

*Supplemental Report of the Independent Actuary
on the proposed transfer of insurance business
from*

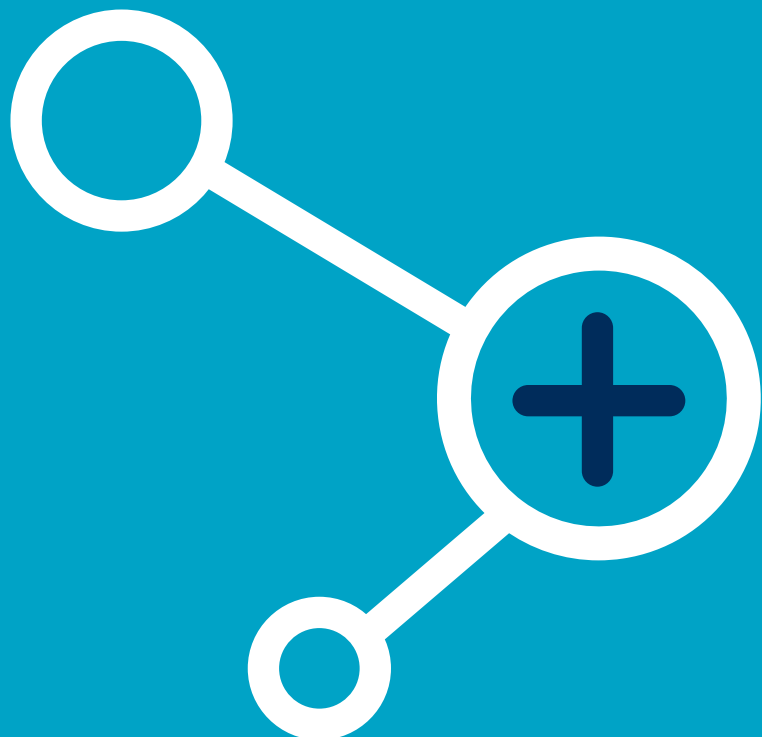
*Medical Insurance Company
Designated Activity Company
to*

*Bothnia International Insurance Company
Limited*

*in accordance with Section 13 of the Assurance
Companies Act 1909*

12 June 2024

Prepared by
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LCP



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1. Executive summary

1.1. The Proposed Transfer

The firms involved

Medical Insurance Company Designated Activity Company (MIC or Transferor) is a non-life insurance company incorporated in Ireland in 2001 and registered under number 351120. The sole shareholder of MIC is Compré Holdings Limited.

Bothnia International Insurance Company Limited (Bothnia or Transferee) is a limited liability insurance company incorporated in Finland in 1993 and registered under number 0947118-3. The sole shareholder of Bothnia is also Compré Holdings Limited.

Pallas Reinsurance Company Ltd. (Pallas Re) is a reinsurance company incorporated in Bermuda and registered under number 55121. Pallas Re is part of the Compré group of companies. It participates on MIC's reinsurance panel for certain years and provides a 100% quota share reinsurance cover of MIC's net claims after application of its panel reinsurance and an 85% quota share reinsurance cover to Bothnia which will continue post-transfer and will include the Transferring Business.

The Transferring Business

MIC wrote medical malpractice risks mainly in France but also in Spain and Switzerland from 2002 until 2015 when underwriting ceased on 1 December 2015. The Swiss business was written through a branch in Switzerland which was released from Swiss regulatory supervision in December 2022 and closed in 2023. There is no remaining liability for the Swiss policies (there is an indemnity should any claim re-open or new claims arise). The Proposed Transfer (Scheme), in accordance with Section 13 of the Assurance Companies Act 1909, is to transfer all of the liabilities of MIC (Transferring Business) to Bothnia. All rights and obligations of MIC relating to the Transferring Business will also be transferred to Bothnia.

Bothnia is a specialist acquirer of run-off portfolios including medical malpractice business. It wishes to consolidate the MIC medical malpractice portfolio into Bothnia, also part of the Compré group of companies, as part of its plans to build a European centre of excellence in medical malpractice business.

Effective Date

The Effective Date is expected to be 30 June 2024, shortly after the Sanctions Hearing which is expected to be heard in June 2024.

Reinsurance

As at 30 June 2023 100% of MIC's gross booked reserves were reinsured by a reinsurance panel through quota share and excess of loss reinsurance, with the net retention after application of the panel reinsurance then being 100% reinsured with MMA IARD, part of the Covéa group.

Most of MIC's liabilities were reinsured to Pallas Re through the novation of MIC's previous key reinsurance arrangements as at 31 August 2023. As Pallas Re also reinsures any bad debt arising from MIC's remaining third party reinsurance, Pallas Re effectively reinsures 100% of MIC liabilities.

On 1 October 2022, a quota share reinsurance agreement was agreed between Pallas Re and Bothnia whereby Pallas Re provides an 85% reinsurance of Bothnia's whole portfolio.

At the time of the Scheme Report the plan was for the current reinsurance arrangements to fall away and for MIC's transferring portfolio to be added to the quota share described above from the Effective Date.

It is now proposed that the current reinsurance arrangements with Pallas Re are transferred to Bothnia as part of the Proposed Transfer, and for the collateral amount to be increased to 110% for a period of five years, and the 100% cover provided by Pallas Re reducing to 85% as from the Effective Date.

This achieves the same impact as the original reinsurance proposals and so does not change the conclusions reached in the Scheme Report.

F' Factor

Within the Solvency II rules there is a factor, F', which is part of the calculation to quantify the impact on capital of a reinsurer defaulting on its collateralised reinsurance obligations. MIC and Bothnia have taken a different approach to the value of this F' factor which has a material impact on their respective calculations of the overall Solvency Capital Requirement. I have concluded that Bothnia's selection of 100% for the factor F' is appropriate for Bothnia. Further details are provided in section 6.6 of the Scheme Report (as described in section 1.2 of this report).

Claims handling

There will be continuity of claims handling and administration for claims arising from the MIC business as they will be handled by the same entity pre- and post-transfer (see section 9 of the Scheme Report for more details).

Claims handling for the Existing Bothnia Policyholders will be unchanged as a result of the Proposed Transfer.

1.2. My role as Independent Actuary

Bothnia and MIC have appointed me to act as the Independent Actuary (IA) for the Proposed Transfer. The CBI has been notified of my appointment.

As IA my overall role is to assess whether:

- The security provided to policyholders of MIC and Bothnia will be materially adversely affected by the implementation of the Proposed Transfer.
- The Proposed Transfer will have any adverse impact on service standards experienced by policyholders.

I provided my Scheme Report for the Proposed Transfer (dated 14 March 2024) ahead of the Directions Hearing, which was held on 8 April 2024.

The purpose of this Supplemental Report is to confirm and/or update my conclusions of the Scheme Report, based on any material new developments in the intervening period, ahead of the Sanctions Hearing. This Supplemental Report should be read in conjunction with the Scheme Report.

1.3. Summary of developments since the Scheme Report

The main activities in relation to the Proposed Transfer since the Scheme Report was issued have been as follows:

Proposed Transfer

The Scheme Report and other associated scheme documents were presented to the Court at the Directions Hearing on 8 April 2024, where directions were made to start notifications in line with the communications plan.

Reserving

MIC and Bothnia have provided updated provisions as at 31 March 2024. This is discussed further in section 4.

Capital

MIC and Bothnia have provided updated projections of SCR coverage ratios based on more recent data as at 31 March 2024. This is discussed further in section 5.

The projected SCR coverage ratios (the ratio of an insurer’s available capital to the amount of capital that must be held in order to meet regulatory capital requirements) immediately pre- and post- the Proposed Transfer based on the updated projections are as follows:

- For Transferring MIC Policyholders, the SCR coverage ratio is projected to decrease from 175% to 160%.
- For Existing Bothnia Policyholders, the SCR coverage ratio is projected to decrease from 183% to 160%.

The table below includes a comparison to the ratios from my Scheme Report:

	SCR coverage ratios in Scheme Report			Updated SCR coverage ratios		
	Day 0	Day 1	Movement due to Transfer	Day 0	Day 1	Movement due to Transfer
Transferring MIC Policyholders	179%	160%	-19%	175%	160%	-15%
Existing Bothnia Policyholders	187%	160%	-27%	183%	160%	-23%

I do not consider the updated SCR coverage ratios, and movements from Day 0 to Day 1, to be materially different to those set out in my Scheme Report and, as such, the changes in these figures have not changed my overall conclusions.

Reinsurers

The proposed changes in the reinsurance arrangements post-transfer since my Scheme Report are described in section 1.1 of this report.

Reinsurers were informed of the Proposed Transfer as part of the communications plan following the Directions Hearing. As at the date of this report several reinsurers have requested additional information in respect of the transfer (which has been provided) and their consent is awaited. Consent has been obtained from a number of reinsurers, with one reinsurer requesting an endorsement to the policy, which has been actioned.

Two reinsurers have indicated they wish to agree a commutation before the Effective Date. Both reinsurers have been advised that this may not be possible in the time available, and responses are awaited.

If these issues are not resolved before the finalisation date of this Supplemental Report, I will provide an update in an addendum letter to the Court for the Sanctions Hearing.

Policyholder communications

MIC and Bothnia have communicated with policyholders and placed notices in all planned publications in line with the communication plan presented to the High Court at the Directions Hearing.

As at the date of this report, neither MIC nor Bothnia have received any objections or complaints from policyholders in respect of the Proposed Transfer. Policyholder responses to communications are discussed further in section 7.

Other transfers

A loss portfolio transfer of a property and liability portfolio of business from a Belgian insurer to Pallas Re (Project Lara) was approved in December 2023. The process to transfer this portfolio into Bothnia is expected to finalise in Q3 or Q4 2024 ie after the Proposed Transfer. This transfer will require regulatory approval and Bothnia has committed to maintain the Day 1 SCR coverage ratio of 160% when Lara transfers into Bothnia.

MIC and Bothnia have confirmed there are no new transfers contemplated that could affect the Proposed Transfer or any changes to the detail of the Scheme.

Change in ECB interest rates

The European Central Bank (ECB) lowered the three key ECB interest rates by 25 basis points on 6 June 2024, effective 12 June 2024.

MIC and Bothnia have both confirmed to me that the impact of the change in interest rates on the projected technical provisions, SCR and available capital is not expected to be material and that the SCR coverage ratio would be expected to increase by c. 2% for MIC and 3% for Bothnia.

Given this, my conclusions are unchanged by this change in ECB interest rates.

1.4. Additional considerations for the Supplemental Report

In reaching my conclusions in this Supplemental Report, I have considered the following new information as listed above that has become available since the Scheme Report was issued on 14 March 2024:

- Updated booked provisions as at 31 March 2024 for MIC and Bothnia;
- Recent claims experience and claim reserve movements;
- Updated SCR coverage ratios and balance sheet projections for MIC and Bothnia immediately pre- and post-the Proposed Transfer;
- Changes in proposed post-transfer reinsurance arrangements; and
- Any communications and/or objections related to the Proposed Transfer raised by stakeholders.

1.5. Summary of my conclusions

In forming my conclusions, I have considered the effect of the Proposed Transfer on the following two sets of policyholders:

- Transferring MIC Policyholders, ie MIC policyholders whose liabilities will transfer to Bothnia as a result of the Proposed Transfer.
- Existing Bothnia Policyholders, ie policyholders of Bothnia immediately prior to the Proposed Transfer, who will remain with Bothnia after the Proposed Transfer.

As 100% of MIC's business will transfer to Bothnia, there will be no policyholders remaining in MIC for me to consider.

Transferring MIC Policyholders

The Transferring Business consists of 9,790 transferring policyholders. Of these, 107 have been identified as dead and 7 as retired or been imprisoned and can therefore not be contacted. The status of these policyholders has been confirmed by various search engines but there are likely to be more such policyholders whose location and status are unconfirmed. The balance of 9,676 policyholders is broken down geographically as follows: France 9,295, Spain 75 and elsewhere (including French overseas territories) 306.

A number of policyholders have relocated since the policies were written to other states/territories as follows: Belgium, Canada, Germany, Guyana, Kenya, Luxembourg, Mauritius, Oman, Switzerland and Tahiti.

The Transferring Business represents 100% of MIC's business which will all transfer to Bothnia.

I have concluded that

- **the security provided to Transferring MIC Policyholders will not be materially adversely affected by the Proposed Transfer.**
- **there will be no material impact on service standards for Transferring MIC Policyholders following the Proposed Transfer.**

Summary rationale:

- I am satisfied that the techniques and approaches used to calculate the Solvency II and GAAP technical provisions by MIC are appropriate, and Bothnia has confirmed that these will be materially unchanged post-transfer.
- I am satisfied that the best estimate liabilities of the Transferring Business as calculated by MIC and Bothnia are within a reasonable range of best estimates.
- 85% of the Transferring Business will be reinsured by a reinsurance arrangement with Pallas Re post-transfer and the reinsurance will be collateralised at 110% of liabilities until the fifth anniversary of the Proposed Transfer.
- The SCR coverage ratio for Transferring MIC Policyholders is expected to decrease from 175% (MIC pre-transfer) to 160% (Bothnia post-transfer) as a result of the Proposed Transfer. I do not consider the security provided to Transferring MIC Policyholders to be materially adversely affected as the SCR coverage ratio decreases but not materially and Bothnia will be well capitalised, as was MIC pre-transfer.
- Further, Bothnia's SCR coverage ratio is projected to be broadly maintained at the post-transfer level until at least June 2026. This includes the impact of another planned transfer into Bothnia during Q3 or Q4 2024 and a potential dividend payment in Q4 2025. Bothnia has confirmed that it is not currently contemplating any other material transfers into Bothnia which do not require regulatory approval.
- I am satisfied that Bothnia is expected to remain able to pay claims under a range of plausible but relatively extreme scenarios, and also under a more extreme reverse stress test.
- Bothnia is an EEA entity so the Transferring MIC Policyholders business will continue to be regulated in the EEA following the Proposed Transfer. I have concluded that the rights of policyholders in respect of access to compensation schemes, eg the Irish Insurance Compensation Fund which only covers risks located in Ireland, will not change as a result of the Proposed Transfer. In addition the Irish Consumer Protection Code does not apply to persons outside of Ireland and so Transferring MIC Policyholders are not disadvantaged by the Proposed Transfer as they are not covered by the code.
- As the claims handling and administration service to the MIC policyholders will be performed by the same team and entity pre-and post-transfer, then there will be no change to the level of service received by the Transferring MIC Policyholders.

Existing Bothnia Policyholders

At the Effective Date of the Proposed Transfer, Existing Bothnia Policyholders are projected to represent 61% and 65% of Bothnia's projected post-transfer gross and net of reinsurance technical provisions respectively.

I have concluded that

- **the security provided to Existing Bothnia Policyholders will not be materially adversely affected by the Proposed Transfer.**
- **there will be no material impact on service standards for Existing Bothnia Policyholders following the Proposed Transfer.**

Summary rationale:

- The Existing Bothnia Policyholders will remain within Bothnia so will be subject to the same Bothnia and Compre group policies as before the Proposed Transfer.
- I am satisfied that the techniques and approaches used to calculate the Solvency II and GAAP technical provisions for Bothnia are appropriate, and Bothnia has confirmed that these will be materially unchanged post-transfer.
- MIC's gross of reinsurance GAAP reserves are 60% of the size of Bothnia's gross of reinsurance GAAP reserves as at 31 December 2023, and 12% on a net of reinsurance basis. Post-transfer the MIC liabilities will be 85% reinsured (along with all of Bothnia's pre-transfer liabilities) with Pallas Re, who pre-transfer reinsures the MIC business after the application of reinsurance from a panel.

- The SCR coverage ratio for Existing Bothnia Policyholders is projected to decrease from 183% to 160% after the Proposed Transfer but Bothnia remains well capitalised.
- The decrease in SCR coverage ratio from 183% to 160% would appear to be a significant reduction. However, the SCR is calibrated such that a 100% coverage ratio would equate to a 0.5% probability of insolvency over the next year. A 160% coverage ratio therefore equates to a more remote probability than 0.5% of insolvency. Since the probability of insolvency is already remote at 160%, the difference in capital coverage ratios of 160% and 183% does not, in my opinion, equate to a material difference in the probability of insolvency.
- Further, Bothnia's SCR coverage ratio is projected to be broadly maintained at the post-transfer level until at least June 2026. This includes the impact of another planned transfer into Bothnia during Q3 or Q4 2024 and a potential dividend payment in Q4 2025. Bothnia has confirmed that it is not currently contemplating any other material transfers into Bothnia which do not require regulatory approval.
- Therefore, I have concluded that the changes in SCR coverage ratios as a result of the Proposed Transfer will not lead to any material adverse changes in the strength of capital protection for the Existing Bothnia Policyholders.
- I am satisfied that Bothnia is expected to remain able to pay claims under a range of plausible but relatively extreme scenarios, and also under a more extreme reverse stress test.
- Bothnia is not planning any material changes to how its existing business is carried out. In particular, there are no plans to change how Existing Bothnia Policyholders are serviced following the Proposed Transfer.
- There will be no change in claims handling or service standards for Existing Bothnia Policyholders as a result of the Proposed Transfer.

1.6. COVID-19, Russia/Ukraine war and excess claims inflation

There are no additional comments on these issues to those in my Scheme Report.

MIC and Bothnia have confirmed that the scenarios provided for my Scheme Report regarding inflation remain appropriate.

2. Introduction

2.1. Background

Any transfer of business carried out by one Irish authorised insurance company to another Irish or EEA authorised insurance company is governed by Irish regulation ie Section 13 of the Assurance Companies Act 1909 and Section 36 of the Insurance Act 1989, and also Regulation 41 of the European Union (Insurance and Reinsurance) Regulations 2015.

Under Section 13 of the 1909 Act, any scheme that provides for a transfer, in whole or in part, of the business of an Irish authorised insurance company to another Irish or EEA authorised insurance company requires prior sanction of the High Court. The High Court will consider the scheme on the basis of a petition brought by the board of directors of the transferor (MIC) supported by affidavit evidence of both the transferor and the transferee (Bothnia) and, while not mandatory for a non-life transfer such as the Proposed Transfer, it has become common practice for the petition to be accompanied by a report on the terms of the scheme by an Independent Actuary.

The purpose of the Independent Actuary's report is to provide an independent opinion for the Court on the likely effects of the scheme on the policyholders of the two companies concerned. The security of policyholders' contractual benefits, and the effects of the scheme on the fair treatment and reasonable expectations of policyholders are the main considerations of the report.

MIC and Bothnia have jointly appointed Stewart Mitchell (I or me) of Lane Clark & Peacock LLP (LCP, we, or us) to act as the Independent Actuary for the Proposed Transfer. The Effective Date of the Proposed Transfer is 30 June 2024 ie shortly after the Sanctions Hearing which is scheduled for June 2024.

The Scheme Report was issued on 14 March 2024 and was presented to the Court on 8 April 2024. In the Scheme Report I stated that, before the date of the Sanctions Hearing, I would prepare a Supplemental Report (this report), covering any relevant matters which have arisen since the date of the Scheme Report.

In particular, I have considered whether any developments since the Scheme Report cause my conclusions in the Scheme Report to change.

2.2. Scope of this Supplemental Report

This Supplemental Report must be read in conjunction with the Scheme Report as the Supplemental Report alone does not contain the full details of the work I have performed in considering the Proposed Transfer. Reading the Supplemental Report in isolation may be misleading.

In combination with the Scheme Report, this Supplemental Report complies with the professional actuarial guidance and standards set out in section 2.5. All terms used in the Supplemental Report are as defined in the Scheme Report.

The use of "I", "me" and "my" in this report generally refers to work carried out by me or by the team operating under my direct supervision. However, when it is used in reference to an opinion it is mine and mine alone.

The numbers in this report are shown in €.

2.3. Use of this Supplemental Report

This Supplemental Report has been produced by Stewart Mitchell FIA of LCP under the terms of our written agreements with MIC and Bothnia. It is subject to any stated limitations (eg regarding accuracy or completeness).

This Supplemental Report has been prepared for the purpose of accompanying the application to the Court in respect of the proposed insurance business transfer scheme described in this report, in accordance with Section 13 of the Assurance Companies Act. The Supplemental Report is not suitable for any other purpose. The Supplemental Report must be read in conjunction with the Scheme Report of 14 March 2024.

A copy of the Supplemental Report will be sent to the CBI and any other relevant regulator and will accompany the evidence filed in Court at the Sanctions Hearing.

This report is appropriate only for the purpose described above and should not be used for anything else. No liability is accepted or assumed for any use of the Supplemental Report for any other purpose other than that set out above.

2.4. Reliances

I have based my work on the data and other information made available to me by MIC and Bothnia. Appendix 1 contains a list of key data and other information that I have considered. I have also held discussions with the relevant staff of MIC, Bothnia and their advisors.

Data

I have used data as at various dates eg 31 December 2022, 31 December 2023 and 31 March 2024, where available, for my analysis.

Projected data as at the Effective Date

The Effective Date of the Proposed Transfer is expected to be 30 June 2024 ie shortly after the Sanctions Hearing which is expected to be heard in June 2024.

For this Supplemental Report I have reviewed the following items for MIC and Bothnia immediately before and after the Proposed Transfer as at the Effective Date:

- Updated GAAP provisions as at 31 March 2024
- Updated projected SCR and coverage ratios
- Updated balance sheets.

I have received all of the information that I have requested for the purposes of the production of my report. In this respect:

- MIC and Bothnia have each provided a data accuracy statement confirming that the data provided to me regarding the Proposed Transfer is accurate and complete.
- MIC and Bothnia have each read this Supplemental Report and each has confirmed that it is correct in terms of all factual elements of the Proposed Transfer.
- I have conducted basic checks on the data provided to me for internal consistency and reasonableness.
- My checks of the data have not revealed any cause for me to doubt that it is materially appropriate for me to rely on the integrity of the information provided for the purpose of this report.

The conclusions in my report take no account of any information that I have not received, or of any inaccuracies in the information provided to me.

I have not needed to take any third-party legal advice on any aspects of the Proposed Transfer. MIC and Bothnia have confirmed that they have received no other specific legal advice relevant to my role as IA for the Proposed Transfer beyond that which has been provided to me.

Figures in this report may be subject to small rounding differences and so totals within the tables may not equal the sum of the rounded components.

2.5. Professional standards

I have considered the Code of Professional Conduct as issued by the Society of Actuaries in Ireland (SAI) while producing this report. This report has been prepared in accordance with the following Actuarial Standards issued by the SAI and the Financial Reporting Council (FRC) in the UK:

- SAI: Actuarial Standard of Practice PA-2 (ASP PA-2) General Actuarial Practice;
- SAI: Actuarial Standard of Practice INS-2 (ASP INS-2) Transfer of an Insurance Portfolio – Role of the Independent Actuary;
- FRC: Technical Actuarial Standard 100: General Actuarial Standards (TAS 100); and

- FRC: Technical Actuarial Standard 200: Insurance (TAS 200).

This report has been subject to independent peer review prior to its publication, in line with ASP PA-2 and Actuarial Practice Standard X2 (APS X2). This peer review has been undertaken by another Partner at LCP. The peer reviewer was not involved in the production of the report. They have appropriate experience and expertise to act as peer reviewer of this report.

2.6. Materiality

I have considered matters are material if they could, individually or collectively, influence the decisions to be taken by users of this report. An assessment of such materiality is a matter of reasonable judgement that requires consideration of both the users of the report and the context for which it is prepared.

I have applied this concept in planning, performing and reporting the work described in this Scheme Report. In particular, I have applied this concept of materiality when using my professional judgement to determine the risks of material misstatement or omission and to determine the nature and extent of my work.

In complying with the reporting requirements of ASP PA-2 and TAS 100, I have made judgements on the level of information to include in this Scheme Report. For example, to make the report easier to read, I have not included all the details that would normally be included in a formal actuarial report, such as details of the methodologies and assumptions underlying the reserve and capital assessments.

2.7. Definition of materially adverse

In order to determine whether the Proposed Transfer will have a materially adverse impact on any group of policyholders, it has been necessary for me to exercise my judgement in the light of the information that I have reviewed.

The Proposed Transfer will affect different policyholders in different ways and, for any one group of policyholders, there may be some effects of the Proposed Transfer that are positive, and others that are adverse. When assessing whether the Proposed Transfer will have a materially adverse impact, I have considered the aggregate impact of these different effects on each group of policyholders.

Throughout the report, I have provided the rationale for my judgements and conclusions. These explain why, in each case, I have concluded whether policyholders are materially adversely affected or otherwise.

3. My approach as IA

My approach to assessing the Proposed Transfer, as set out in the Scheme Report, was to perform five steps analysing evidence provided by MIC and Bothnia to support the Proposed Transfer.

My approach for the Supplemental Report has been to revisit each of these five steps and to consider whether any of the updated analysis or information available now would cause me to change my conclusions in that report.

The five steps and my considerations are detailed in the sections as follows:

- Step 1: Assessing the provisions of MIC and Bothnia – considered in section 4.
- Step 2: Assessing the capital positions of MIC and Bothnia – considered in section 5.
- Step 3: Assessing overall policyholder security – considered in section 6.
- Step 4: Assessing policyholder communications – considered in section 7.
- Step 5: Assessing potential impact on customer service and other considerations that might affect policyholders – considered in section 8.

A list of all information considered is included in Appendix 1. Further details on my approach as IA are set out in section 4 of the Scheme Report.

4. Reserving considerations

As IA, my overall assessments related to reserving are:

- whether an appropriate level of provisions is maintained for all relevant policyholders, ie Transferring MIC Policyholders and Existing Bothnia Policyholders; and
- whether any aspects of the reserving may lead to policyholders being materially adversely affected by the Proposed Transfer.

These assessments were considered in section 5 of the Scheme Report, based on data and provisions as at 31 December 2023. I have been provided with updated data and provisions as at 31 March 2024 and an update of any material changes to provisions since 31 December 2023.

MIC and Bothnia have each confirmed that the approach and basis for calculating the GAAP technical provisions and Solvency II technical provisions have not changed since the Scheme Report.

4.1. Breakdown of GAAP booked provisions for MIC

The following table shows a breakdown of the level of booked provisions for MIC as at 31 March 2024 (the latest available figures at the time of my writing of my Supplemental Report) and an update from the figures as at 31 December 2023 in my Scheme Report, gross and net of reinsurance.

Breakdown of GAAP booked provisions for MIC as at 31 March 2024

€m	As at 31 December 2023		As at 31 March 2024		Movements since 31 December 2023	
	Gross of reinsurance	Net of reinsurance	Gross of reinsurance	Net of reinsurance	Gross of reinsurance	Net of reinsurance
Outstanding claims reserve	124.4	-	120.4	-	(4.0)	-
Incurred but not reported (IBNR)	25.3	-	21.2	-	(4.1)	-
Extra-Contractual Obligations (ECO)	21.6	-	20.7	-	(0.9)	-
Unallocated loss adjustment expenses	4.8	4.8	4.8	4.8	0.0	0.0
Margin for uncertainty	4.1	-	4.1	-	0.0	-
Total	180.2	4.8	171.3	4.8	(8.9)	0.0

Source: MIC

As expected, the booked provisions for MIC have fallen since 31 December 2023 as the liabilities continue to run-off. The decrease in IBNR of €4.1m was driven by a reduction in the projected number of exceptional claims ie claims above €1m. The decrease in ECO reserves of €0.9m was due to a favourable judgment on a claim.

The changes in booked provisions since 31 December 2023 have not led me to change my conclusions regarding reserving.

4.2. Breakdown of GAAP booked provisions for Bothnia

The following table shows a breakdown of the level of booked provisions for Bothnia as at 31 March 2024 (the latest available figures at the time of my writing of my Supplemental Report) and an update from the figures as at 31 December 2023 in my Scheme Report, gross and net of reinsurance.

Summary of GAAP booked provisions for Bothnia at 31 March 2024

€m	As at 31 December 2023		As at 31 March 2024		Movements since 31 December 2023	
	Gross of reinsurance	Net of reinsurance	Gross of reinsurance	Net of reinsurance	Gross of reinsurance	Net of reinsurance
Outstanding claims reserve	201.8	28.5	209.2	29.6	7.4	1.1
Incurred but not reported	87.1	11.7	66.2	8.5	(20.9)	(3.2)
Unallocated loss adjustment expenses	8.7	1.2	8.3	1.1	(0.4)	(0.1)
Margin for uncertainty	0.0	0.0	0.0	0.0	0.0	0.0
Total	297.5	41.3	283.6	39.2	(13.9)	(2.1)

Source: Bothnia (excludes Finnish GAAP equalisation provision)

As expected, the booked provisions for Bothnia have fallen since 31 December 2023 as the liabilities continue to run-off.

The changes in booked provisions since 31 December 2023 have not led me to change my conclusions regarding reserving.

The transferring GAAP gross booked provisions represent 60% of Bothnia's GAAP gross booked provisions and 12% of net provisions as at 31 March 2024 (both percentages unchanged from 31 December 2023). The majority of Bothnia's reinsurance consists of an 85% quota share reinsurance with Pallas Re.

Bothnia's provisions are made up of earned claims reserves, there is no unearned premium reserve as the business is in run-off.

Key uncertainties

The ultimate costs of settling general insurance claims are subject to uncertainty in terms of both the frequency (ie how many valid claims there will be) and severity (ie the cost of settling each claim) including exposure to inflation in claim amounts over time. This is particularly true for medical malpractice claims. Therefore, there are uncertainties when setting the corresponding provisions.

4.3. Overall conclusion: reserving considerations

I am satisfied that my conclusions remain unchanged from the Scheme Report. In summary:

I have concluded that the Transferring MIC Policyholders and the Existing Bothnia Policyholders will not be materially adversely affected by the reserving aspects of the Proposed Transfer.

5. Capital considerations

As IA, my overall assessments related to capital are:

- whether the projected capital requirements and coverage ratios have been calculated appropriately for both MIC and Bothnia;
- whether there are expected to be any material adverse changes in the strength of capital protection for any group of policyholders (I have assessed this by comparing the projected SCR coverage ratios pre- and post-the Proposed Transfer); and
- whether any other aspects of the capital considerations may lead to policyholders being materially adversely affected by the Proposed Transfer.

These assessments were considered in section 6 of the Scheme Report.

In this Supplemental Report, I have also considered the updated SCR coverage ratio and balance sheet projections, based on data as at 31 March 2024 for MIC and Bothnia.

5.1. Components of capital requirements

MIC and Bothnia have provided actual SCR calculations as at 31 December 2023, and updated projected SCR calculations at the time of the Proposed Transfer. I have summarised the key risks as a percentage of the total SCR pre- and post-transfer ie as at the day before the Proposed Transfer (Day 0) and the day after the Proposed Transfer (Day 1).

MIC: Projected breakdown of SCR risk components pre- and post-transfer

Risk components €m	As at 31 December 2023		Day 0: Pre-transfer ie 30 June 2024		Day 1: Post-transfer ie 1 July 2024	
Underwriting risk	2.1	7%	2.0	8%	n/a	n/a
Market risk	1.8	7%	3.2	12%	n/a	n/a
Counterparty default risk	21.3	77%	20.1	76%	n/a	n/a
Diversification/Deferred Tax liability	(2.2)	(8%)	(3.1)	(11%)	n/a	n/a
Operational risk	4.6	17%	4.3	16%	n/a	n/a
SCR	27.6	100%	26.6	100%	n/a	n/a

Source: MIC

As at 31 December 2023, MIC's SCR was €27.6m, own funds were €46.5m and so the SCR coverage ratio was 168%.

For MIC, the most material component of the projected SCR is counterparty default risk, which represents 77% of the projected SCR. This is due to the 100% level of reinsurance including with Pallas Re, an unrated reinsurer, and the choice of F' factor (see section 6.6 of the Scheme Report). Pre-transfer ie at Day 0, counterparty default risk at 76% is projected to remain the most material risk component of the SCR.

Bothnia: Projected breakdown of SCR risk components pre- and post-transfer

Risk components €m	As at 31 December 2023		Day 0: Pre-transfer ie 30 June 2024		Day 1: Post-transfer ie 1 July 2024	
Underwriting risk	10.9	53%	10.1	54%	15.3	57%
Market risk	6.2	30%	6.5	35%	7.7	29%
Counterparty default risk	3.9	19%	1.9	10%	3.0	11%
Diversification/Deferred Tax liability	(5.3)	(26%)	(4.0)	(21%)	(5.2)	(19%)
Operational risk	4.8	24%	4.3	23%	6.1	23%
SCR	20.5	100%	18.8	100%	26.9	100%

Source: Bothnia

As at 31 December 2023, Bothnia's own funds were €36.2m and, given the SCR of €20.5m, the SCR coverage ratio was 176%.

For Bothnia, the most material component of the SCR is underwriting risk, which represents 53% of the SCR as at 31 December 2023, 54% pre-transfer and increases post-transfer to 57% due to the Proposed Transfer. Market risk is also a material contributor to the SCR, representing 30% of the SCR as at 31 December 2023, and which increases pre- and decreases post-transfer as a percentage of the overall SCR.

Bothnia's counterparty risk capital requirement has reduced since 31 December due to a significant reduction in receivables from Pallas Re (related to paid claims rather than reserves). This reduction is expected to remain in place going forward, as intragroup receivable balances are now being more actively managed.

For Bothnia, underwriting risk remains the key risk component post-transfer.

5.2. Projected SCR coverage ratios for MIC and Bothnia

Projected SCR coverage ratios pre- and post-transfer

For the purposes of this report and the Scheme Report, I describe a company as having "sufficient capital" if the SCR coverage ratio is between 100% and 150%. I describe a company as "well capitalised" if the SCR coverage ratio is between 150% and 200% and "very well capitalised" if the SCR coverage ratio is in excess of 200%.

Since providing my Scheme Report, MIC and Bothnia have updated their analysis of projected SCR coverage ratios based on more recent data as at 31 March 2024.

The table below sets out the updated projected SCR and coverage ratios, as prepared by MIC and Bothnia, immediately before and after the Proposed Transfer.

Details of the changes in the projected SCR coverage ratios are provided in Section 1.3. I do not consider the updated SCR coverage ratios, and movements from Day 0 to Day 1, to be materially different to those set out in my Scheme Report and, as such, the changes in these figures have not changed my overall conclusions.

Projections before and after the Proposed Transfer €m	Own Funds	SCR	Own Funds less SCR	SCR coverage ratio	Movement in coverage ratio
Day 0: pre-transfer ie 30 June 2024					
MIC	46.6	26.6	20.0	175%	
Bothnia	34.4	18.8	15.6	183%	
Day 1: post-transfer ie 1 July 2024					
MIC	n/a	n/a	n/a	n/a	
Bothnia	43.1	26.9	16.2	160%	(23%)

Source: MIC and Bothnia

In summary:

- Transferring MIC Policyholders: the SCR coverage ratio for liabilities transferring from MIC to Bothnia is projected to decrease from 175% to 160% and so the policyholders are still in a well capitalised company. Therefore, I have concluded that the changes in SCR coverage ratios as a result of the Proposed Transfer will not lead to any material adverse changes in the strength of capital protection for this group of policyholders.
- Existing Bothnia Policyholders: the SCR coverage ratio for these policyholders is projected to decrease from 183% to 160% after the Proposed Transfer but remains well capitalised.
- The decrease in SCR coverage ratio from 183% to 160% would appear to be a significant reduction. However, the SCR is calibrated such that a 100% coverage ratio would equate to a 0.5% probability of insolvency over the next year. A 160% coverage ratio therefore equates to a more remote probability than 0.5% of insolvency. Since the probability of insolvency is already remote at 160%, the difference in capital coverage ratios of 160% and 183% does not, in my opinion, equate to a material difference in the probability of insolvency.
- Therefore, I have concluded that the changes in SCR coverage ratios as a result of the Proposed Transfer will not lead to any material adverse changes in the strength of capital protection for the Existing Bothnia Policyholders.

Note, Bothnia's projections are based on a collateralised level of reinsurance of 110% post-transfer for the MIC liabilities, the projections in the Scheme Report were based on 100% collateral. Bothnia have confirmed this change leads to an increase in the SCR coverage ratio of less than 1% and has no material impact on the balance sheet.

Projected SCR coverage ratios post-transfer

Bothnia has provided SCR coverage ratio projections based on various scenarios out to June 2026 which show coverage ratios well in excess of the risk appetite of 120% and above 150% ie well-capitalised.

Compre's Group CFO has confirmed that if the Proposed Transfer did not take place, then Compre would seek to extract capital from MIC to bring the SCR coverage ratio down closer to 150% ie in line with the risk appetite in the group's capital management plan and so would remain well capitalised.

The actual SCR coverage ratio for Bothnia going forward will depend on any future transfers, the key current potential transfers were described in the Scheme Report and would be subject to regulatory approval.

Bothnia has confirmed that it is not currently contemplating any other material transfers into Bothnia which do not require regulatory approval.

In practice, MIC's and Bothnia's average coverage ratios may be higher or lower than these projections depending on the claims and other experience, and any dividend payments. Both companies will regularly monitor the capital, and projected capital, position in line with their capital management policy (see section 6.7 of the Scheme Report). This could also lead to the coverage ratios being higher or lower than projected.

5.3. SCR scenario analysis

In section 6.10 of my Scheme Report, I considered the impact of a range of adverse scenarios on the Transferring Business, based on projections prepared by MIC and Bothnia. The purpose of such scenario analysis was to assess whether the companies can withstand plausible adverse experience and whether, under these circumstances, they can still provide appropriate security to all policyholders.

MIC and Bothnia have confirmed to me that the results of the scenario analysis provided to me for the Scheme Report would not be materially different based on more recent data. This is supported by the small changes in the updated SCR coverage ratios provided for this Supplemental Report.

Given this, my conclusions in this respect ie that Transferring MIC Policyholders and Existing Bothnia Policyholders are not materially adversely affected by the Proposed Transfer based on the scenarios provided are unchanged.

5.4. Overall conclusion: Capital considerations

I am satisfied that my conclusions related to capital remain unchanged from the Scheme Report. In summary:

- **The standard formula is appropriate and the process followed to calculate the SCR is reasonable for both MIC and Bothnia.**
- **Following the Proposed Transfer, there will be no materially adverse changes in the strength of capital protection for any group of policyholders.**

6. Policyholder security

6.1. My considerations relating to policyholder security

As IA, my overall assessments related to policyholder security are:

- whether the likelihood of valid policyholder claims being paid is maintained following the Proposed Transfer for Transferring MIC Policyholders and Existing Bothnia Policyholders.
- whether any change in policyholder security results in policyholders being materially adversely affected by the Proposed Transfer.

These assessments were considered in section 7 of the Scheme Report. In this Supplemental Report, I have also considered the following updated projected balance sheets of MIC and Bothnia immediately pre- and post- the Proposed Transfer.

6.2. Impact on the balance sheets of MIC and Bothnia

I have updated the analysis set out in section 7.2 of the Scheme Report to reflect MIC and Bothnia's updated projections based on data as at 31 March 2024. This updated analysis is based on projected balance sheets immediately pre- and post-transfer, ie the day before (Day 0) and the day after (Day 1) the Proposed Transfer. The table below shows simplified Solvency II balance sheets for MIC and Bothnia pre- and post-transfer.

Solvency II balance sheets of MIC and Bothnia

€m	Pre-Transfer ie 30 June 2024		Post-Transfer ie 1 July 2024		Movement due to Proposed Transfer	
	MIC	Bothnia	MIC	Bothnia	MIC	Bothnia
Reinsurer's share of TPs	140.3	196.7	0.0	326.1	(140.3)	129.4
Investments	46.5	108.4	46.5	132.5	0.0	24.1
Cash	1.1	6.8	1.1	7.3	0.0	0.5
Debtors	9.0	26.5	9.0	26.5	0.0	0.0
Other	0.0	0.1	0.0	0.1	0.0	0.0
Total assets	196.9	338.4	56.6	492.4	(140.3)	154.0
Technical provisions	149.7	233.9	0.0	383.2	(149.7)	149.3
Creditors	0.6	55.2	0.6	55.2	0.0	0.0
Other	5.0	24.3	5.0	24.3	0.0	0.0
Total liabilities	155.4	313.5	5.6	462.7	(149.7)	149.3
Adjustment to own funds	5.0	9.4		13.4	(5.0)	4.0
Own funds	46.6	34.4		43.1	(46.6)	8.7
SCR	26.6	18.8		26.9	(26.6)	8.1
SCR coverage ratio	175%	183%		160%	(175%)	(23%)

Source: MIC, Bothnia

Key movements – MIC

The key movements in the balance sheet for MIC as a result of the Proposed Transfer are as follows:

Assets transferred

- €140.3m decrease in total assets due to the reinsurer's share of technical provisions transferring to Bothnia

Liabilities transferred

- €149.7m decrease in total liabilities due to the technical provisions transferring to Bothnia

It is proposed that the remaining assets and liabilities in MIC post-transfer will be part of a members voluntary liquidation.

Key movements – Bothnia

The key movements in the balance sheet for Bothnia are as follows:

Assets transferred

- €154.0m increase in total assets driven mainly by the reinsurer's share of technical provisions (€129.4m) and investments (€24.1m)

Liabilities transferred

- €149.3m increase in total liabilities all due to technical provisions (€149.3m)

Therefore, Bothnia's own funds increase by €4.7m due to the change in assets/liabilities, together with an increase of €4.0m due to the adjustment to own funds (due to subordinated debt, see section 6.10 of the Scheme Report) ie €8.7m in total.

The difference in the fall in value of MIC's liabilities of €149.7m and the increase in value of Bothnia's liabilities of €149.3m of €0.4m is less than 0.3% which is not materially different.

The difference in the fall in value of MIC's assets and the increase in value of Bothnia's assets is due in part to the level of reinsurance pre- (100%) and post-transfer (85%) and the impact of this on the reinsurers' share of technical provisions.

The changes in the balance sheet numbers from the Scheme Report have not led me to change the conclusions I reached in the Scheme Report.

The table below shows a breakdown of the projected gross of reinsurance SII TPs pre- and post-transfer (based on data as at 31 March 2024).

SII TPs (€m)	MIC pre-transfer (30 June 2024)	MIC post-transfer (1 July 2024)	Increase / Decrease	Bothnia pre-transfer (30 June 2024)	Bothnia post-transfer (1 July 2024)	Increase / (Decrease)	Difference
Best Estimate TPs	160.4	n/a	(160.4)	260.3	424.8	164.5	4.1
ENIDs	4.1	n/a	(4.1)	5.6	10.5	4.9	0.8
Expenses	4.2	n/a	(4.2)	1.1	4.8	3.7	(0.5)
Discounting	(22.3)	n/a	22.3	(37.9)	(64.6)	(26.7)	(4.4)
Total TPs	146.4	n/a	(146.4)	229.1	375.5	146.4	(0.0)
Risk margin (RM)	3.4	n/a	(3.4)	4.8	7.6	2.9	(0.5)
Total TPs incl. RM	149.7	n/a	(149.7)	233.9	383.1	149.3	(0.4)

Source: MIC, Bothnia

Bothnia's best estimate of TPs for the transferring business is €164.5m ie 2.6% higher than that of MIC's best estimate of €160.4m which is not materially different.

Within the TPs are estimates for a small number of claims which are affected by extra-contractual obligations (ECO) ie additional claim costs imposed by legal rulings. MIC adopt a more prudent weighting towards more adverse outcomes for these claims than Bothnia and its gross estimate is c. €4m higher than Bothnia's. However, Bothnia's estimate for IBNR for other claims is higher than MIC's and its overall best estimate of TPs is higher than MIC's.

There are differences in the valuation of the other elements of the TPs. In particular, Bothnia's estimate of the credit for the impact of discounting is €4.4m higher than MIC's. This is due to a difference in assumed payout patterns and because Bothnia has approval to use EIOPA's volatility adjusted yield curves rather than the risk free curves. Other differences are not material in value. Overall MIC's and Bothnia's estimates of total TPs including the risk margin are only €0.4m different.

The changes in the balance sheets and breakdown of the SII TPs for MIC and Bothnia since the Scheme Report have not led me to change my conclusions in respect of Policyholder Security.

6.3. Impact on the solvency positions of MIC and Bothnia

The projected solvency positions of MIC and Bothnia pre- and post-transfer are summarised in the following table.

Projected solvency positions of MIC and Bothnia immediately before and after the Proposed Transfer

	MIC	Bothnia
Pre-transfer ie 30 June 2024		
Total own funds eligible to meet SCR	46.6	34.4
SCR	26.6	18.8
SCR coverage ratio	175%	183%
Post-transfer ie 1 July 2024		
Total own funds eligible to meet SCR		43.1
SCR		26.9
SCR coverage ratio	n/a	160%

MIC is well capitalised immediately before the Proposed Transfer, Bothnia is also well capitalised before and after the Proposed Transfer (as described in section 5.2 of the Scheme Report).

6.4. Reinsurance arrangements

Two of MIC's reinsurance treaties (with Covéa Lux and one of the MMA IARD S.A treaties) were novated to Pallas Re, effective 31 August 2023. In addition, Pallas Re reinsures any bad debt on the remaining reinsurance.

MIC's reinsurance recoveries from Pallas Re are collateralised at 102% of the undiscounted best estimate liabilities (UBEL) with further collateral triggers dependent on the Bermuda SCR (BSCR) coverage ratio of Pallas Re. The level of collateral will rise to 110% by the first-year anniversary of the acquisition of MIC by Compre ie by 31 August 2024 (assuming the Proposed Transfer does not occur).

As Pallas Re responds in the event of a panel reinsurer defaulting and covers any bad debt arising, effectively Pallas Re reinsurers 100% of MIC's liabilities. However, the panel reinsurers are rated and so any default is not expected to be material.

Post-transfer, the MIC portfolio will be 85% reinsured by Pallas Re after the Proposed Transfer (down from 100% pre-transfer) with collateral at 110%. Bothnia's other liabilities will continue to be 85% reinsured through the existing 85% quota share reinsurance with Pallas Re.

Pallas Re's final Bermuda SCR coverage ratio was 179% as at 31 December 2023 (\$734.2m available economic capital and surplus, \$410.7m enhanced capital requirement), which is well capitalised.

6.5. Overall conclusion: Policyholder security

Based on the analysis set out above, I am satisfied that my conclusions remain unchanged from the Scheme Report. In summary:

Based on the work and rationale described above, I have concluded that policyholders will not be materially adversely affected by the Proposed Transfer from a policyholder security standpoint.

7. Policyholder communications

As IA, my overall assessments related to policyholder communications are:

- the appropriateness of MIC and Bothnia's communication strategy to inform policyholders of the Proposed Transfer.
- whether the policyholders are to be provided with sufficient and clear enough information so that they can understand how the Proposed Transfer may affect them.

These assessments were considered in section 8 of the Scheme Report.

In this Supplemental Report, I have also considered the following:

- Policyholder responses to MIC and Bothnia's communications; and
- Policyholder objections to the Proposed Transfer.

7.1. Publicity and policyholder communications

MIC and Bothnia have confirmed that communications with policyholders have broadly been carried out in line with the communications plan presented to the High Court at the Directions Hearing on 8 April 2024 (noting that there is no requirement to announce the transfer publicly in Finland, Ireland or France post-transfer as originally planned).

MIC has confirmed that it:

- Has written to as many of the Transferring MIC Policyholders as possible in French or Spanish (ie the language in which MIC ordinarily communicates with the Transferring MIC Policyholders). English translations are available upon request.
- Notified any brokers or intermediaries relating to the Transferring Business of the Proposed Transfer.
- Notified reinsurers including Pallas Re of the Proposed Transfer for completeness.
- Notified the claims handlers Cabinet Branchet and the Fédération hospitalière de France (the French Hospital Federation)
- Published details of the Proposed Transfer in Iris Oifigiuil and two Irish daily newspapers (the Irish Examiner and the Irish Independent), as required by Irish law, and as directed by the High Court following the Directions Hearing.
- Complied with the requirements to publish notices in a French daily newspaper.
- Placed the relevant documents on the MIC webpage of Compre group's website <https://compre-group.com/notices/mic-dac/> following the Directions Hearing and made them available for inspection in MIC's and their solicitor's office.

Bothnia has confirmed that it:

- Will issue a welcome letter to Transferring MIC Policyholders following the Effective Date.
- Placed the relevant documents on the Bothnia and MIC webpages of their website <https://compre-group.com/notices/mic-dac/> following the Directions Hearing and made these documents available for inspection in MIC's and Bothnia's offices.

7.2. Policyholder objections to the Proposed Transfer

As at the date of this Supplemental Report, no policyholder objections or complaints have been received.

Also as at the date of this report I am not aware of any issues having been raised by policyholders with any regulator.

At the time of this Supplemental Report some reinsurers have yet to give their consent to the Proposed Transfer. Further details are provided in Section 1.3

7.3. Overall conclusion: Policyholder communications

The communications have been carried out in line with the communications plan presented to the High Court at the Directions Hearing on 8 April 2024. I have not identified any objections or complaints that have caused me to

change my overall conclusions related to the Proposed Transfer. I am, therefore, satisfied that my conclusions remain unchanged from the Scheme Report. In summary:

Based on my review of the communication strategy, I have concluded the planned communications strategy will ensure adequate coverage of affected parties.

I have also concluded that the planned communication is sufficiently clear for policyholders to understand the effects of the Proposed Transfer and that MIC and Bothnia have sufficient resources to deal with any objections, enquiries or complaints received following the communication exercise.

8. Customer service and other considerations

The assessments related to the customer service and other considerations were considered in section 9 of the Scheme Report. There have been no changes related to these assessments since my analysis included in the Scheme Report.

8.1. Overall conclusion: Customer service and other considerations

Since the Scheme Report, there have been no material changes to the Proposed Transfer that affect my analysis on customer service and other aspects of the Proposed Transfer. I am, therefore, satisfied that my conclusions remain unchanged from the Scheme Report. In summary:

I have concluded that there will be no material impact on service standards, or any other considerations within this section of the report, following the Proposed Transfer.

9. Conclusions and Statement of Truth

9.1. Conclusion

I have considered the Proposed Transfer and its likely effects on the Transferring MIC Policyholders and Existing Bothnia Policyholders.

In reaching the conclusions set out below, I have applied the principles as set out in relevant professional guidance, being:

- SAI: Actuarial Standard of Practice PA-2 (ASP PA-2) General Actuarial Practice;
- SAI: Actuarial Standard of Practice INS-2 (ASP INS-2) Transfer of an Insurance Portfolio – Role of the Independent Actuary;
- FRC: Technical Actuarial Standard 100: General Actuarial Standards (TAS 100); and
- FRC: Technical Actuarial Standard 200: Insurance (TAS 200).

I have concluded that:

- The security provided to Transferring MIC Policyholders will not be materially adversely affected by the Proposed Transfer. There will be no material impact on service standards for Transferring MIC Policyholders following the Proposed Transfer.
- The security provided to Existing Bothnia Policyholders will not be materially adversely affected by the Proposed Transfer. There will be no material impact on service standards for Existing Bothnia Policyholders following the Proposed Transfer.

9.2. IA duty and declaration

My duty to the Court overrides any obligation to those from whom I have received instructions or paid for this Report. I confirm that I have complied with that duty.

I confirm that I have made clear which facts and matters referred to in this report are within my own knowledge and which are not. Those that are within my own knowledge I confirm to be true. The opinions I have expressed represent my true and complete professional opinions on the matters to which they refer.



Stewart Mitchell FIA
Partner

12 June 2024

Professional standards

Our work in preparing this document complies with the following actuarial professional standards.

Issued by the Society of Actuaries in Ireland: ASP PA-2 General Actuarial Practice and ASP INS-2 Transfer of an Insurance Portfolio – Role of the Independent Actuary.

Issued by the Financial Reporting Council: Technical Actuarial Standard 100: General Actuarial Standards, together with Technical Actuarial Standard 200: Insurance.

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Appendix 1 – Summary of data provided

The following is a list of the key data items I have requested and received in assessing the Proposed Transfer for the purpose of this Supplemental Report. I continue to also rely on all data items received that are listed in Appendix 4 of the Scheme Report. All data I have requested has been provided to me as described below.

Data accuracy statement

- MIC and Bothnia have each provided a data accuracy statement confirming that the data provided to me regarding the Proposed Transfer is accurate and complete.
- MIC and Bothnia have read this IA Scheme Report and each has confirmed that it is correct in terms of all factual elements of the Proposed Transfer.

Documents relating to MIC

- Updated technical provisions, balance sheet and capital projections including SCR coverage ratios
- Details of policyholder queries and objections (none received as at 12 June 2024)

Documents relating to Bothnia

- Updated technical provisions, balance sheet and capital projections including SCR coverage ratios
- Details of policyholder queries and objections (none received as at 12 June 2024)

Other

- Updated details of proposed post-transfer reinsurance arrangements

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