B.6 Actuarial Function

Description of how the actuarial function is implemented.

Position within IPB Insurance

The actuarial function is led by the Head of Actuarial Function ("HoAF") and is supported by the actuarial team.

The HoAF is responsible for the effective delivery of the actuarial function and reports to the Finance Director with additional reporting lines directly to the CEO and Board to ensure independence. The HoAF role includes provision of regulatory related material (required actuarial reports and supporting analysis) and other day-to-day tasks around pricing and general reserve management.

The HoAF is an invitee to the Board, Audit Committee and the Risk Committee, as required. The HoAF retains direct access to the Board should the need arise.

The actuarial function operates with independence in the assessment of the reserves and has access to all information required in the performance of this function.

Roles & Responsibilities

The main role of the actuarial function is to provide required regulatory assessments for the company, including an opinion on the technical provisions of the company, in the form of the Actuarial Opinion on Technical Provisions accompanied by the Actuarial Report on Technical Provisions. Other statutory opinions provided annually include the Actuarial Opinion on the ORSA process, the Actuarial Opinion on Overall Underwriting Policy and the Actuarial Opinion on the Adequacy of Reinsurance Arrangements.

The actuarial function provides quantitative information required for the ORSA, including assessments of the SCR under forward looking scenarios and stress testing. Other input includes contributing to the identification and assessment of risks to which the company is exposed.

In addition, the actuarial function conducts many day-to-day tasks for the company, including providing independent pricing reviews, support in reinsurance renewals and calculation of the technical provisions on a quarterly basis.

Potential conflicts of interest between the responsibilities specified under Solvency II regulation, and other day-to-day activities have been addressed by:

- Personal performance of HoAF is not based on measures that conflict with the independence of opinions.
- The remuneration of the actuarial function is not dependant on company performance.
- The HoAF does not have reporting lines to Underwriting or Reinsurance.
- The HoAF has day to day reporting lines to the Finance Director, CEO and overall to the Board with the prerogative to raise issues directly with the Board if required.
- The HoAF does not have direct responsibility for premium rates or reinsurance purchase.
- All pricing / reinsurance decisions are subject to approval by Committees and the Board.

B.7 Outsourcing

The Board recognises that the accountability of the Directors and Management of IPB cannot be delegated to the entities providing the outsourced facilities. Moreover, the Board is aware that while the outsourcing of certain activities can create a number of benefits to IPB, there are a number of risks attached that need to be managed effectively. Accordingly, IPB has in place a comprehensive Vendor Management Framework and Policy, that has been approved by the Board, as well as firmly established oversight procedures.

IPB outsources some activities to third parties, the critical outsourcing services provided are as follows;

Description of critical outsourced service	Country of Vendor Supplier
Actuarial Services	Ireland
IT Back up, Disaster Recovery and hot site	Ireland
Internal Audit	Ireland
Cloud storage of Microsoft applications	Ireland
Regulatory reporting software (Cloud)	France

B.8 Assessment of Governance

The company completes an annual corporate governance code review assessing its compliance with the Corporate Governance Requirements for Insurance Undertakings 2015 providing the company with an opportunity to assess itself and evidence its compliance with these requirements annually. Where there are changes to the business strategy that may result in changes to internal processes and products, processes exist such as the new product approval process to ensure the effective inclusion of all areas of the business to assess both the impact and risk of such changes to the business model. There is also ongoing assessment of internal controls that support the company's effective decision making and governance through the company internal audit programme, the compliance monitoring and review programme and the risk review programme. These individual review programmes provide their outputs to the Board and its Committees as part of the regular reporting issued by each function. The Board of the company are responsible for the oversight and effective implementation of best practices as well as regulatory requirements for corporate governance within the company. The regular internal review carried out on the company's system of governance is in accordance with Regulation 44(3) and 44(9) of S.I.485.

As referred to in B.2 above, the implementation and embedding of the requirements of IAF and SEAR has led to the increased level of documentation of the company's governance arrangements with the drafting of Statements of Responsibilities for each PCF role, and the allocation of Prescribed Responsibilities to in-scope individuals and the development of the company's Management Responsibilities Map.

The company has no further information to disclose relevant to its systems of governance.

C: Risk Profile

Section C provides information on the key risks encountered by the Company as well as the corresponding processes for monitoring the risk exposures and the techniques in place for mitigating these risks.

Risk Management Objectives and Risk Profiles

The risk management function is led by the Director of Risk & Compliance and is responsible for the design and implementation of the risk management system. It oversees the identification, measurement, monitoring, management and reporting of all risk types. The company's risk profile is stable and is currently dominated by underwriting risk and market risk. Other key risks that the company faces includes credit, liquidity, operational (including operational resilience), cyber, strategic, reputational, climate and conduct risks. The risk management function reports to the Director of Risk & Compliance with additional reporting lines directly to the CEO and Board.

The key internal risk metric is the Solvency II Solvency Capital Requirement which quantifies the key risks to the business. The SCR is calibrated to a level which is broadly consistent with a 1 in 200-year event over a 12-month time horizon. The SCR facilitates the quantification of risk at the individual risk level and allows for diversification between risk types.

C.1 Underwriting Risk

Underwriting risk is the key risk type to which the company is exposed and arises from uncertainty in the occurrence, amounts and timing of non-life insurance obligations. The key risk associated with any insurance contract is the possibility that an insured event occurs and that the timing and amount of actual claim payments differ from expectations. The principal lines of business covered by the company include public liability, employers' liability, motor and property. The company manages underwriting risk through its underwriting strategy, claims handling and reinsurance arrangements. Insurance obligations can take many years to settle and the company sets aside reserves to cover all past liabilities. There is a risk that the cost of these liabilities may be higher than anticipated, in some cases significantly so.

Risk Exposure

Underwriting risk is restricted to lines and territories where the company has an underwriting competency. In effect, policy limits are set at a level to mitigate the impact of extreme loss experience to a manageable proportion of capital.

The key underwriting risk metric is the Net Loss Ratio. This assesses claim performance versus premium earned. It is recognised that the insurance cycle, exceptional individual losses, catastrophes, the inherent volatility of insurance losses and other dynamics will cause underwriting performance to fluctuate over time. Whilst the company will tolerate a degree of short-term volatility, a more stringent standard is set in the longer term. As at the 31 December 2024, the company's net loss ratio stood at 48.8% (2023: 71.6%).

Risk Concentration

The company is susceptible to claim aggregation due to policyholders being concentrated by type, risk exposures and other factors. All underwriting risk is concentrated in the Republic of Ireland. Business is also concentrated by line of business, being predominantly Public Liability, though there are material volumes of Employers Liability, Property and Commercial Motor. Smaller volumes of Personal Motor, Professional Indemnity and other lines offer further diversity. The other significant insurance risk concentration relates to the fact that the company primarily insures public sector organisations. While keeping the insurance needs of Members at the top of the agenda, the company endeavours to apply core underwriting competencies to further diversify the insurance portfolio into complementary lines and policyholders. In any case, concentrations are actively managed and are significantly mitigated by an appropriate reinsurance programme.

Risk Mitigation

The Underwriting Policy which is approved by the Board, establishes the underwriting strategy and principles and it defines underwriting limits, risk selection, authorities, escalation procedures and actuarial review requirements. It is implemented by means of underwriting guidelines. As with all company policies, the Underwriting Policy, together with, the underwriting approval limits set out in the company's Authorisation Levels and Signatories Document, are reviewed on an annual basis to ensure their continued effectiveness. The company has developed its underwriting strategy to diversify the type of insurance risks written, and within each of the types of risk, to achieve a sufficiently large population of risks to reduce the variability of the expected outcome. The underwriting strategy includes the employment of appropriately qualified underwriting personnel, the targeting of certain types of business, constant review of pricing policy using up-to-date statistical analysis and claims experience and the surveying of risks carried out by experienced personnel.

The Reinsurance Policy which is approved by the Board establishes the reinsurance strategy and principles. The extensive reinsurance programme, delivered by a well-diversified panel of high-quality reinsurers, reduces the variability of the underwriting result. For its motor, employer's liability and public liability business, the company has in place excess of loss reinsurance treaties. For its property business, the company operates proportional and catastrophe reinsurance treaties. Again, the Reinsurance Policy, together with, the relevant approval limits set out in the company's Authorisation Levels and Signatories, are reviewed on an annual basis to ensure their continued effectiveness.

A primary objective of the company is to ensure that sufficient reserves are available to cover liabilities. The company uses an in-house actuarial team supported by external reviews to assist with the estimation of liabilities to ensure that the company's reserves are adequate and there is oversight of the reserving process through internal management and Board committees. The company holds a margin for uncertainty in addition to best estimate reserves to reduce the likelihood of inadequate reserves materialising.

C.2 Market Risk

Market risk arises from financial instrument market price volatility. It reflects the structural mismatch between assets and liabilities, particularly with respect to duration. It includes interest rate risk, equity risk, property risk, spread risk, currency risk and asset concentrations.

Prudent Person Principle

Company assets are invested in highly rated investments in accordance with the "prudent person principle". Investment decisions are made in the best interests of policyholders and other beneficiaries. Consequently, the fundamental objective is that all valid claims and expenses are paid as they fall due. In practice, assets are allocated into two notional portfolios which have different objectives – the matched portfolio and the risk portfolio.

The Matched portfolio

The primary investment objective of the matched portfolio is to ensure that the company meets policyholder obligations as they fall due. This implies high quality, secure and liquid investments with characteristics that approximately match those of the liabilities. The secondary investment objective of the matched portfolio is to maximise investment returns over the long term to contribute to long term profitability, subject to a pre-defined and limited risk appetite as per the Risk Appetite Statement. The performance of the matched portfolio will be assessed on a total return basis against a benchmark portfolio that approximates to a risk-free portfolio with a duration profile equal to that of the liabilities.

The Risk Portfolio

The risk portfolio is composed of all investments that are surplus to the matched portfolio. The primary investment objective of the risk portfolio is to contribute to long term profitability through investment returns. The secondary investment objectives of the risk portfolio are capital preservation, diversification of the overall portfolio and facilitation of the long-term strategic objectives of the company, subject to a pre-defined and limited risk appetite. The performance of the risk portfolio is assessed on a total return basis against a combination of published benchmark indices which together approximate to the profile of the risk portfolio in terms of asset classes, territories, duration and other characteristics.

Risk Exposure

The level of surplus assets currently in the business results in a risk profile that has a significant weighting towards market risk. The principal market risk relates to equity holdings. The company invests only in assets and instruments whose risks can be properly identified, monitored, managed and taken into account in the assessment of solvency. The company follows a high quality, low risk investment strategy aligned to the prudent person principle. The focus is on high quality bonds and cash, with limited holdings in equities and property.

Interest Rate Risk

Interest rate risk relates to the sensitivity of the values of assets and liabilities to changes in the term structure of interest rates. The company faces a significant interest rate risk due to the nature of its investments and liabilities. Interest rate risk arises primarily from the company's investments in fixed interest debt securities and from insurance liabilities.

As at 31 December 2024, the company had the following assets that are exposed to interest rate risk as per the Financial statements:

Financial assets subject to interest rate risk	2024 €'000	2023 €'000
Debt securities		
- Irish Government fixed-interest bonds	78,273	53,334
- Other government fixed-interest bonds - eurozone	398,161	353,165
- Other government fixed-interest bonds - non-eurozone	30,882	39,925
- Corporate bonds	456,006	470,154
Total	**963,322**	**916,578**

Equity Risk

Equity risk relates to the volatility of equity market prices. This volatility may be caused by factors specific to the individual financial instrument, factors specific to the issuer or factors affecting all similar financial instruments traded in the market. Equity risk excludes changes due to currency movements, which is considered as a separate risk type. The company is subject to equity risk due to changes in the market values of its holdings of quoted shares, unquoted shares and managed funds.

Property Risk

Property risk relates to the volatility of real estate market prices. The company is subject to property risk due to changes in the market values of its investment properties.

Spread Risk

Spread risk mainly relates to changes in the market value of bonds due to changes in the credit standing of the issuer. The company limits the credit quality of bonds in which it may invest.

The following table provides information as per the Financial Statements regarding the market risk exposure of the company by classifying debt securities by credit ratings as at 31 December 2024:

Market risk exposure by credit rating 2023 to 2024	AAA €'000	AA €'000	A €'000	BBB €'000	BB €'000	Not rated €'000	Total €'000
Financial assets at fair value through profit or loss							
Debt securities							
2024	55,418	298,849	306,377	265,283	16,866	20,529	963,322
2023	80,367	247,810	280,391	267,182	5,813	35,015	916,578

Currency Risk

Currency risk relates to the sensitivity of the value of assets and liabilities to changes in currency exchange rates. The company's liabilities are mostly denominated in Euro. The company holds investment assets in foreign currencies, which gives rise to exposure to exchange rate fluctuations. The company is only exposed to high-quality currencies including British Pounds (GBP), US Dollars (USD), Danish Krone (DKK) and Swiss Francs (CHF).

As at 31 December 2024, the carrying amount of the company's foreign currency denominated assets as per the Financial Statements was as follows:

Carrying amount of the company's foreign currency denominated assets **2024**	Foreign currency gross €'000	Foreign currency derivatives €'000	Net €'000
British Pounds (GBP)	13,493	12,028	1,465
Danish Krone (DKK)	4,970	-	4,970
Swedish Krona (SEK)	974	-	974
Swiss Francs (CHF)	4,073	2,135	1,938
US Dollars (USD)	90,607	78,553	12,054
Total	**114,117**	**92,716**	**21,401**

Carrying amount of the company's foreign currency denominated assets **2023**	Foreign currency gross €'000	Foreign currency derivatives €'000	Net €'000
British Pounds (GBP)	13,776	13,787	(11)
Danish Krone (DKK)	5,819	4,026	1,793
Swedish Krona (SEK)	-	-	-
Swiss Francs (CHF)	5,569	2,167	3,402
US Dollars (USD)	56,386	51,202	5,184
Total	**81,550**	**71,182**	**10,368**

Asset Concentration

Asset concentrations arise where there is a lack of diversification, e.g. by issuer.

Risk Concentration

Assets are diversified to avoid accumulations of risk in the portfolio as a whole. In particular, the company is not exposed to an excessive reliance on any one asset, asset class, counterparty, group of counterparties, territory or other investment characteristic. This is achieved by concentration limits and tolerance thresholds defined in the Risk Appetite Statement.

Risk Mitigation

Market risk is managed through the application of the company's Investment Policy and Risk Appetite Statement, each of which have been approved by the Board and reviewed on an annual basis. The Investment Policy outlines how market risks are managed. Investments are limited to assets whose risks can be properly identified, monitored and managed. The company employs appropriately qualified and experienced personnel to manage the investment portfolio. The Risk Appetite Statement defines the extent of permissible market risk exposures in terms of specific operational limits. It imposes limits on quantity, currency, territory, diversification, issuer credit quality, issue credit quality, duration and other characteristics. The company also enters into forward currency contracts to mitigate against currency risk. Consideration is given to the additional risk that a derivative presents, therefore, derivative counterparties are subject to minimum credit rating requirements and are required to be approved credit institutions. The continued effectiveness of these risk mitigation techniques is regularly monitored through a series of stress testing and scenario analysis, together with, internal audit reviews.

C.3 Credit Risk

Credit risk arises from an unexpected default or deterioration in the credit standing of counterparties and debtors, including reinsurance and premium receivables.

Risk Exposure

The company is exposed to credit risk from its operating activities, primarily customer and reinsurer receivables, from cash deposits and bonds from the investment portfolio, and from its loans to local authorities. A portion of member business is retro-rated which allows payment of premium as losses are reported or paid, depending on the contract, rather than paying all premium up front.

Risk Concentration

Credit concentration risk is managed via the company's Risk Appetite Statement. The Risk Appetite Statement requires diversification by reinsurance counterparty. In particular, no reinsurance counterparty may exceed 15% of the total reinsurance asset. This limit is increased to 25% for reinsurance counterparties with very high credit ratings, typically equivalent to S&P Global AA- or better. Limits are also set out in the Risk Appetite Statement for cash balances with credit institutions. The limits tend to be based on the credit quality of the approved credit institution.

Risk Mitigation

The Risk Appetite Statement sets out the operating limits for each reinsurance counterparty, cash counterparty and other credit exposures. The Risk Appetite Statement is regularly assessed for appropriateness and is approved by the Board annually. It is also planned to phase out retro premiums in the future, thereby, reducing the risk in this regard.

The following table shows the carrying value of assets, as at 31 December 2024, that are neither past due nor impaired, the ageing of assets that are past due but not impaired, and assets that have been impaired as per the company's Financial Statements.

2024	**Neither past due nor impaired €'000**	**Past due less than 30 days €'000**	**Past due 31 to 60 days €'000**	**Past due 61 to 90 days €'000**	**Past due more than 90 days €'000**	**Carrying amount €'000**
Debt securities	963,322	-	-	-	-	963,322
Other investments	205,900	-	-	-	-	205,900
Reinsurance assets (outstanding claims and receivables)	62,124	-	-	-	-	62,124
Loans and receivables	39,797	-	-	-	-	39,797
Insurance receivables	5,519	1,233	229	235	116	7,332
	1,276,662	**1,233**	**229**	**235**	**116**	**1,278,475**

2023	**Neither past due nor impaired €'000**	**Past due less than 30 days €'000**	**Past due 31 to 60 days €'000**	**Past due 61 to 90 days €'000**	**Past due more than 90 days €'000**	**Carrying amount €'000**
Debt securities	916,578	-	-	-	-	916,578
Other investments	189,117	-	-	-	-	189,117
Reinsurance assets (outstanding claims and receivables)	58,261			-	461	58,722
Loans and receivables	48,643	-	-	-	-	48,643
Insurance receivables	7,301	73	228		20	7,622
	1,219,900	**73**	**228**	**-**	**481**	**1,220,682**

C.4 Liquidity Risk

Liquidity risk is the risk that the company does not have sufficient liquid financial resources, such as cash, to meet its financial obligations when they fall due. Liquidity risk also arises where assets can only be liquidated at a material cost.

Risk Exposure

The company is exposed to daily calls on its cash resources, mainly for claims and other expense payments.

Risk Mitigation

The Investment Policy is reviewed annually for continued effectiveness and sets out the assessment and determination of what constitutes liquidity risk for the company. Compliance with the policy is monitored and exposures and breaches are reported to the Risk Committee. Guidelines are set for asset allocations, portfolio limit structures and maturity profile of assets in order that sufficient funding is available to meet insurance contract obligations. Asset liquidity is such that it is sufficient to meet cash demands under extreme conditions. Localisation of assets is such that it ensures their availability. The Investment Policy specifies a Contingency Funding Plan should a liquidity shortfall arise. The company has mitigated much of its liquidity risk through holding liquid assets such as cash and sovereign bonds as well as asset and liability matching. The company does not forecast expected profit in future premium ("EPIFP") to cover a loss-making scenario, liquidity risk in this regard is therefore not an issue.

The following table shows the maturity analysis of financial assets and financial liabilities based on the remaining undiscounted contractual obligations as per the company's Financial Statements.

Maturity analysis (contracted undiscounted cash flow basis) 2024	Carrying value €'000	Within 1 year €'000	Within 1 to 5 years €'000	After 5 years €'000	No maturity date €'000	Total €'000
Financial assets						
Derivative financial instruments	2	2	-	-	-	2
Financial assets at fair value through profit or loss						
Debt securities	963,322	23,394	265,700	682,467	-	971,561
Equity securities	205,900	-	-	-	205,900	205,900
Loans and receivables						
Loans to local authorities	3,930	1,167	3,121	-	-	4,288
Deposits with credit institutions	35,867	36,525	-	-	-	36,525
Insurance assets	60	14	32	14	-	60
Reinsurance assets						
Claims outstanding	59,144	15,141	31,169	12,834	-	59,144
Debtors	10,312	10,312	-	-	-	10,312
Other receivables	72	72	-	-	-	72
Cash and cash equivalents	78,960	78,960	-	-	-	78,960
Total	**1,357,569**	**165,587**	**300,022**	**695,315**	**205,900**	**1,366,824**
Financial liabilities						
Insurance contract liabilities						
Claims outstanding	614,197	233,395	277,617	103,185		614,197
Derivative financial instruments	2,220	2,220	-	-	-	2,220
Insurance payables	7,642	7,642	-	-	-	7,642
Trade and other payables	46,844	47,011	-	-	-	47,011
Accruals	1,562	1,562	-	-	-	1,562
Total	**672,465**	**291,830**	**277,617**	**103,185**	**-**	**672,632**

Maturity analysis (contracted undiscounted cash flow basis) 2023	Carrying value €'000	Within 1 year €'000	Within 1 to 5 years €'000	After 5 years €'000	No maturity date €'000	Total €'000
Financial assets						
Derivative financial instruments	1,160	1,160	-	-	-	1,160
Financial assets at fair value through profit or loss						
Debt securities	916,578	44,900	493,491	389,560	-	927,951
Equity securities	191,773	-	-	-	191,774	191,774
Loans and receivables						
Loans to local authorities	7,801	2,045	6,525	1,256	-	9,826
Deposits with credit institutions	40,842	68,928	20,157	-	-	89,085
Insurance assets	117	29	65	24	-	118
Reinsurance assets						
Claims outstanding	55,080	21,481	23,850	9,694	-	55,025
Debtors	11,264	11,264	-	-	-	11,264
Other receivables	66	66	-	-	-	66
Cash and cash equivalents	60,086	15	-	-	-	15
Total	**1,284,767**	**149,888**	**544,088**	**400,534**	**191,774**	**1,286,284**
Financial liabilities						
Insurance contract liabilities						
Claims outstanding	625,103	168,778	338,181	117,519		624,478
Derivative financial instruments	93	93	-	-	-	93
Insurance payables	9,777	9,777	-	-	-	9,777
Trade and other payables	21,284	21,373	-	-	-	21,373
Accruals	2,335	2,335	-	-	-	2,335
Total	**658,592**	**202,356**	**338,181**	**117,519**	**-**	**658,056**

C.5 Operational Risk

Operational risk arises from inadequate or failed internal processes, from personnel and systems, or from external events. Operational risk includes legal and regulatory compliance risk but excludes strategic and reputational risk. In particular, the company's operational risk includes outsourcing risks, including bankruptcy of the service providers, disruption of services and failure to achieve standards.

Risk Exposure

The company regularly reviews all major operational risks. The Risk Committee reviews the risk assessment to ensure that all operational risks are identified and evaluated for recommendation to the Board. Each operational risk is assessed by considering the potential impact and the likelihood of the event occurring. The effectiveness of internal controls on controlling operational risk is also measured.

Compliance monitoring is carried out on an ongoing basis, according to an annual compliance plan which is approved by the Audit Committee and recommended to the Board.

Internal audits are carried out on a continuous basis, in accordance with a rolling internal audit plan approved by the Audit Committee. The internal audit findings are updated on a monthly basis and circulated to the Board.

Risk Mitigation

The company has a Business Continuity Plan that considers the end-to-end operational resilience of critical services and for the restoration of functions should critical business processes be disrupted. This Business Continuity Plan is reviewed semi-annually by internal management for its continued effectiveness. As required, any changes to the plan are reviewed and approved by the Risk Committee.

The company outsources certain functions to service providers. Outsourced arrangements are governed by the company's Vendor Management Framework and Policy, in line with its Outsourcing Strategy, as well as service level agreements. Service providers are required to adhere to company policy. Service providers are subject to detailed reporting requirements.

Operational Resilience

Operational resilience is the ability of IPB to identify and prepare, respond and adapt and recover and learn from disruptions, including internal and external events that could threaten its ability to deliver critical services to its members/customers, maintain its reputation, or protect the interests of its stakeholders. IPB's Operational Resilience Framework is designed to help the Company prepare for, respond to, and recover from disruptions providing a structured and coordinated approach to managing risks and maintaining operational resilience, which is critical for the long-term success of the company and for protecting the interests of its stakeholders. The Business Continuity Framework is fully integrated to and represents a fundamental pillar (respond & adapt) of IPB's Operational Resilience Framework. The company's operational resilience has been enhanced with the implementation of the requirements of Digital Operational Resilience Act ("DORA") in preparation for its effective date in January 2025 .

C.6 Other Material Risks

Other risks to which the company is exposed include strategic risk, reputational risk, conduct risk and cyber risk.

Strategic Risk

Strategic risk arises from ineffective business strategies, failure to implement business strategies and unanticipated changes in the business environment.

The company takes its strategic direction from the Board that monitors progress against the business plan which is reviewed annually and is subject to Board approval. The company monitors changes in the business environment and considers their impact on the business. The company also considers the implications that changes in the operating model might have for the quality and efficiency of engagement with Members and other policyholders. Other strategic considerations relate to the efficient use of capital and the company's ability to raise capital in the medium-to-long-term.

Reputational Risk

Reputational risk arises from negative perception of the business amongst Members, customers, the Central Bank, counterparties, business partners and other stakeholders. The company actively manages all sources of reputational risk through its core strategy which is approved by the Board.

Conduct Risk

Conduct risk is the risk the company poses to its customers from its direct interaction with them. Conduct risk recognises the risks that can stem from the company's strategy, business model, culture, governance and other internal structures as well as its systems and processes. In IPB this may occur through product design, sales/claims practices and behaviours of individuals at any level within the company. Conduct risk is managed in the company through adhering to all applicable laws and regulations, as well as relevant internal policies and procedures. In addition, there is a clear articulation and embedding of company values and behaviours.

Cyber Risk

Cyber risk is a risk that continues to emerge as a significant threat to insurance companies. The recent advances in Generative Artificial Intelligence (AI) creates new opportunities in business efficiency and customer service. However, these also lead to increased risk in Cyber Security. The company has a responsibility to ensure that it has made every effort to secure the data on its network and to ensure that the systems it utilises are secure and reliable so that it may best serve its Members and clients. IPB has in place an established Information Security Framework that details the roles, responsibilities and governance structure put in place by the company to support its information security objectives as well as the policies, procedures and standards that are in force in the company.

Geopolitical Risk

The ongoing conflicts and political tensions in various parts of the world can have direct and indirect impacts on the insurance sector. For instance, international trade disruptions, fluctuations in global markets, and changes in regulatory requirements can affect the stability and predictability of the business environment and add investment volatility. IPB continuously monitor global political developments and adjust its approach to risk management to mitigate these uncertainties and safeguard its operations including its investment portfolio. The top geopolitical risks for Irish businesses currently include economic uncertainty created by protectionist trade policies, geopolitical instability, and regulatory changes. The potential introduction of tariffs and other barriers to trade is a significant risk, including scenarios where geopolitical tensions disrupt supply chains, reduce economic growth, and continue to prop up inflation.

Climate change and Sustainability

The company is committed to undertaking its activities in a sustainable manner. The company will continue to do this by evolving our risk identification, assessment and management through proactive monitoring and mitigation of threats and opportunities associated with the Environmental, Social and Governance issues facing the company as well as our stakeholders. As a mutual insurer, our purpose is to safeguard and protect the insurable interests of our Members. The company understands that it has a responsibility to ensure the long-term sustainability of our strategic business and operational activities thus Sustainability permeates all attributes, disciplines and focus areas of Risk Management.

Sustainability and ESG Factors have become a key consideration for all organisations, including our Members, and IPB is no different in this respect. Society expects that Sustainability and ESG factors are central to how companies operate and reflected in the decisions that they make. Our Members, as public bodies, have a pivotal role to play in the decarbonisation transition. As their mutual insurer, we will support our Members and the communities which they serve during this transition.

In 2023 we launched our second Sustainability Strategy, for the period 2023-2026. The Sustainability Strategy, which is aligned with the United Nations Environment Programme (UNEP), is a key priority for

IPB. In 2024, our focus was on embedding the strategy. Central to this was the progression of key performance indicators (KPIs). These enable us to measure the effective implementation of the Strategy in the coming years and to provide the Board and its subcommittees with the required visibility to progress in achieving our Sustainability objectives. Our KPIs cross all six of our sustainability commitments and many of our targets were reached in 2024.

Significant achievements were made across all six of our sustainability commitments but most notably we have set a Net Zero target for our greenhouse gas emissions. This is an important step in our climate transition planning work. A key focus in 2024 was preparation for sustainability regulatory reporting requirements for the Corporate Sustainability Reporting Directive (CSRD) and this will be a continued and evolving focus in 2025. IPB will continue to embed and deliver on its long-term strategic goals including a commitment to be a responsible and sustainable insurer, a commitment to responsible investment and a commitment to provide responsible operations.

C.7 Risk Sensitivity Analysis

The tables below provide sensitivity analysis on the company's key risks as per the financial statements. The impact of a change in a single factor is shown with other assumptions left unchanged for each of the risk types.

Risk	Risk methods and assumptions used in preparing the sensitivity analysis
Underwriting risk	The impact of an increase in net loss ratios for general insurance business by 5%.
Currency risk	The impact of a change in foreign exchange rates by ± 10%.
Interest rate risk	The impact of a change in the yield curve on IPB's fixed interest portfolio by 100 basis points and negative 25 basis points. The stress excludes the impact of the change in cashflows from floating rate notes. The underlying yield curve is based on prevailing swap rates as at year end 2023.
Equity risk	The impact of a change in equity market values by ±10%.

These sensitivity factors have the following impacts on profit before tax and equity:

Sensitivity analysis **Impact on profit before tax**		**2024** **€'000**	**2023** **€'000**
Underwriting risk	5.00%	(6,571)	(6,339)
Currency risk	10.00%	2,140	1,037
Currency risk	-10.00%	(2,140)	(1,037)
Interest rate risk	1.00%	(43,543)	(27,755)
Interest rate risk	-0.25%	35,149	23,654
Equity risk	10.00%	20,590	18,912
Equity risk	-10.00%	(20,590)	(18,912)

Sensitivity analysis **Impact on equity**		**2024** **€'000**	**2023** **€'000**
Underwriting risk	5.00%	(5,750)	(5,547)
Currency risk	10.00%	1,873	907
Currency risk	-10.00%	(1,873)	(907)
Interest rates	1.00%	(38,100)	(24,286)
Interest rates	-0.25%	30,755	20,697
Equity risk	10.00%	18,016	16,548
Equity risk	-10.00%	(18,016)	(16,548)

During the year, the material risks of the business were also subject to a wide range of stress and scenario tests in order to provide an adequate basis for the assessment of the overall solvency needs of the company over its business planning horizon. Stress and scenario testing and related analysis were conducted in line with the ORSA Policy and the results of the tests contained in the Risk Report as well as the full ORSA report which was submitted to the Central Bank in December 2024. The identified stresses and scenarios were decided upon based on a number of discussions with the Board, Risk Committee and the relevant function manager.

Some of the instantaneous stresses carried out as part of the ORSA are presented in the table below. The ORSA process was carried out on Q3 2024 data, however, the absolute reduction in the SCR Coverage Ratio under each scenario would not be materially different if repeated on Q4 2024 data.

The company remains well capitalised in these extreme scenarios and there is no requirement for material management actions for the company to avoid breaching the SCR.

Description	**Q3 2024 SCR Coverage**	**Stressed SCR Coverage**	**Reduction in SCR Coverage**
Severe Claims Deterioration	311%	135%	-176%
Insurance products not fully supported by Reinsurance	311%	162%	-149%
Inability to design & execute an appropriate strategy	311%	180%	-131%

C.8 Dependencies between risk modules

Risk categories and specific risks are correlated to each other to a greater or lesser extent. Risks are correlated where an unfavourable outcome in one risk tends to be accompanied by an unfavourable outcome in another risk. For example, equity risk and property risk are correlated in the sense that a fall in property values can often be accompanied by a fall in equity values.

Risks have little correlation where it is unlikely that both risks will experience an unfavourable outcome at the same time. Such risks are said to be largely uncorrelated or independent.

The result is a ‘diversification benefit’. For example, lapse risk may be somewhat independent of premium risk as lapse rates are unlikely to increase when premium rates are inadequate.

As the same capital resources are used to manage many different sources of risk, it is necessary to manage risk as a portfolio. An isolated change in risk in one part of a portfolio will also influence the capital required to finance other risks due to correlations. Consequently, it is necessary to explicitly model the correlations between risks. The quantification of correlations is highly uncertain and the capital model relies on the ‘dependency structure’ defined in the Solvency II Standard Formula Technical Specification.

The company’s Risk Report includes quantification of the diversification benefits assumed in the capital model and the appropriateness of this is tested on an annual basis as part of the ORSA process.

C.9 Any other information

The company does not use any special purpose vehicles (SPV) to transfer any of its risks.

D: Valuation for Solvency Purposes

D.1 Assets

The following table analyses the valuation of the company’s assets as at 31 December 2024 and the prior year for both Solvency II purposes and financial statements purposes.

As at 31 December 2024

Ref	Asset Category	Solvency II €'000	Financial statements €'000	Difference €'000
1	Intangible Asset	-	293	(293)
2	Deferred Tax Asset	-	165	(165)
3	Property, plant and equipment (PPE)	9,579	436	9,142
4	Investment Properties	59,289	59,000	289
5	Listed Equities	113,405	139,571	(26,166)
6	Unlisted Equities	34	-	34
7	Government Bonds	512,327	507,316	5,011
8	Corporate Bonds	450,502	456,006	(5,504)
9	Structured Notes	13,003	-	13,003
10	Collateralised Securities	7,762	7,762	-
11	Collective Investment Undertakings	84,858	58,567	26,291
12	Derivatives	90,499	2	90,497
13	Deposits	98,447	35,867	62,580
14	Loans to local authorities	3,931	3,931	(0)
15	Reinsurance Recoverable	46,696	59,417	(12,721)
16	Insurance Receivables	7,375	7,435	(60)
17	Reinsurance Receivables	2,980	2,980	-
18	Trade Receivables	2,213	2,342	(129)
19	Cash & Cash Equivalents	16,561	78,960	(62,398)
20	Other	-	12,996	(12,996)
	Total Assets	**1,519,461**	**1,433,046**	**86,415**

As at 31 December 2023

Ref	Asset Category	Solvency II €'000	Financial statements €'000	Difference €'000
1	Intangible Asset	-	332	(332)
2	Deferred Tax Asset	-	181	(181)
3	Property, plant and equipment (PPE)	10,450	457	9,993
4	Investment Properties	59,885	59,840	45
5	Listed Equities	95,909	115,500	(19,591)
6	Unlisted Equities	34	-	34
7	Government Bonds	449,765	446,424	3,342
8	Corporate Bonds	462,594	470,154	(7,560)
9	Structured Notes	12,676	-	12,676
10	Collateralised Securities	7,186	7,186	-
11	Collective Investment Undertakings	86,214	66,430	19,783
12	Derivatives	72,250	1,160	71,090
13	Deposits	79,567	40,842	38,725
14	Loans to local authorities	7,801	7,801	-
15	Reinsurance Recoverable	42,796	55,440	(12,645)
16	Insurance Receivables	7,661	7,778	(117)
17	Reinsurance Receivables	3,642	3,642	-
18	Trade Receivables	4,773	4,971	(198)
19	Cash & Cash Equivalents	21,460	60,086	(38,626)
20	Other	-	10,379	(10,379)
	Total Assets	**1,424,664**	**1,358,604**	**66,060**

Description of the basis, methods and assumptions used for valuation:

Ref	Asset Category	Solvency II	Financial statements
1	Intangible Asset	The company's intangible assets comprise of IT software that does not meet the criteria under Solvency II valuation rules, i.e. it cannot be sold separately and there is not a quoted market price in an active market for the same or similar intangible assets. Therefore, the company's intangible assets are valued at zero under Solvency II.	In the Irish GAAP financial statements the intangible assets are valued at cost less accumulated amortisation and accumulated impairment losses.
2	Deferred Tax Asset	For the company, the difference between the deferred tax asset in the Financial Statements and the deferred tax liability created under Solvency II pertains to the deferred tax on the changes in valuation in moving from Irish GAAP to Solvency II. That is, it is largely driven by the reduction in the (net) technical provisions under Solvency II. This would result in an instantaneous profit, which would incur corporation tax at 12.5%.	Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.
3	Property, plant and equipment (PPE)	Under Solvency II, the valuation of PPE is based on the core principle in the directive "assets shall be valued at the amount for which they could be exchanged between knowledgeable willing parties in an arm's length transaction". As the company's PPE mainly relates to leasehold improvements, and IT assets (except for the Right of Use Asset), it is considered unlikely that these would have any significant resale value in an arm's length transaction. Therefore, a zero value is considered the most prudent for these. In terms of the Right of Use Asset, as the cost less depreciation model is prohibited under Solvency II, the value of the lease liability is deemed a reasonable proxy for the fair value.	In the financial statements, the company uses the cost model to value PPE, i.e. cost less any accumulated depreciation and accumulated impairment losses.

4	Investment properties	Market Valuations are carried out on our investment properties at each year end by the property managing agents using the RICS (Royal Institute of Chartered Surveyors) Valuation – Professional Standards. Every three years a full red book valuation is carried out. On an annual basis, desk-based valuations are carried out and valuation certificates are issued. This is consistent with the Solvency II valuation principles. The Solvency II value also includes any accrued rental income, i.e. market value plus accrued income.	The same valuation method is applied to the financial statements; - however, accrued income is not included in the valuation. Accrued income is shown as a separate line item ("other" as shown in valuation table above) in the financial statements.
5	Listed Equities	Under Solvency II, in accordance with Article 75 of the Directive, assets shall be valued at the amount for which they could be exchanged between knowledgeable willing parties in an arm's length transaction. The Solvency II Valuation principles are consistent with that of Irish GAAP, however, the Solvency II value also includes accrued income, i.e. market value plus accrued income. Note: Preference shares are included as equities under Solvency II. Exchange traded funds (ETFs) and collateralised securities are excluded.	Under Irish GAAP, financial assets are measured at fair value through the profit or loss based on quoted (unadjusted) prices in active markets. For financial assets not traded in an active market, the fair value is determined using appropriate valuation methods. Accrued income is shown as a separate line item ("other" as shown in valuation table above) in the financial statements. Dividend withholding tax recoverable is shown as trade receivable under Irish GAAP.
6	Unlisted Equities	Under Solvency II, in accordance with Article 75 of the Directive, assets shall be valued at the amount for which they could be exchanged between knowledgeable willing parties in an arm's length transaction. The Solvency II Valuation principles are consistent with that of Irish GAAP, however, the Solvency II value also includes accrued income, i.e. market value plus accrued income.	Under Irish GAAP, financial assets are measured at fair value through the profit or loss based on quoted (unadjusted) prices in active markets. For financial assets not traded in an active market, the fair value is determined using appropriate valuation methods. Accrued income is shown as a separate line item ("other" as shown in valuation table above) in the financial statements.
7	Government Bonds	Under Solvency II, in accordance with Article 75 of the Directive, assets shall be valued at the amount for which they could be exchanged between knowledgeable willing parties in an arm's length transaction.	Under Irish GAAP, financial assets are measured at fair value through the profit or loss based on quoted (unadjusted) prices in active markets. For financial assets not traded in an active market, the fair value is determined using appropriate valuation methods.

		The Solvency II Valuation principles are consistent with that of Irish GAAP, however, the Solvency II value also includes accrued income, i.e. market value plus accrued income.	Accrued income is shown as a separate line item (“other” as shown in valuation table above) in the financial statements.
8	Corporate Bonds	Under Solvency II, in accordance with Article 75 of the Directive, assets shall be valued at the amount for which they could be exchanged between knowledgeable willing parties in an arm’s length transaction. The Solvency II Valuation principles are consistent with that of Irish GAAP, however, the Solvency II value also includes accrued income, i.e. market value plus accrued income.	Under Irish GAAP, financial assets are measured at fair value through the profit or loss based on quoted (unadjusted) prices in active markets. For financial assets not traded in an active market, the fair value is determined using appropriate valuation methods. Accrued income is shown as a separate line item (“other” as shown in valuation table above) in the financial statements. Note: Preference shares are classified as corporate bonds under Irish GAAP.
9	Collateralised Securities	Under Solvency II, in accordance with Article 75 of the Directive, assets shall be valued at the amount for which they could be exchanged between knowledgeable willing parties in an arm’s length transaction. The Solvency II Valuation principles are consistent with that of Irish GAAP, however, the Solvency II value also includes accrued income, i.e. market value plus accrued income.	Under Irish GAAP, financial assets are measured at fair value through the profit or loss based on quoted (unadjusted) prices in active markets. For financial assets not traded in an active market, the fair value is determined using appropriate valuation methods. Accrued income is shown as a separate line item (“other” as shown in valuation table above) in the financial statements. Note: Collateralised securities are classified as equity securities in the financial statements.
10	Collective Investment Undertakings	Under Solvency II, in accordance with Article 75 of the Directive, assets shall be valued at the amount for which they could be exchanged between knowledgeable willing parties in an arm’s length transaction. The Solvency II Valuation principles are consistent with that of Irish GAAP, however, the Solvency II value also includes accrued income, i.e. market value plus accrued income. Exchange traded funds (ETFs) are included in this category under Solvency II.	Under Irish GAAP, financial assets are measured at fair value through the profit or loss based on quoted (unadjusted) prices in active markets. For financial assets not traded in an active market, the fair value is determined using appropriate valuation methods. Accrued income is shown as a separate line item (“other” as shown in valuation table above) in the financial statements. Note: ETFs are classified as equity securities in the financial statements.

11	Derivatives	Under Solvency II, derivative financial instruments are measured at the gross fair value as at the reporting date. The company's derivative financial instruments relate to forward currency contracts. All forward sales are shown as assets and all forward purchases are shown as liabilities.	Under Irish GAAP, derivatives are initially measured at fair value on the date the contract is entered into, and subsequently re-measured at fair value at the reporting date. Each derivative is carried as a financial asset when the fair value is higher than the value at inception and as a financial liability when the fair value is lower than the value at inception.
12	Deposits	Under Solvency II, this relates to deposits other than cash and cash equivalents that cannot be used to make payments until after the fixed term maturity date. All fixed term deposits, regardless of their term, are included here.	Under Irish GAAP, deposits classified as "loans and receivables" relate to deposits with a fixed term of greater than 3 months. Deposits with a fixed term of 3 months or less are included in "cash and cash equivalents".
		Under Solvency II, Article 16 (1) of the Delegated Regulations states that insurance and reinsurance undertakings shall not value financial assets or financial liabilities at cost or amortised cost. Such assets are valued at the amount for which they could be exchanged between knowledgeable willing parties in an arm's length transaction.	Under Irish GAAP "loans and receivables" are subsequently measured at amortised cost using the effective interest rate.
		Accrued income is also included in the Solvency II value.	Accrued income is shown as a separate line item ("other" as shown in valuation table above) in the financial statements.
13	Loans to local authorities	Under Solvency II, Article 16 (1) of the Delegated Regulations states that insurance and reinsurance undertakings shall not value financial assets or financial liabilities at cost or amortised cost. Such assets are valued at the amount for which they could be exchanged between knowledgeable willing parties in an arm's length transaction.	Under Irish GAAP, loans to Local Authorities are classified as "loans and receivables" and are subsequently measured at amortised cost using the effective interest rate. However, as loan repayments fall due at year end, there is no difference between the valuation under Solvency II and under Irish GAAP at year end, despite the valuation basis or method being different.
14	Reinsurance Recoverable	Under Solvency II, the technical reserves are discounted. Additional margins for uncertainty are excluded from the Solvency II technical provisions valuation.	In the financial statements technical reserves are undiscounted. In addition, the claims reserves in the financial statements include additional margins for uncertainty pertaining to loadings for reduction in the

			discount rate and the introduction of Periodic Payment Orders (PPOs) as well as a loading representing a general provision for changes in the claims environment.
15	Insurance Receivables	Insurance receivables relates to insurance debtors only measured at their carrying value as at the reporting date. Under Solvency II rules 'provision for recoverable retro premium' is reclassified out of assets to be recognised as a cash inflow offsetting the Best Estimate Technical Provision in liabilities. The valuation of these cash inflows has changed to a discounted basis consistent with the cash outflows and in line with Solvency II valuation principles.	In the Irish GAAP financial statements a provision for premium adjustments for retrospectively rated policies is recognised when provision is made for related losses. The valuation basis for insurance debtors, on the other hand, is consistent with the Solvency II valuation principles and therefore, no valuation difference arises.
16	Reinsurance Receivables	Insurance receivables relates to reinsurance debtors, measured at their carrying value as at the reporting date.	In the Irish GAAP financial statements, the valuation basis is consistent with the Solvency II valuation principles and therefore, no valuation difference arises.
17	Trade Receivables	Trade receivables are measured at their carrying value as at the reporting date. Dividend withholding tax recoverable is included in the valuation of assets under Solvency II.	Dividend withholding tax recoverable is included as a trade receivable under Irish GAAP – this is the only valuation difference arising.
18	Cash & Cash Equivalents	Under Solvency II, cash and cash equivalents relates to cash at bank only (i.e. current accounts and call accounts). Accrued income is also included in the Solvency II valuation.	In the Irish GAAP financial statements, cash and cash equivalents include cash at bank (i.e. current and call accounts), together with, deposits with a fixed term of 3 months or less. Accrued income is shown as a separate line item in the Irish GAAP financial statements.

Leasing Arrangements

The company's only leasing arrangements relate to its office premises at 1 Grand Canal Square and some office equipment used on a day-to-day operating basis that are leased and are valued at fair value in the Solvency II balance sheet.

Related Undertakings

The company does not have any holdings in related undertakings or participations.

Criteria used to assess whether markets are active

The company assesses if a market is active by reference to Bloomberg data sources and consultation with external stockbrokers. If markets are deemed inactive, the quoted price for similar assets in an active market is applied where possible. If recent transactions of a similar asset on its own is not a good estimate of fair value, the fair value is estimated by using a valuation technique. The objective of using a valuation technique is to estimate what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations. In instances where companies have gone into liquidation and their shares have been delisted from a stock exchange, the company's Head of Investments took a decision based on market knowledge and experience to write down the value of the shares to a flat level, pending the results of the liquidation process. Other than in this regard, no other estimation uncertainty exists in respect of the valuation of the company's investment assets.

D.2 Technical Provisions

The company's business is written on both claims made and losses occurring bases. Where "policy year" is referred to this is taken to be the notification year for claims made business and the accident year for losses occurring business. The following tables summarises the value of technical provisions on both gross and net bases.

Value of Technical Provisions

Gross Technical Provisions

IPB Gross Technical Provisions - €'000s 2024	**Claims Provision**	**Premium Provision**	**Risk Margin**	**Total Technical Provisions**
Medical Expenses	215	43	22	279
Income Protection	761	152	77	989
Motor Vehicle Liability	8,644	504	766	9,914
Other Motor	5,762	336	511	6,609
Marine Aviation and Transport	231	24	21	276
Fire / Property	34,037	4,381	1,674	40,092
General Liability	445,991	7,475	35,943	489,409
Legal Expenses	1,063	17	91	1,171
Totals	**496,702**	**12,931**	**39,105**	**548,739**

IPB Gross Technical Provisions - €'000s 2023	Claims Provision	Premium Provision	Risk Margin	Total Technical Provisions
Medical Expenses	199	28	16	242
Income Protection	794	112	63	970
Motor Vehicle Liability	9,179	666	682	10,527
Other Motor	3,934	286	292	4,511
Marine Aviation and Transport	422	35	32	489
Fire / Property	30,992	3,248	1,198	35,439
General Liability	457,367	9,851	30,894	498,112
Legal Expenses	937	40	68	1,046
Totals	**503,824**	**14,267**	**33,245**	**551,336**

Net Technical Provisions

IPB Net Technical Provisions - €'000s 2024	Claims Provision	Premium Provision	Risk Margin	Total Technical Provisions
Medical Expenses	215	43	22	279
Income Protection	761	152	77	989
Motor Vehicle Liability	8,574	495	766	9,835
Other Motor	5,716	330	511	6,557
Marine Aviation and Transport	231	24	21	276
Fire / Property	13,221	6,594	1,674	21,488
General Liability	418,409	7,095	35,943	461,447
Legal Expenses	1,064	17	91	1,172
Totals	**448,189**	**14,749**	**39,105**	**502,043**

IPB Net Technical Provisions - €'000s 2023	Claims Provision	Premium Provision	Risk Margin	Total Technical Provisions
Medical Expenses	198	28	16	242
Income Protection	792	112	63	967
Motor Vehicle Liability	9,104	641	682	10,427
Other Motor	3,902	275	292	4,469
Marine Aviation and Transport	422	35	32	489
Fire / Property	11,400	5,731	1,198	18,329
General Liability	432,284	9,394	30,894	472,572
Legal Expenses	937	40	68	1,046
Totals	**459,039**	**16,257**	**33,245**	**508,540**

Methods used to calculate technical provisions

The company uses a combination of actuarial methods to value technical provisions. The basis of the technical provisions are undiscounted gross reserves. For policy years where no further development is expected, the reserves are set equal to the case estimates present in that year. For other policy years where further development is expected, but there is sufficient incurred experience to be credible, chain-ladder methods are used to model the full future path of incurred claims.

For recent policy years there may not be enough incurred data to fully rely on. In this case development methods are weighted in with other methods that place initial estimates of ultimate claims on either loss ratios, or as a cost per unit exposure. Expected amounts are calculated by considering the statistic for prior years. Another method considered for recent years is the average cost per claim method – where claim numbers are multiplied by expected average ultimate costs.

The company uses premium and population, where appropriate, as an exposure measure. Typical measures of exposure such as turnover are not deemed to be a good measure of risk in its core business.

Estimates based on paid claims are also calculated, but usually do not form the basis of reserve selections as there is a long delay between claim notification and payment for much of the company's business which is dominated by liability lines.

For most classes, net of reinsurance claims are calculated by considering the average percentage recovered from reinsurance, allowing for changes in the reinsurance program. Recovery amounts are a small portion of gross liabilities and previous years provide a good benchmark for the rate of future reinsurance recoveries. The exception to this is Property that has a more extensive reinsurance programme, for which the same methods as described for calculating gross claims are also considered in valuing the net position.

Gross and net claims are discounted by considering the expected payment profile of claims over time, and discounting using risk free yield curves provided by EIOPA.

The risk margin is calculated using a modified Solvency Capital Requirement as specified by EIOPA. This is projected to develop over time in line with best estimate net technical provisions.

The following items defined in the Solvency II legislation are not relevant to the company regarding technical provisions:

- The company does not apply the matching adjustment.
- The company does not use the volatility adjustment.
- The company does not use transitional methods on the risk-free interest rate term structure.
- The company does not apply any transitional deductions.

Considerations by Line of Business

Medical Expenses and Income Protection

The company writes modest volumes of Personal Accident business that involves both medical expenses and income protection coverage. Historically, claims were not split between those two elements, and so these are modelled in aggregate.

Motor Vehicle Liability and Other Motor

The company writes modest volumes of motor business. Injury and damage claims are modelled separately.

Marine Aviation and Transport

The company writes only a very small amount of marine business.

Fire / Property

The company's property account contains a mix of exposures including covering council buildings and council owned social housing. Due to the higher volume of reinsurance recoveries in this class, methods used to calculate gross reserves are similarly applied in the calculation of net reserves.

General Liability

This is by far the company's largest class and contains a number of different exposures within it. The predominant lines are Public Liability and Employers Liability, and the valuation of these lines have been further split by coverage type, claim type and type of insured. The company also writes a small amount of Professional Indemnity, Cyber and Crime, which are included in this class.

Legal Expenses

The company writes some Criminal Defence policies that are mainly valued using loss ratio methods as limited claims experience exists.

Other Items

Claims handling expenses have been estimated as a percentage of future reserves by considering the historic ratio of claims handling expenses to claims payments.

Provisions relating to unearned premiums have been calculated by considering expected loss ratios by line of business and applying those to unearned premiums.

Description of the level of uncertainty

The classes of business written by the company give rise to a significant degree of uncertainty concerning the ultimate cost of claims. Uncertainty arises for the following reasons in respect of most of the policies written by the company:

- Whether an event has occurred that would give rise to a policyholder suffering an insured loss.
- The extent of policy coverage and limits applicable.
- The amount of insured loss suffered by the policyholder.
- The timing of a settlement to the policyholder.
- The costs associated with handling claims.

Estimates must be made both for the expected cost of claims reported at the reporting date and for the expected ultimate cost of claims incurred but not yet reported (IBNR) at the reporting date. It can take a significant period of time before the ultimate claims cost can be determined with certainty.

The company uses estimation techniques, based on statistical analysis of past experience and future estimates, to calculate a range of estimated cost of claims outstanding at the reporting date, which is subjected to sensitivity analysis. These techniques take into account the characteristics of the company's business.

The company makes assumptions on a number of economic and non-economic factors in the calculation of technical provisions. Some of these assumptions are explicit while others are implicitly made when projecting ultimate claims costs. Significant sources of economic uncertainty include:

- Many of the methods used to estimate technical provisions implicitly assume future inflation follows historical inflation. In this case, and in methods where there is an explicit inflation assumption, there is a risk that actual inflation deviates from the assumed level. A specific provision has been put in place at year end to allow for inflation in excess of historical levels. This provision pays particular attention to the recent draft amendment to the Personal Injury Guidelines which proposes a 16.7% increase in awards.

- Potential future changes in the discount rate – A public consultation on the setting of the discount rate was launched in 2020. In July 2024, the Discount Rate Expert Working Group established by the Minister of Justice published a report proposing no change in the discount rate, i.e. the discount rate would remain at 1% for future care costs and 1.5% for other pecuniary losses. As a result, a specific provision for a potential change in discount rate is no longer held at year-end 2024.

- Potential for a PPO to be awarded – In July 2024, the PPO working group established by the Minister for Justice published their report which recommended a change to the rate at which PPO's are indexed, i.e. from 100% Harmonised Index of Consumer Prices ("HICP") to 20% HICP + 80% average Annual Rate of Change in nominal hourly health earnings. Given this development, it is felt that there is an increased propensity for a PPO to be awarded. As a result, a specific provision for the potential for a PPO to be awarded is held at year-end 2024.

There are also non-economic factors that impact the technical provisions, these include:

- Changes in claims development pattern – Methods underlying the calculation of technical provisions project future claim development based on historical development. Potential change in this claim development is a significant source of uncertainty and may arise from changes in internal process or changes in mix of business which could affect future development. COVID-19 also had a distorting effect on the development of existing claims, and this required adjustments to be made to actuarial development factor models.

- Revised Personal Injuries Guidelines - revised personal injuries guidelines were adopted by the Judicial Council on 6 March 2021. Following the required 3 year review of the guidelines, a draft amendment to the "PIGs" was published in December 2024 which proposed a 16.7% increase in awards. This proposal is currently under review by the Minister for Justice. The impact of this proposal has been considered in the inflation provision.

- Emergence of latent claims – There is a potential for the emergence of a new type of claim which is currently not present in company data. Due to the nature of its business the company is exposed to aggregations of claims as the business is concentrated by policyholder type, geographical locations, risk exposures and other factors.

Valuation basis, method and assumption differences used for Irish GAAP financial statements

For all lines of business, the best estimate undiscounted Irish GAAP reserves form the basis of the Solvency II technical provisions. These are then discounted as per Solvency II valuation guidelines.

The main difference to the Irish GAAP financial statements is the inclusion of margins for uncertainty within the Irish GAAP financial statements.

Under Solvency II regulation a risk margin is held in addition to the best estimate liabilities. The €39.1 million risk margin is calculated using the cost of capital approach specified in the regulation.

The financial statements also include a provision of €0.5 million (plus margins and unallocated loss adjustment expenses ("ULAE") in respect of the MIBI levy for the year within the insurance reserves. Under Solvency II MIBI provisions are excluded from the technical provisions, and instead included within "Other Liabilities".

The following tables provides a reconciliation between the technical provisions as per the Irish GAAP financial statements and the technical provisions for Solvency II purposes as at 31 December 2024.

2024	Gross of Reinsurance €'000	Net of Reinsurance €'000
Reserves in Financial Statements	**637,548**	**578,131**
Exclude MIBI & margins	(500)	(500)
Reserves excluding MIBI	637,048	577,631
Exclude UPR	(23,351)	(23,079)
Add Undiscounted Premium Provision (excluding retro premium)	14,190	16,036
Exclude Margin for Uncertainty	(83,159)	(75,444)
Total Undiscounted Reserves	544,728	495,144
Discounting	(35,094)	(32,206)
Discounted Best Estimate Provisions	509,634	462,938
Retro Asset	-	-
Technical Provisions Excluding Risk Margin	509,634	462,938
Risk Margin	39,105	39,105
Total Technical Provisions	**548,739**	**502,043**

Refer to Appendix 3 for the S.17.01.02 Non-Life Technical Provisions Template.

The decrease in technical provisions can be attributed to a decrease in the net best estimate claims provisions. This is attributable to many factors, including the revised Personal Injuries Guidelines.

D.3 Other Liabilities

The following table analyses the valuation of the company's other liabilities as at 31 December 2024 for both Solvency II purposes and financial statements purposes.

As at 31 December 2024

Ref	Liability Category	Solvency II €'000	Financial statements €'000	Difference €'000
1	Provisions other than technical provisions	500	500	-
2	Deferred Tax Liabilities	9,187	-	9,187
3	Derivatives	92,717	2,220	90,497
4	Debts owed to credit institutions	9,579	-	9,579
5	Insurance Payables	6,056	6,056	-
6	Reinsurance Payables	2,759	2,759	-
7	Trade Payables	8,099	8,099	-
8	Any other liabilities	39,835	39,835	-
	Total other liabilities	**168,731**	**59,469**	**109,263**

As at 31 December 2023

Ref	Liability Category	Solvency II €'000	Financial statements €'000	Difference €'000
1	Provisions other than technical provisions	500	500	-
2	Deferred Tax Liabilities	10,414	-	10,414
3	Derivatives	71,182	93	71,090
4	Debts owed to credit institutions	10,450	-	10,450
5	Insurance Payables	6,148	6,148	-
6	Reinsurance Payables	5,319	5,319	-
7	Trade Payables	7,730	7,730	-
8	Any other liabilities	4,200	14,200	(10,000)
	Total other liabilities	**115,943**	**33,989**	**81,954**

Description of the basis, methods and assumptions used for valuation:

Ref	Liability Category	Solvency II	Financial statements
1	Provisions other than technical provisions	Other provisions relate to the company's share of potential provisions of the Motor Insurers' Bureau of Ireland, measured at its carrying value at the reporting date.	In the Irish GAAP financial statements, the valuation basis is consistent with the Solvency II valuation principles and therefore, no valuation difference arises.
2	Deferred Tax Liabilities	For the company, the difference between the deferred tax asset in the Irish GAAP financial statements and the deferred tax liability created under Solvency II pertains to the deferred tax on the changes in valuation in moving from Irish GAAP to Solvency II. That is, it is largely driven by the reduction in the (net) technical provisions under Solvency II. This would result in an instantaneous profit, which would incur corporation tax at 12.5%.	A deferred tax asset as opposed to a deferred tax liability is shown in the Irish GAAP financial statements as described above in the asset category section.

3	Derivatives	Under Solvency II, derivative financial instruments are measured at the gross fair value as at the reporting date. The company's derivative financial instruments mainly relate to forward currency contracts. All forward sales are shown as assets and all forward purchases are shown as liabilities.	Under Irish GAAP, derivatives are initially measured at fair value on the date the contract is entered into, and subsequently re-measured at fair value at the reporting date. Each derivative is carried as a financial asset when the fair value is positive and as a financial liability when the fair value is negative.
4	Debts owed to credit institutions	Overdrawn cash balances are shown as a liability.	The total cash balance is shown, any overdrawn accounts are not removed and shown separately.
5	Insurance Payables	Insurance payables relates to insurance creditors, measured at their carrying value as at the reporting date.	In the GAAP financial statements, the valuation basis is consistent with the Solvency II valuation principles and therefore, no valuation difference arises.
6	Reinsurance Payables	Insurance payables relates to reinsurance creditors, measured at their carrying value as at the reporting date.	In the Irish GAAP financial statements, the valuation basis is consistent with the Solvency II valuation principles and therefore, no valuation difference arises.
7	Trade Payables	Trade payables are measured at their carrying value as at the reporting date.	In the Irish GAAP financial statements, the valuation basis is consistent with the Solvency II valuation principles and therefore, no valuation difference arises.
8	Any other liabilities	Other liabilities are measured at their carrying value as at the reporting date.	In the Irish GAAP financial statements, the valuation basis is consistent with the Solvency II valuation principles and therefore, no valuation difference arises.

Refer to Appendix 4 for the S.02.01.02 Solvency II Balance Sheet Template.

Material Contingent Liabilities

The company does not have any other material contingent liabilities and provisions other than technical provisions.

Employee Benefits

The company had the following employee benefit obligations as at 31 December 2024:

	2024 €'000	2023 €'000
Salaries Payable	4,218	3,916
Trade Union Subscriptions Payable	-	-
Pension Payable	227	203
Social Committee Fund	11	9
Holiday Pay Accrual	265	276
Total short-term employee benefit obligations	**4,721**	**4,404**

The company does not have any defined benefit plans and contributes only to defined contribution pension schemes.

D.4 Alternative Methods for Valuation

The company uses alternative valuation methods in accordance with Article 10 (5) when valuing a small portion of its investment assets. These alternative valuation methods include the following:

- ***Quoted prices for identical or similar assets or liabilities in markets that are not active*** – This method is applied to assets that have a quoted price but the asset is illiquid and does not trade often. The company can support the rationale for this valuation approach as the quoted prices applied are for assets with similar characteristics, for example, same instrument type, same credit rating and same ultimate guarantor.

- ***Market-corroborated inputs, which may not be directly observable, but are based on or supported by observable market data*** – This method is applied to assets such as our investment properties and real estate funds.
  Market valuations are carried out each year on our investment properties by the property managing agents using the RICS (Royal Institute of Chartered Surveyors) Valuation – Professional Standards. Every three years a full red book valuation is carried out on each property. On an annual basis, desk-based valuations are carried out and valuation certificates are issued. The company can justify this valuation approach as it is independent and supported by observable market data.
  With regards to our real estate funds, the fund managers carry out a desk-based valuation on a monthly basis. Again, the company can justify this valuation approach as it is independent and supported by observable market data.
- ***Unobservable inputs reflecting the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk*** – This method is applied in cases where securities are in liquidation or carried at amortised cost.

The company assesses the adequacy of the use of the above methods on an annual basis through discussions with our investment custodian and external audit review.

E: Capital Management

E.1 Own Funds

The company has a simple capital structure made up of retained earnings only. As at 31 December 2024, the company's eligible amount of own funds to cover the SCR and MCR stood at €802 million (2023: €747.4 million) and was comprised entirely of Tier 1 Basic Own Funds. The company manages its capital requirements according to the Capital Management Policy and by assessing its required solvency margins on a regular basis. The Board review the capital structure of the company on an on-going basis to determine the appropriate level of capital required to pursue the business strategy.

The company uses the Solvency II Standard Formula to quantify risk in the business and its appropriateness is regularly assessed. The Standard Formula is also used to quantify the capital impact of key events and key management actions. It is also used to analyse the change in risk profile from one quarter to the next. The company assesses the significance with which the risk profile deviates from the key assumptions and parameters underlying the SCR. Conceptually, the company estimates Economic Capital from:

- Regulatory Capital.
- An allowance for deviations from Regulatory Capital.

- A consideration of non-quantified risks.

The assessment of Economic Capital also considers:

- Suitable margins above the SCR, as might be required by a target credit rating.
- Required capital for possible strategic initiatives.
- Resilience against certain stress scenarios.
- Recognition of the mutual status of the company and the challenges for capital raising.

The company's capital levels are consistent with the highest credit rating agency financial strength levels. The company has developed risk metrics to quantify the risks to which the business is exposed. A capital model is used to quantify the risks of the business taking into account diversification effects. This is done in the context of the company's Own Risk and Solvency Assessment ("ORSA"), which continues to evolve in parallel with the changing environment and industry best practice. The appropriateness of the capital model is regularly assessed. The company considers overall solvency needs including risks that are beyond the scope of the capital model. This is achieved using a range of sensitivity tests and scenario analysis that are undertaken on an annual basis and are assumed to apply over the business planning period of 3 years. The material risks of the business are subject to a wide range of stress tests in order to provide an adequate basis for the assessment of the overall solvency needs. Stress testing and related analysis are conducted in line with the ORSA Policy and the results of stress tests are contained in the Risk Report. The identified stresses are decided upon based on discussion with the relevant function manager. The company considers capital requirements and capital efficiency in the context of profitability, expenses and market position relative to peers.

The following table reconciles the difference (reconciliation reserve) between the equity in the financial statements and the basic own funds as calculated for Solvency II purposes.

	2024 €'000	**2023 €'000**
Total equity in the financial statements	**736,529**	**673,215**
Items not recognised in the financial statements		
Best estimate claims provisions	(448,189)	(459,039)
Best estimate premium provisions	(14,749)	(16,257)
Risk margin	(39,105)	(33,245)
Forseeable distribution		
Deferred tax impact	(9,352)	(10,595)
Items not recognised in the Solvency II Balance Sheet		
GAAP claims reserves	437,589	452,250
Unearned premium reserves	20,306	22,988
ULAE	44,099	42,584
Bad debt	458	338
Claims & Premiums margin of uncertainty	75,444	77,846
Inclusion of retro premium as a future cashflow	-	(1,874)
Asset valuation differences	(1,039)	(826)
Basic Own Funds under Solvency II	**801,991**	**747,385**

None of the company's own funds are subject to transitional arrangements. The company has no ancillary own funds or subordinated debt. No deductions are applied to own funds and there are no material restrictions affecting their availability and transferability.

The following table provides explanations of the key elements of the reconciliation reserve shown above.

Key element of the reconciliation reserve	Explanation
Risk Margin	The risk margin is designed to ensure that the value of technical provisions is sufficient for another insurer to take over and meet the insurance obligations. It is calculated using a modified Solvency Capital Requirement as specified by EIOPA.
Foreseeable Distributions	The foreseeable distribution is shown as zero as at year-end due to the fact that proposed dividends have been included in Other Liabilities.
Deferred Tax Liability	For the company, the difference between the deferred tax asset in the financial statements and the deferred tax liability created under Solvency II pertains to the deferred tax on the changes in valuation in moving from Irish GAAP to Solvency II. That is, it is largely driven by the reduction in the (net) technical provisions under Solvency II. This would result in an instantaneous profit, which would incur corporation tax at 12.5%.
Unearned Premium Reserves / Best Estimate Premium Provisions	Under Irish GAAP, the company is required to hold a reserve for unearned exposure that is at least equal to the unearned premium. Under Solvency II the best estimate premium provisions is a discounted best estimate. This best estimate includes an allowance for future reinsurance premium and recoveries as Solvency II requires reinsurance to be recognised consistently with the boundary of the underlying insurance contract whereas Irish GAAP recognises reinsurance from inception of the contract.
Differences between Irish GAAP liabilities and best estimate liabilities	In the Irish GAAP financial statements technical reserves are undiscounted, as compared with discounted Solvency II technical provisions.
Claims Margin of Uncertainty	Margins of uncertainty are included in the Irish GAAP financial statements. The margin of uncertainty is excluded from Solvency II technical provisions.
Asset Valuation Differences	Valuation differences relate to Property, Plant and Equipment (PPE) and Intangible Asset, both of which are valued at cost less accumulated depreciation in the Irish GAAP financial statements. The company's PPE relates to leasehold improvements and IT assets and its intangible asset relates to IT software. As neither can be sold separately, both are valued at zero under Solvency II valuation principles. The Right-of-Use Asset is not recognised under Irish GAAP while it is recognised at fair value under Solvency II. Provisions for MIBI are included in the Irish GAAP claims reserves but are included in "other provisions" under the Solvency II balance sheet. Retro-rated premium is held as under Insurance Receivables in the Irish GAAP balance sheet but is included in the Solvency II Technical Provisions as a future cash inflow.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

As at 31 December 2024, the company had a solvency ratio of 2.96 times the SCR (2023: 3.1 times). The company's SCR and MCR were €271.2 million and €67.8 million respectively (2023: €239.5 million and €64.4 million respectively).

The following table shows the components of the SCR (using the Standard Formula) as at 31 December 2024.

	€'000 2024	€'000 2023
Market Risk analysed by the following sub-risk modules:	**148,423**	**125,971**
• Concentration Risk	5,901	163
• Interest-Rate Risk	43,543	27,799
• Currency Risk	4,576	4,319
• Equity Risk	87,188	78,368
• Property Risk	17,217	17,584
• Spread Risk	48,290	36,257
• Market Diversification Benefit	(58,292)	(38,519)
Non-Life Risk analysed by the following sub-risk modules:	**184,740**	**169,660**
• Premium and Reserve Risk	162,447	166,950
• Lapse Risk	-	-
• Catastrophe Risk	56,286	9,782
• Non-Life Diversification Benefit	(33,993)	(7,072)
Default Risk analysed by the following sub-risk modules:	**12,589**	**12,795**
• Type 1	11,393	11,303
• Type 2	1,540	1,907
• Default Diversification Benefit	(344)	(415)
Health Risk analysed by the following sub-risk modules:	**1,110**	**1,047**
• Premium and Reserve Risk	822	730
• Lapse Risk	-	-
• Catastrophe Risk	568	590
• Health Diversification Benefit	(280)	(273)
Basic Solvency Capital Requirements ("BSCR") pre- Diversification	346,862	309,473
Overall Diversification Benefit	(75,980)	(67,494)
BSCR	**270,882**	**241,979**
Operational Risk	**15,289**	**15,543**
Loss Absorbing Capacity of Deferred Tax (LACDT)	**(15,021)**	**(17,980)**
SCR	**271,150**	**239,541**
MCR	**67,788**	**64,367**

The company uses EIOPA's Solvency II Standard Formula. It does not use company-specific parameters in its computation; however, it uses one simplification in relation to the allocation of risk mitigation from the non-life and health modules across our reinsurer panel in the default type 1 calculation.

The Loss Absorbing Capacity of Deferred Taxes ("LACDT") is an adjustment that can be applied to the SCR as specified in Article 108 of the Solvency II Directive and corresponding Delegated Acts. This adjustment reflects the potential compensation of unexpected losses through a simultaneous change in deferred taxes.

Undertakings are required to consider the extent to which these deferred taxes are recoverable by assessing their sources of future taxable income.

For 2024, IPB considers its expected profits over its business planning horizon only, i.e. recovering losses over a 3-year timeframe.

As stated above, the Minimum Capital Requirement for the company at 31 December 2024 was €67.8 million (2023: €64.4 million) which represents the minimum calculated as per the Standard Formula.

E.3 Any use of the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement

The company has not opted to use the duration-based equity risk sub-module of the Solvency II regulations.

E.4 Internal model information

The company applies the standard formula model and does not use an internal model to calculate the Solvency Capital Requirement.

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

There was no breach of the Solvency Capital Requirement (and hence the Minimum Capital Requirement) over the reporting period.

E.6 Any other information

Refer to the appendices for the templates as at 31 December 2024, relevant to this section. These include:

- Appendix 5 S.23.01.01 Own Funds Template
- Appendix 6 S.25.01.21 Solvency Capital Requirement – Standard Formula Only Template
- Appendix 7 S.28.01.01 Minimum Capital Requirement – Only Life or Only Non-Life Template

Annex

Annual Quantitative Reporting Templates (QRTs)

The following templates are included in this section

QRT REF	QRT Template name
S.05.01	Premiums, claims and expenses
S.19.01	Non-Life Insurance claims
S.17.01	Technical Provisions
S.02.01	Balance Sheet
S.23.01	Own Funds
S.25.01	Solvency Capital Requirement - for undertakings on Standard Formula
S.28.01	Minimum Capital Requirement

Appendix 1A: S.05.01.02 Premiums, claims and expenses by line of business for the year-ended 31 December 2024

Reported in €'000s

				Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of Business for: accepted non-proportional				
				Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	Total
				C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written	Gross - Direct Business		R0110	651	2,306		5,608	3,739	547	50,827	112,690		1,307							177,676
Premiums written	Gross - Proportional reinsurance accepted		R0120																	
Premiums written	Gross - Non-proportional reinsurance accepted		R0130																	
Premiums written	Reinsurers' share		R0140	67	238		502	334	31	37,460	10,874		110							49,616
Premiums written	Net		R0200	583	2,068		5,106	3,404	517	13,367	101,816		1,198							128,060
Premiums earned	Gross - Direct Business		R0210	622	2,204		5,818	3,879	574	49,284	117,370		1,370							181,121
Premiums earned	Gross - Proportional reinsurance accepted		R0220																	
Premiums earned	Gross - Non-proportional reinsurance accepted		R0230																	
Premiums earned	Reinsurers' share		R0240	67	238		502	334	31	37,563	10,857		110							49,703
Premiums earned	Net		R0300	554	1,966		5,316	3,544	543	11,721	106,513		1,260							131,417
Claims incurred	Gross - Direct Business		R0310	151	534		3,382	2,255	-208	14,305	37,905		165							58,488
Claims incurred	Gross - Proportional reinsurance accepted		R0320																	
Claims incurred	Gross - Non-proportional reinsurance accepted		R0330																	
Claims incurred	Reinsurers' share		R0340	-2	-8		94	63		9,404	7,115									16,666
Claims incurred	Net		R0400	153	542		3,288	2,192	-208	4,900	30,790		165							41,822
Expenses incurred			R0550	129	516		2,090	716	121	11,898	44,880		284							60,635
Expenses incurred	Administrative expenses	Gross - Direct Business	R0610	19	77		243	61	18	1,655	3,669		43							5,785
Expenses incurred	Administrative expenses	Gross - Proportional reinsurance accepted	R0620																	
Expenses incurred	Administrative expenses	Gross - Non-proportional reinsurance accepted	R0630																	
Expenses incurred	Administrative expenses	Reinsurers' share	R0640																	
Expenses incurred	Administrative expenses	Net	R0700	19	77		243	61	18	1,655	3,669		43							5,785
Expenses incurred	Investment management expenses	Gross - Direct Business	R0710	6	23		74	18	5	500	1,108		13							1,747
Expenses incurred	Investment management expenses	Gross - Proportional reinsurance accepted	R0720																	
Expenses incurred	Investment management expenses	Gross - Non-proportional reinsurance accepted	R0730																	
Expenses incurred	Investment management expenses	Reinsurers' share	R0740																	
Expenses incurred	Investment management expenses	Net	R0800	6	23		74	18	5	500	1,108		13							1,747
Expenses incurred	Claims management expenses	Gross - Direct Business	R0810	28	112		796	388	28	2,750	23,796		60							27,959
Expenses incurred	Claims management expenses	Gross - Proportional reinsurance accepted	R0820																	
Expenses incurred	Claims management expenses	Gross - Non-proportional reinsurance accepted	R0830																	
Expenses incurred	Claims management expenses	Reinsurers' share	R0840	0	0		-10	-7		-263	-1,764									-2,044
Expenses incurred	Claims management expenses	Net	R0900	28	112		806	395	28	3,013	25,560		60							30,003
Expenses incurred	Acquisition expenses	Gross - Direct Business	R0910	18	74		233	58	17	1,587	3,519		41							5,548
Expenses incurred	Acquisition expenses	Gross - Proportional reinsurance accepted	R0920																	
Expenses incurred	Acquisition expenses	Gross - Non-proportional reinsurance accepted	R0930																	
Expenses incurred	Acquisition expenses	Reinsurers' share	R0940	-1	-4		-20	-5	-1	-293	-272		-4							-600
Expenses incurred	Acquisition expenses	Net	R1000	19	78		253	63	18	1,881	3,791		44							6,148
Expenses incurred	Overhead expenses	Gross - Direct Business	R1010	56	226		713	178	52	4,849	10,751		125							16,951
Expenses incurred	Overhead expenses	Gross - Proportional reinsurance accepted	R1020																	
Expenses incurred	Overhead expenses	Gross - Non-proportional reinsurance accepted	R1030																	
Expenses incurred	Overhead expenses	Reinsurers' share	R1040																	
Expenses incurred	Overhead expenses	Net	R1100	56	226		713	178	52	4,849	10,751		125							16,951
Balance - other technical expenses/income			R1210																	
Total technical expenses			R1300																	60,635

Appendix 2: S.19.01.21 Non-Life Insurance Claims year-ended 31 December 2024

Gross Claims Paid for the year-ended 31 December 2024

Reported in €'000s

Gross Claims Paid (non-cumulative)		Development year (absolute amount)											Current year, sum of years (cumulative)	Current year, sum of years (cumulative)
		0	1	2	3	4	5	6	7	8	9	10 & +	In Current year	Sum of years (cumulative)
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0160	C0170	C0180
Prior	R0100											9,959,845.58	9,959,845.58	9,959,845.58
N-9	R0160	6,098,929.12	13,317,527.92	10,741,701.26	12,071,659.91	18,593,334.76	9,950,092.95	4,567,499.10	4,785,661.79	2,808,154.85	5,773,076.90		5,773,076.90	88,707,638.56
N-8	R0170	6,753,425.26	10,196,162.18	12,109,485.87	11,361,442.70	8,005,966.69	8,263,135.41	8,369,967.82	5,876,910.65	3,593,479.47			3,593,479.47	74,529,976.05
N-7	R0180	5,491,981.31	9,836,044.19	11,642,472.00	11,149,425.52	10,819,055.91	7,466,803.18	7,693,217.00	5,644,110.70				5,644,110.70	69,743,109.81
N-6	R0190	7,147,248.99	11,134,836.05	11,475,852.12	11,858,793.28	12,085,067.66	12,006,627.95	8,737,851.76					8,737,851.76	74,446,277.81
N-5	R0200	6,831,388.12	11,801,069.87	10,019,750.42	13,976,277.43	12,578,885.24	11,076,200.86						11,076,200.86	66,283,571.94
N-4	R0210	4,964,228.80	9,656,769.90	6,449,799.14	7,424,877.35	10,216,088.98							10,216,088.98	38,711,764.17
N-3	R0220	5,681,168.83	8,206,960.57	7,567,905.02	7,280,797.98								7,280,797.98	28,736,832.40
N-2	R0230	5,760,979.47	8,286,138.28	6,759,898.87									6,759,898.87	20,807,016.62
N-1	R0240	12,532,998.00	10,902,789.74										10,902,789.74	23,435,787.74
N	R0250	9,281,623.64											9,281,623.64	9,281,623.64
Total	R0260												89,225,764.48	504,643,444.32

Appendix 2: S.19.01.21 Non-Life Insurance Claims Continued

Gross Undiscounted Best Estimate Claims Provisions as at 31 December 2024

Reported in €'000s

Gross undiscounted Best Estimate Claims Provision		Development year (absolute amount)											Current year, sum of years (cumulative)
		0	1	2	3	4	5	6	7	8	9	10 & +	Year end (discounted data)
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0350	C0360
Prior	R0100											33,558,612.27	31,160,290.82
N-9	R0160	0.00	76,467,432.18	64,447,101.63	52,242,097.72	54,273,890.37	49,726,225.94	47,181,870.46	40,336,653.96	34,640,459.61	29,542,220.45		27,342,924.38
N-8	R0170	91,414,402.33	71,955,799.41	61,624,454.48	53,018,896.82	43,528,599.87	36,438,662.66	29,664,667.37	28,118,932.62	23,653,678.60			21,910,115.17
N-7	R0180	99,802,852.24	79,380,024.81	67,487,272.44	53,189,462.75	43,654,888.74	37,318,156.78	31,002,071.38	25,162,124.50				23,283,671.33
N-6	R0190	107,432,116.09	88,042,188.69	73,678,002.31	62,082,235.31	51,314,091.07	43,188,178.21	32,495,584.67					30,137,964.74
N-5	R0200	113,672,036.46	98,538,386.87	83,706,773.99	66,329,894.87	54,941,325.36	45,998,933.14						42,684,797.81
N-4	R0210	115,528,974.74	84,862,278.21	73,736,559.46	59,054,885.24	46,140,731.34							42,812,420.13
N-3	R0220	94,655,066.28	73,266,868.85	66,159,404.63	54,971,964.19								51,150,064.66
N-2	R0230	92,090,845.59	70,918,561.58	63,640,296.45									59,097,202.57
N-1	R0240	115,057,651.66	79,196,969.76										74,119,974.93
N	R0250	99,178,507.50											93,002,657.41
Total	R0260												496,702,083.95

Appendix 3: S.17.01.02 Non-Life Technical Provisions for the year-ended 31 December 2024

Reported in €'000s

		Direct business and accepted proportional reinsurance												accepted non-proportional reinsurance				
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	Total Non-Life obligation
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	R0010																	
Technical provisions calculated as a whole – Direct business	R0020																	
Technical provisions calculated as a whole – Accepted proportional reinsurance business	R0030																	
Technical provisions calculated as a whole – Accepted non-proportional reinsurance	R0040																	
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP	R0050																	
Technical provisions calculated as a sum of BE and RM – Best estimate – Premium provisions – Gross - Total	R0060	43	152		504	336	24	4,381	7,475		17							12,931
Gross - Total – Gross - direct business	R0070	43	152		504	336	24	4,381	7,475		17							12,931
Gross - Total – Gross - accepted proportional reinsurance business	R0080																	
Gross - Total – Gross - accepted non-proportional reinsurance business	R0090																	
Total recoverable from reinsurance/SPV and Finite Re	R0100				9	6		-2,212	381									-1,817
Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default – Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses	R0110				9	6		-2,212	381									-1,817
Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default – Recoverables from SPV before adjustment for expected losses	R0120																	
Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default – Recoverables from Finite Reinsurance before adjustment for expected losses	R0130																	
Total recoverable from reinsurance/SPV and Finite Re after	R0140				9	6		-2,212	381									-1,817
Net Best Estimate of Premium Provisions	R0150	43	152		495	330	24	6,594	7,095		17							14,749
Claims provisions – Gross - Total	R0160	215	761		8,644	5,762	231	34,037	445,991		1,063							496,702
Gross - Total – Gross - direct business	R0170	215	761		8,644	5,762	231	34,037	445,991		1,063							496,702
Gross - Total – Gross - accepted proportional reinsurance business	R0180																	
Gross - Total – Gross - accepted non-proportional reinsurance business	R0190																	
Total recoverable from reinsurance/SPV and Finite Re	R0200	0	0		70	47	0	20,816	27,581		-1							48,513
Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default – Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses	R0210	0	0		70	47	0	20,816	27,581		-1							48,513
Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default – Recoverables from SPV before adjustment for expected losses	R0220																	
Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default – Recoverables from Finite Reinsurance before adjustment for expected losses	R0230																	
Total recoverable from reinsurance/SPV and Finite Re after	R0240	0	0		70	47	0	20,816	27,581		-1							48,513
Net Best Estimate of Claims Provisions	R0250	215	761		8,574	5,716	231	13,221	418,409		1,064							448,189
Total Best estimate - gross	R0260	257	912		9,147	6,098	254	38,418	453,466		1,080							509,634
Total Best estimate - net	R0270	257	912		9,069	6,046	254	19,815	425,504		1,081							462,938
Risk margin	R0280	22	77		766	511	21	1,674	35,943		91							39,105
Amount of the transitional on Technical Provisions – TP as a whole	R0290																	
Amount of the transitional on Technical Provisions – Best estimate	R0300																	
Amount of the transitional on Technical Provisions – Risk margin	R0310																	
Technical provisions - total – Technical provisions - total	R0320	279	989		9,914	6,609	276	40,092	489,409		1,171							548,739
Technical provisions - total – Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty	R0330	0	0		78	52	0	18,604	27,962		-1							46,696
Technical provisions - total – Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total	R0340	279	989		9,835	6,557	276	21,488	461,447		1,172							502,043
Line of Business: further segmentation – Premium provisions - Total number of homogeneous risk groups	R0350																	
Line of Business: further segmentation – Claims provisions - Total number of homogeneous risk groups	R0360																	
Cash-flows of the Best estimate of Premium Provisions (Gross) – Cash out-flows – Future benefits and claims	R0370	39	139		462	308	22	4,020	6,858		16							11,864
Cash-flows of the Best estimate of Premium Provisions (Gross) – Cash out-flows – Future expenses and other cash-out flows	R0380	4	13		42	28	2	362	617		1							1,068
Cash-flows of the Best estimate of Premium Provisions (Gross) – Cash in-flows – Future premiums	R0390																	
Cash-flows of the Best estimate of Premium Provisions (Gross) – Cash in-flows – Other cash-in flows (incl. Recoverable from salvages and subrogations)	R0400																	
Cash-flows of the Best estimate of Claims Provisions (Gross) – Cash out-flows – Future benefits and claims	R0410	197	698		7,930	5,287	212	31,226	409,166		975							455,690
Cash-flows of the Best estimate of Claims Provisions (Gross) – Cash out-flows – Future expenses and other cash-out flows	R0420	18	63		714	476	19	2,810	36,825		88							41,012
Cash-flows of the Best estimate of Claims Provisions (Gross) – Cash in-flows – Future premiums	R0430																	
Cash-flows of the Best estimate of Claims Provisions (Gross) – Cash in-flows – Other cash-in flows (incl. Recoverable from salvages and subrogations)	R0440																	
Percentage of gross Best Estimate calculated using approximations	R0450																	
Best estimate subject to transitional of the interest rate	R0460																	
Technical provisions without transitional on interest rate	R0470																	
Best estimate subject to volatility adjustment	R0480																	
Technical provisions without volatility adjustment and without others transitional measures	R0490																	
Expected profits included in future premiums (EPIFP)	R0500																	

Appendix 4: S.02.01.02 Balance Sheet as at the year-ended 31 December 2024

Reported in €'000s

					Solvency II value	Statutory accounts value
					C0010	C0020
Assets	Goodwill			R0010		
	Deferred acquisition costs			R0020		
	Intangible assets			R0030		293
	Deferred tax assets			R0040		165
	Pension benefit surplus			R0050		
	Property, plant & equipment held for own use			R0060	9,579	436
	Investments (other than assets held for index-linked and unit-linked contracts)			R0070	1,430,127	1,264,090
	Investments (other than assets held for index-linked and unit-linked contracts)	Property (other than for own use)		R0080	59,289	59,000
		Holdings in related undertakings, including participations		R0090		
		Equities		R0100	113,439	139,571
		Equities	Equities - listed	R0110	113,405	139,571
			Equities - unlisted	R0120	34	
		Bonds		R0130	983,595	971,084
		Bonds	Government Bonds	R0140	512,327	507,316
			Corporate Bonds	R0150	450,502	456,006
			Structured notes	R0160	13,003	
			Collateralised securities	R0170	7,762	7,762
		Collective Investments Undertakings		R0180	84,858	58,567
		Derivatives		R0190	90,499	2
		Deposits other than cash equivalents		R0200	98,447	35,867
		Other investments		R0210		
	Assets held for index-linked and unit-linked contracts			R0220		
	Loans and mortgages			R0230	3,931	3,931
	Loans and mortgages	Loans on policies		R0240		
		Loans and mortgages to individuals		R0250		
		Other loans and mortgages		R0260	0	0
	Reinsurance recoverables from:			R0270	46,696	59,417
	Reinsurance recoverables from:	Non-life and health similar to non-life		R0280	46,696	59,417
		Non-life and health similar to non-life	Non-life excluding health	R0290	46,696	59,417
			Health similar to non-life	R0300	0	
		Life and health similar to life, excluding health and index-linked and unit-		R0310		
		Life and health similar to life, excluding health and index-linked and unit-linked	Health similar to life	R0320		
			Life excluding health and index-linked and unit-linked	R0330		
		Life index-linked and unit-linked		R0340		
	Deposits to cedants			R0350		
	Insurance and intermediaries receivables			R0360	7,375	7,435
	Reinsurance receivables			R0370	2,980	2,980
	Receivables (trade, not insurance)			R0380	2,213	2,342
	Own shares (held directly)			R0390		
	Amounts due in respect of own fund items or initial fund called up but not yet paid in			R0400		
	Cash and cash equivalents			R0410	16,561	78,960
	Any other assets, not elsewhere shown			R0420	0	12,996
	Total assets			R0500	1,519,461	1,433,046

Appendix 4: S.02.01.02 Balance Sheet as at the year-ended 31 December 2024 continued

Reported in €'000s

Liabilities	Technical provisions - non-life			R0510	548,739	637,049
	Technical provisions - non-life	Technical provisions - non-life (excluding health)		R0520	547,470	637,049
		Technical provisions - non-life (excluding health)	Technical provisions calculated as a whole	R0530		
			Best Estimate	R0540	508,464	
			Risk margin	R0550	39,006	
		Technical provisions - health (similar to non-life)		R0560	1,268	
		Technical provisions - health (similar to non-life)	Technical provisions calculated as a whole	R0570		
			Best Estimate	R0580	1,170	
			Risk margin	R0590	99	
	Technical provisions - life (excluding index-linked and unit-linked)			R0600		
	Technical provisions - life (excluding index-linked and unit-linked)	Technical provisions - health (similar to life)		R0610		
		Technical provisions - health (similar to life)	Technical provisions calculated as a whole	R0620		
			Best Estimate	R0630		
			Risk margin	R0640		
		Technical provisions - life (excluding health and index-linked and unit-		R0650		
		Technical provisions - life (excluding health and index-linked and unit-linked)	Technical provisions calculated as a whole	R0660		
			Best Estimate	R0670		
			Risk margin	R0680		
	Technical provisions - index-linked and unit-linked			R0690		
	Technical provisions - index-linked and unit-linked	Technical provisions calculated as a whole		R0700		
		Best Estimate		R0710		
		Risk margin		R0720		
	Other technical provisions			R0730		
	Contingent liabilities			R0740		
	Provisions other than technical provisions			R0750	500	500
	Pension benefit obligations			R0760		
	Deposits from reinsurers			R0770		
	Deferred tax liabilities			R0780	9,187	
	Derivatives			R0790	92,717	2,220
	Debts owed to credit institutions			R0800	9,579	
	Debts owed to credit institutions	Debts owed to credit institutions resident domestically		ER0801	9,579	
		Debts owed to credit institutions resident in the euro area other than		ER0802		
		Debts owed to credit institutions resident in rest of the world		ER0803		
	Financial liabilities other than debts owed to credit institutions			R0810		
	Financial liabilities other than debts owed to credit institutions	Debts owed to non-credit institutions		ER0811		
		Debts owed to non-credit institutions	Debts owed to non-credit institutions resident domestically	ER0812		
			Debts owed to non-credit institutions resident in the euro area other than domestic	ER0813		
			Debts owed to non-credit institutions resident in rest of the world	ER0814		
		Other financial liabilities (debt securities issued)		ER0815		
	Insurance & intermediaries payables			R0820	6,056	6,056
	Reinsurance payables			R0830	2,759	2,759
	Payables (trade, not insurance)			R0840	8,099	8,099
	Subordinated liabilities			R0850		
	Subordinated liabilities	Non-negotiable instruments held by credit institutions resident		ER0851		
		Non-negotiable instruments held by credit institutions resident in the		ER0852		
		Non-negotiable instruments held by credit institutions resident in rest of		ER0853		
		Non-negotiable instruments held by non-credit institutions resident		ER0854		
		Non-negotiable instruments held by non-credit institutions resident in the		ER0855		
		Non-negotiable instruments held by non-credit institutions resident in		ER0856		
		Subordinated liabilities not in Basic Own Funds		R0860		
		Subordinated liabilities in Basic Own Funds		R0870		
	Any other liabilities, not elsewhere shown			R0880	39,835	39,835
	Total liabilities			R0900	717,470	696,517
	Excess of assets over liabilities			R1000	756,055	673,215

Appendix 5: S.23.01.01 Own Funds as at 31 December 2024

Reported in €'000s

			Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
			C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35	Ordinary share capital (gross of own shares)	R0010					
	Share premium account related to ordinary share capital	R0030					
	Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
	Subordinated mutual member accounts	R0050					
	Surplus funds	R0070					
	Preference shares	R0090					
	Share premium account related to preference shares	R0110					
	Reconciliation reserve	R0130	801,991	801,991			
	Subordinated liabilities	R0140					
	An amount equal to the value of net deferred tax assets	R0160					
	Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions	Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions		R0290	801,991	801,991			
Ancillary own funds	Unpaid and uncalled ordinary share capital callable on demand	R0300					
	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
	Unpaid and uncalled preference shares callable on demand	R0320					
	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
	Other ancillary own funds	R0390					
Total ancillary own funds		R0400					
Available and eligible own funds	Total available own funds to meet the SCR	R0500	801,991	801,991			
	Total available own funds to meet the MCR	R0510	801,991	801,991			
	Total eligible own funds to meet the SCR	R0540	801,991	801,991			
	Total eligible own funds to meet the MCR	R0550	801,991	801,991			
SCR		R0580	271,150				
MCR		R0600	67,788				
Ratio of Eligible own funds to SCR		R0620	310.70%				
Ratio of Eligible own funds to MCR		R0640	1156.34%				

Appendix 5: S.23.01.01 Own Funds as at 31 December 2024

Reported in €'000s (Continued)

			Value
			C0060
Reconciliation reserve	Excess of assets over liabilities	R0700	801,991
	Own shares (held directly and indirectly)	R0710	
	Foreseeable dividends, distributions and charges	R0720	
	Other basic own fund items	R0730	
	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve		R0760	801,991
Expected profits	Expected profits included in future premiums (EPIFP) - Life business	R0770	
	Expected profits included in future premiums (EPIFP) - Non-life business	R0780	
Total Expected profits included in future premiums (EPIFP)		R0790	

Appendix 6: S.25.01.01 Solvency Capital Requirement – for undertakings on Standard Formula – as at 31 December 2024

Reported in €'000s

		Net solvency capital requirement	Gross solvency capital requirement	Allocation from adjustments due to RFF and Matching adjustments portfolios
		C0030	C0040	C0050
Market risk	R0010	148,423	148,423	
Counterparty default risk	R0020	12,589	12,589	
Life underwriting risk	R0030			
Health underwriting risk	R0040	1,110	1,110	
Non-life underwriting risk	R0050	184,740	184,740	
Diversification	R0060	-75,980	-75,980	
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	270,882	270,882	

Appendix 6: S.25.01.01 Solvency Capital Requirement – for undertakings on Standard Formula – as at 31 December 2024

Reported in €'000s (Continued)

			Value
			C0100
Adjustment due to RFF/MAP nSCR aggregation		R0120	
Operational risk		R0130	15,289
Loss-absorbing capacity of technical provisions		R0140	
Loss-absorbing capacity of deferred taxes		R0150	-15,021
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC		R0160	
Solvency Capital Requirement excluding capital add-on		R0200	271,150
Capital add-ons already set		R0210	
Capital add-ons already set	hich, capital add-ons already set - Article 37 (1) Type a	R0211	
	hich, capital add-ons already set - Article 37 (1) Type b	R0212	
	hich, capital add-ons already set - Article 37 (1) Type c	R0213	
	hich, capital add-ons already set - Article 37 (1) Type d	R0214	
Solvency capital requirement		R0220	271,150
Other information on SCR	tal requirement for duration-based equity risk sub-module	R0400	
	Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
	Total amount of Notional Solvency Capital Requirements for ring-fenced funds	R0420	
	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
	rsification effects due to RFF nSCR aggregation for article 304	R0440	
	Method used to calculate the adjustment due to RFF/MAP nSCR aggregation	R0450	4 - No adjustment
	Net future discretionary benefits	R0460	

Appendix 7: S.28.01.01 Minimum Capital Requirement – Only life or only non-life insurance or reinsurance activity – as at 31 December 2024

Reported in €'000s

		MCR components
		C0010
MCRNL Result	R0010	62,456

		Background information	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	257	583
Income protection insurance and proportional reinsurance	R0030	912	2,068
Workers' compensation insurance and proportional reinsurance	R0040		
Motor vehicle liability insurance and proportional reinsurance	R0050	9,069	5,106
Other motor insurance and proportional reinsurance	R0060	6,046	3,404
Marine, aviation and transport insurance and proportional reinsurance	R0070	254	517
Fire and other damage to property insurance and proportional reinsurance	R0080	19,815	14,402
General liability insurance and proportional reinsurance	R0090	425,504	99,086
Credit and suretyship insurance and proportional reinsurance	R0100		
Legal expenses insurance and proportional reinsurance	R0110	1,081	2,894
Assistance and proportional reinsurance	R0120		
Miscellaneous financial loss insurance and proportional reinsurance	R0130		
Non-proportional health reinsurance	R0140		
Non-proportional casualty reinsurance	R0150		
Non-proportional marine, aviation and transport reinsurance	R0160		
Non-proportional property reinsurance	R0170		

Appendix 7: S.28.01.01 Minimum Capital Requirement – Only life or only non-life insurance or reinsurance activity – as at 31 December 2024

Reported in €'000s (Continued)

		Value
		C0070
Linear MCR	R0300	62,456
SCR	R0310	271,150
MCR cap	R0320	122,018
MCR floor	R0330	67,788
Combined MCR	R0340	67,788
Absolute floor of the MCR	R0350	4,000
Minimum Capital Requirement	R0400	67,788