

East West Insurance Company Limited

Solvency and Financial Condition Report – June 2016

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East West Insurance Company Limited

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Executive Summary

This report forms part of the annual submission to the Prudential Regulatory Authority under the new annual submission requirements following the implementation of Solvency II.

This is the first of such formal submissions and outlines the financial condition of East West Insurance Company Limited (“EWI” or the “Company”), relative to the requirements under Solvency II.

As EWI ceased underwriting in 1997 and completed a successful scheme of arrangement on the majority of its portfolio of risks in September 2013, there is very little inherent risk associated with the historic underwriting. The Company’s remaining commercial liability relates to a single employers liability claim, as all motor and household claims are considered closed. The London market business shows very little development and no claim demands have been presented by cedants in recent years.

The company’s current activity is driven by regulatory and administrative reporting requirements given the lack of claims activity since its change of control. Therefore, the majority of the risk associated with EWI is driven as a result of the remaining duration to agree and finalise commutations of the remaining reinsurance agreements.

As of June 30th, 2016 the Solvency position can be summarised by the following table:

	Own Funds	SCR	MCR
Market Risk BSCR	£3,112,069	£931,442	£2,657,340
Ratio to Own Funds	100%	334%	117%

The company currently has own funds of £3,112,069 relative to the standard formula calculation of the Solvency Capital Requirement (“SCR”) of £931,442 resulting in a solvency ratio of 334%.

The European Minimum Capital Requirement (“MCR”) for insurance entities is €3.2m. At the prescribed rate of exchange for 2016 this amounts to £2,657,340.

Given that the GBP has weakened against the EURO in 2016, we envisage a small increase in the MCR to approximately £2.8m in 2017.

The company does not foresee a change in the activity in the company or any new arising risks in the following year.

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A. Business and Performance

A.1 Business

East West Insurance Company Limited is an insurance company incorporated in England and Wales. Its principal activity is the transaction of general insurance business in the UK.

The majority and controlling shareholder, with 90.4% of the issued share capital, is ILS Property & Casualty Re Limited, a company incorporated in Bermuda. The remaining 9.6% share capital is held amongst a number of minority shareholders domiciled in Malaysia.

The Company commenced underwriting general insurance business in 1964 and underwrote business through different distribution channels, notably:

- Retail commercial business (Motor/Household) written out of local branch offices in Gloucester, Leicester and Redhill;
- Participation in the English & American Underwriting Agency (“EAUA”) which has since been closed through a Scheme of Arrangement;
- Direct general insurance through insurance brokers including Products Liability and Employers Liability.

The company ceased accepting new business and renewals from 30 June 1997 and has since undertaken an orderly run-off of its activities.

The remaining risks and liabilities were significantly reduced following the completion of a Scheme of Arrangement in September 2013 which closed all London Market business associated with the EAUA pool. The Company’s remaining commercial liability relates to a single employers liability claim, as all motor and household claims are considered closed. The London market business shows very little development and no claim demands have been presented by cedants in recent years

A.2 Underwriting Performance

The Company’s remaining commercial liability relates to a single Employers Liability claim, as all motor and household claims are considered closed. The London market reinsurance business shows very little development with only a small number of cedants remaining and no claim demands have been presented in recent years. There has been no underlying deterioration in reserves with any movement attributable to currency exchange fluctuations only.

A.3 Investment Performance

As part of running off its general insurance and reinsurance business, the Company operates a cautious investment strategy and all funds are held as bank deposits, thus expected returns are minimal.

A.4 Performance of other activities

Responsibility for the day to day management of the Company has been outsourced to Armour Risk Management Limited (“Armour Risk”). The board monitors performance against the SLA and ensures costs are commensurate with the services provided and proportionate to the size of the entity.

A.5 Any other information

None at this time.

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B. System of governance

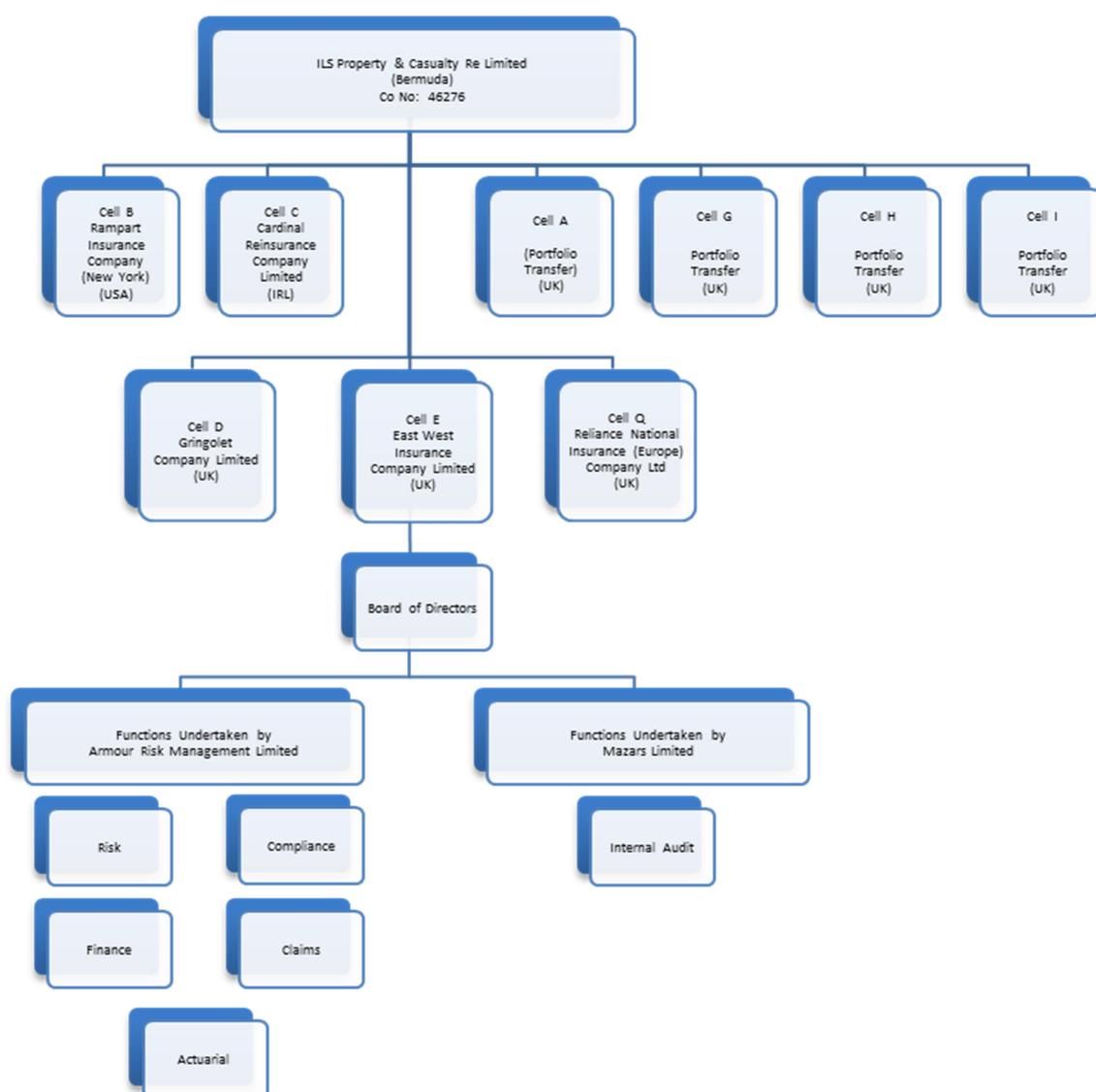
B.1 General information on the system of governance

EWI is governed by a Board of 4 Directors. There is presently a vacancy for Chairman, this position is subject to regulatory approval and the Company is in the process of preparing the relevant regulatory application.

The Company currently has no employees and does not therefore have a remuneration committee. This approach will be reviewed in the event recruitment is required.

The duties and responsibilities of the Board are documented in the Company's Governance Map which is subject to quarterly review and approval by the Board.

EWI Organisation and Governance Chart



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Board of Directors

The Board consists of highly skilled individuals with significant experience in the insurance/reinsurance market. The Board meets quarterly, at minimum, to review and monitor Company performance.

The following were members of the Company's Board as at 30 June 2016

Director	Approved Function
Mr B S Huntington	SIMF 1 CEO
	SIMF 2 Head of Risk
Mr J C Williams	CF29 Significant Management
	SIMF 5 Head of internal audit
	SIMF 20 Chief Actuary
Mrs D P E Richards	SIMF Chief Finance Function
Vacancy	SIMF 9 Chairman
	SIMF 14 Senior Independent Director

Key Functions

The following table contains details of the key functions of EWI as determined by the Board.

Key Function	Rationale
Actuarial & Claims	EWI is a general insurance company which has been in run-off since 1997. Actuarial reserving is considered a key function that enables both the Board and key stakeholders to effectively monitor the remaining portfolio and ensure an efficient run-off for the policyholders. Being a company in run-off, a primary focus is on the accurate and timely payment of all valid claims. Therefore this is a key focus for the Board to ensure an efficient operation.
Finance	Finance is considered a key function to ensure the company effectively manages capital requirements and liquidity in line with regulatory requirements. Further, future run-off costs are a key consideration and as such the financial management, including expense cost control, is critical to the continued operation.
Risk	The management of risks facing the company is important. The ability to identify, quantify, manage and anticipate outcomes and their potential effects on the company and its remaining run-off. Given the very conservative investment policy of the Company most of the risk is derived from the claims liabilities. Therefore close monitoring of claims activity is a key function.
Internal Audit	Internal audit is considered a key control point to provide comfort to the Board and key stakeholders that statutory and regulatory operating thresholds and requirements are met and that the operation is being run in the optimum way so as to protect policyholders.
Compliance	Fit and proper, regulatory and statutory requirements are desirable and required to be met for the protection of policyholders

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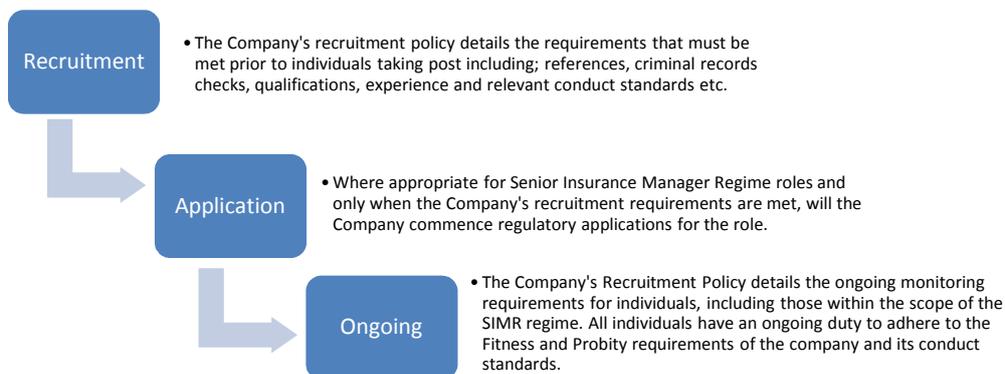
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Outsourcing

All operational activities are outsourced via robust, third party service agreements. Further details on the nature, including; requirements, management reporting and oversight of outsourced service providers is provided in section B.7 Outsourcing, below.

B.2 Fit and proper requirements

The Company is satisfied its framework for fitness and propriety is appropriate to ensure that individuals fulfilling controlled functions meet all relevant regulatory requirements



The Board's review of the continued suitability of directors to continue is evidenced by;

- Annual performance and development reviews, including training,
- Approval of directors appointments and approved persons,
- Oversight of outsource service providers.

The Outsource Service Provider, under the instruction of the governing Board, is responsible for ensuring individuals meet the regulators' fit and proper tests at the point of application. Further, approved persons are required to complete an annual attestation confirming that the fit and proper requirements for the role have been met and that they continue to adhere to the Company's conduct standards.

B.3 Risk Management system including the own risk and solvency assessment

The Company is committed to a robust Risk Management Culture and seeks to ensure that every member, officer or outsource service provider, has regard for the management of risks both in the decision making process and everyday work situations.

The Company's risk management process undertakes a best practice approach and focuses on understanding the key risks and managing them within acceptable levels in the interests of the protection and safety of assets for policyholders. It is a collaborative process where risk response plans are developed in concert with the stake holders who understand the risks and are best able to manage them.

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EWI's Risk function is led by the Board who also act as Risk Committee. The Board/Committee should;

- Know about the most significant risks facing EWl;
- Ensure appropriate levels of awareness throughout the organisation;
- Know how the organisation will manage a crisis;
- Be assured that the risk management process is working effectively;
- Publish a clear risk management policy covering risk management philosophy and responsibilities.

The Terms of Reference for the Board/Risk Committee is as follows;

- Set risk tolerance/appetite for EWl and review, at least annually to ensure they continue to be appropriate;
- Promote good risk management practice throughout the Company by co-operation and liaison with outsource service providers and relevant external agencies and regulators;
- To assign an inherent risk rating and ownership, to new risks identified;
- To identify those risks that present the greatest risk to the business and to make proposals for reducing the potential probability or scale;
- To ensure that all actions agreed, in order to minimise risks, are completed in accordance with the agreed deadlines.

EWI's risk framework includes separate Risk Appetite and Management Policies and qualitative register.

Appetite Policy

The Company maintains a Risk Appetite policy which is reviewed annually, at minimum and is set to reflect the Company strategy. The policy describes the areas under which the Company categorises its risks; including, strategic, financial, operational, reserving, market and regulatory and compliance and includes details of how risks arising are assessed for their acceptability/tolerance and likely impact.

As a company in run-off, it is considered inappropriate to measure risk tolerance against premium income or market reputation and therefore the Company has chosen to measure risk tolerance against impact on capital.

Management Policy

The Risk Management Policy describes the way the Company oversees risk management and the method by which risks are reviewed; including their mitigation, escalation and testing.

Register

Key data contained in the register is;

- Risk Area; e.g. Strategic, market, operational
- Risk Description
- Gross Risk, Potential Impact
- Inherent Risk; based on assessment criteria
- Mitigation; Strategic, Management and Governance, Controls, Financial Mitigation
- Residual Risk; based on assessment criteria having applied mitigation
- Action Plan
- Risk Owner

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Outsource Service Provider Prescribed Responsibilities for Company Risk Management

- To support the provision of staff training in, and raise the level of, risk awareness;
- New Risks – Supply details of the risk to the Board/Risk Committee such that they may evaluate it and determine whether it should be incorporated in the Risk Register;
- Inherent Risk Rating – Submit information regarding the likelihood and potential impact of the risk to the Board/Committee such that they may assign an appropriate inherent risk rating based upon the Risk Matrix;
- Risk Mitigation Procedures/Controls in Place – Supply information to the Board/Risk Committee on new work practices/changes made to existing work practices;
- Residual Risk Rating – Submit information to the Board/Risk Committee such that they may assign an appropriate residual risk rating based upon the Risk Matrix;
- Exposures/Opportunities Identified – Provide the Board/Risk Committee with details of proposed enhancements to existing/new practices such that they may consider the proposed course of action: This should include;
 - Details of benefits
 - Details of costs both financial and non-financial.
 - Estimates of timescales for implementation.
- Actions Planned By When/Who – As a result of the Board/Committee's discussions, appropriate information including agreed actions and subsequent progress will be recorded in the Risk Register (Appendix B).

Own Risk and Solvency Assessment

The Company's ORSA Policy outlines the processes, procedures, timing and approval requirements for the production of the Company's ORSA.

ORSA Policy

This ORSA Policy provides the purpose of the ORSA and guidelines for the Company to develop the ORSA Report, outlining a comprehensive risk management framework that will enable the Company to:

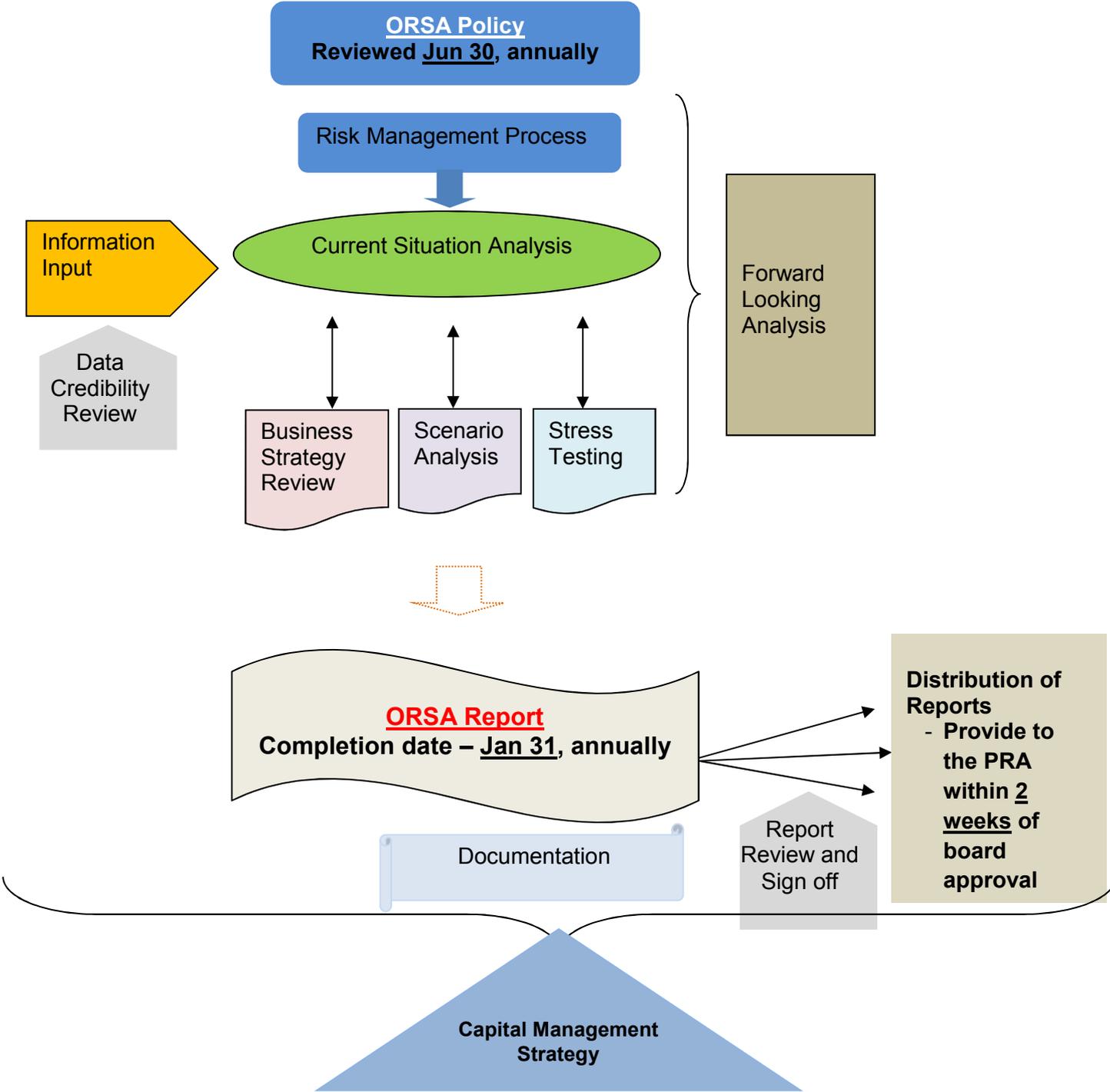
- Manage risks and capital with forward-looking perspectives;
- Implement risk management and control processes appropriate for the Company's business nature, objectives and complexity;
- Integrate risk management with capital actions to support the business strategy and planning; and
- Coordinate company-level risk management with group-level considerations.

ORSA Process

The ORSA process encourages the Company to develop continuous, forward-looking assessments of Company-level risks, as well as an assessment of potential risks the Company can face based on the Company's business plan under either normal or stress scenarios. It also links the Company's risk assessment and capital views to the Company's financial solvency.

EWI has adopted a module approach for the conducting of an ORSA process. The diagram on page 10 provides an overview of the processes conducted.

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ORSA Report

The ORSA policy directs that the ORSA report include, at a minimum, the following components:

- Executive Summary
- Confirmation Statements
- Strategy and Business Plan
- Risk Management Overview
- Risk Profile (including any breaches in appetite/tolerance)
- Capital Requirement and Solvency Assessment
- Stress and Scenario Analysis
- Forward Looking Assessment
- Governance
- Appendices

Audience

The final ORSA Report will be distributed to various parties and stakeholders of the Company including; regulators, shareholders, board of directors, management and service providers

The report distribution criteria depend on the requirements of different parties/stakeholders (such requirements are usage of reports for decision making process and/or monitoring of solvency capital requirements).

Timing

Given the scale and complexity of the Company the main ORSA process will be performed at least once a year. However the process will be triggered in the event of a material change in the Company's risk profile.

Whilst the ORSA process will be completed once a year, the goal for the ORSA is continuous use within the Company. It is meant to become an integral piece of the operations in an effort to decrease risk.

The ORSA inputs are produced and monitored on an on-going basis by the outsource service provider, throughout the year.

In accordance with the ORSA Policy the Company is scheduled to conduct the process with a view to production of the 2016/2017 ORSA report by 31 January 2017. Following Board approval, the report will be circulated to regulators and other key stakeholders within 2 weeks.

B.4 Internal control system

The Company operates a robust system of controls over the recognition and reporting of transactions.

Claim Services

Subject to delegation authorities and/or limits specified by ILS P&C Re, Armour Risk will negotiate, accept, reject, and settle any and all claims made in respect of insurance /reinsurance business of the Company.

Financial Services

Subject to delegation authorities and/or limits specified by ILS P&C Re, Armour Risk administers bank accounts, cash management, processing of cash receipts and disbursements, and any related to treasury services on behalf of the company. Dual signatures are the minimum requirement on all payments.

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Bank account reconciliations are undertaken on a monthly basis. Other control accounts are reconciled quarterly. All reconciliations are subject to review by management.

Financial reports are prepared on a quarterly basis, with explanatory statements for key movements in the period for management review. Regulatory and statutory reporting will be subject to the review and approval of the board.

IT Services

As part of the services provided by Armour Risk, the company has in place disaster recovery plans and systems as required by the regulator or the board.

B.5 Internal audit function

Internal audit is vital to determining whether the risk program for the Company is operating the way it is intended and documented. A strong, independent internal audit function is the hallmark of the “third line of defence” for ERM, designed to enhance the Company’s risk governance framework by providing independent verification of risk management.

Key features have to be respected in order to ensure an appropriate working of the function within the framework of Solvency II and in compliance with the Institute of Internal Auditing (IIA) standards. These key features are the following:

Independence and objectivity

Internal audit will be, at all times, independent of the activities it audits. Such independence will allow the internal audit function to perform its work freely and objectively. It will also allow the function to render impartial and unbiased judgments essential to the proper conduct of its activities objectively.

Proficiency and due professional care

In parallel, all internal audit engagements must be performed with proficiency and due professional care. This means that internal auditors must have or must acquire, where necessary, skills and any other competencies needed to perform their individual responsibilities.

Professional ethics

In order to comply with professional ethics, the internal audit function must adhere to the IIA’s mandatory guidance including the IIA’s Definition of Internal Auditing, Code of Ethics and its Standards. This mandatory guidance constitutes the principles of the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of the internal auditing function’s performance.

Current year

The Company outsources the internal audit function to Mazars, Ireland. The audit scope and plan for 2016/2017 will be reviewed and approved by the Board/Audit Committee and will take a risk based approach, using the Company’s Risk Appetite Policy and Register as point of reference.

It is anticipated that initial audits will focus on the Company’s Use of Service Provider Policy to ensure the effective operations of all outsourced activities.

All audit reports will be reviewed by the Board/Audit Committee and any required actions will be advised to other outsource service providers as required. Any action plans, required in response to internal audit findings, will be reviewed and approved by the Board/Audit Committee and subject to strict oversight to ensure these are fulfilled to the satisfaction of the Company, and in accordance with recommendations.

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B.6 Actuarial function

The Actuarial function is outsourced to Armour Risk and subsequently carried out by Babak Termeh Baf Shirazi, FIA and subsequently peer reviewed by Stuart Wrenn, FIA.

The work carried out includes:

- Quarterly and annual Solvency calculations
- Annual Reserve review
- Quarterly reserve monitoring process
- Production of the Actuarial Function Report

B.7 Outsourcing

Oversight of the Company's service providers is overseen and managed by the Company's Third Party Service Agreement and Use of Service Provider Policy ("USP").

The USP contains detailed requirements regarding;

- Relationship management
- Due diligence and third party selection
- Contract negotiation
- Ongoing monitoring
- Termination
- Oversight and accountability
- Documentation and reporting
- Independent review requirements

The USP is subject to regular review and approval by the Company's Board.

The Service Provider shall provide a quarterly report providing the following:

- Statutory management accounts, prepared in accordance with Solvency II regulation;
- A written management report, benchmarked against the strategy and service agreement as determined and agreed by the Board of Directors of EWI and the Service Provider;
- Any movement in assets or liabilities that negatively affects the statutory capital of EWI by more than 5% is to be reported to the Board of Directors of the Company immediately;
- The Service Provider will be available to attend the quarterly Board meetings to provide a verbal report and answer any question the Board of Directors may have;
- At all time the Service Provider will co-operate with the internal audit team and implement all reasonable requests immediately.

B8. Any other information

None at this time.

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C. Risk Profile

The following section outlines the areas of risk as calculated under the EIOPA guidance around the standard formula model as well as providing narrative around the specific application to East West Insurance Company Limited.

C.1 Underwriting risk

Underwriting risk under solvency II is derived through a combination of risk associated with the unearned and earned business. The company has not accepted any new business since 1997 therefore there is no future event risk associated with unearned premium.

The current outstanding loss reserves are being held against a handful of known market losses and the company is in the process of determining the best approach to commuting the reinsurance contracts underlying these claims.

It should be noted that there has been limited communication by the cedants in regards to these claims, leading us to believe that there is an opportunity to commute these contracts within our carried reserves.

The current underwriting Risk BSCR values are as follows:

	Standalone	Diversified
Underwriting Risk BSCR	£209,569	£171,962

C.2 Market risk

The company holds all its assets in cash where possible in particular the board has elected to hold any excess asset above the expected liabilities in USD. As a result the Market risk is driven by currency risk associated with having a UK entity holding excess assets in USD in the event of devaluation of the USD in respect to GBP.

There is a small interest rate risk associated with the timing mismatch associated with cash and the future liabilities however this is immaterial in the overall Market risk calculation.

The current Market Risk BSCR values are as follows:

	Standalone	Diversified
Market Risk BSCR	£797,909	£654,725

C.3 Credit risk

As the company holds all its cash assets in bank accounts associated with one counterpart (HSBC) as a result there is an element of counterparty default risk should HSBC become bankrupt.

The current counterparty Risk BSCR values are as follows:

	Standalone	Diversified
Market Risk BSCR	£113,600	£93,215

C.4 Liquidity risk

As the company holds all its cash there is no liquidity risk.

C.5 Operational risk

As the company no longer writes ongoing business the operational risk associated with the company is in relation to any fraudulent activity where cash may be stolen from the

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company and or any risk of regulatory fines associated as a result of any potential non-compliance.

There are a number of processes in place to ensure that no one person may access funds without a second signatory and therefore we believe there is limited risk associated with fraudulent cash payments.

The current operational Risk BSCR values are as follows:

		Standalone
Operational BSCR	Risk	£11,540

C.6 Other material risks

There is a small risk that the company will not be able to settle its known losses in the expected time frames and therefore would need to increase its expense reserves.

In order to reduce this risk, the board have put in place a plan to combine these liabilities with another group owned portfolio through a part VII transfer. This would ensure the provision of future expenses going forward.

C.7 Any other information

No further information at this time.

D. Valuation for Solvency Purposes

This section outlines the methodology used to calculate the Solvency II balance sheet items relative to the local accounting methods.

D.1 Assets

The assets in the company are either cash or receivables and therefore valuation of these amounts under Solvency II has been taken to be the values under the local reporting requirements.

D.2 Technical Provisions

The company has determined the technical provisions as per the EIOPA guidance as the discounted best estimate of reserves plus the risk margin. The company has elected to use method 2 for the calculation of the risk margin.

D.3 Other liabilities

The company has determined the technical provisions as per the EIOPA guidance as the discounted best estimate of reserves plus the risk margin. The company has elected to use method 2 for the calculation of the risk margin.

D.4 Alternative methods for valuation

Not applicable.

D.5 Any other information

None at this time.

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E. Capital Management

E.1 Own funds

This section describes the solvency requirements of EWI and the level of own funds in relation to the indicated required solvency requirements.

Under the Solvency II guidance, the indicated own funds of EWI are currently £3,112,069. The SCR based on the expected liabilities is currently £931,442. The EIOPA guidelines indicate that all insurance entities must operate with a minimum capital of €3.2m and as per the prescribed rates of exchange this equates to £2,657,340 for the 2016 calendar year.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

The current SCR and MCR values are as follows:

	Own Funds	SCR	MCR
Market Risk BSCR	£3,112,069	£931,442	£2,657,340
Ratio to Own Funds	100%	334%	117%

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

Not applicable.

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

Not applicable.

E.5 Non-compliance with the minimum capital requirement and significant non-compliance with the solvency capital requirement

Not applicable.

E.6 Any other information

Not applicable.

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Annex 1 – Quantitative reporting templates

We have not provided the S.19.01 series of templates as there is limited information available to produce accurate or useful triangles. The company was purchased by the new shareholders in 2015 and there was no data in regards to the historic paid and outstanding loss reserves at that time. The review of ultimate reserves is currently carried out on an individual loss basis and therefore has not relied on development triangles. We are in a position to produce triangles as of June 2015 however, we would note that there has been little to no data/movement since this date.

The following templates are provided on pages 18 to 27.

S.02.01	Balance Sheet
S.05.01	Premiums, claims and expenses by line of business
S.05.02	Premiums, claims and expenses by country
S.17.01	Non-Life Technical Provisions
S.23.01	Own funds
S.23.02	Detailed information by tiers on own funds
S.25.01	Solvency Capital Requirement - for undertakings on Standard Formula
S.28.01	Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

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Template	S.02.01.: Balance sheet
Entity	EWI: East West Insurance Company Limited
Reporting Cycle	EWI Annual QRT - June 2016: East West Insurance company limited Annual QRT - June 2016

		Solvency II value	Statutory accounts value
		C0010	C0020
Assets			
Goodwill	R0010		
Deferred acquisition costs	R0020		
Intangible assets	R0030		
Deferred tax assets	R0040		
Pension benefit surplus	R0050		
Property, plant & equipment	R0060	0.00	
<i>Investments (other than</i>	<i>R0070</i>	0.00	
Property (other than for	R0080	0.00	
Holdings in related	R0090	0.00	
<i>Equities</i>	<i>R0100</i>	0.00	
Equities - listed	R0110	0.00	
Equities - unlisted	R0120	0.00	
<i>Bonds</i>	<i>R0130</i>	0.00	
Government Bonds	R0140	0.00	
Corporate Bonds	R0150	0.00	
Structured notes	R0160	0.00	
Collateralised securities	R0170	0.00	
Collective Investments	R0180	0.00	
Derivatives	R0190		
Deposits other than cash	R0200	0.00	
Other investments	R0210	0.00	
Assets held for index-linked	R0220	0.00	
<i>Loans and mortgages</i>	<i>R0230</i>	0.00	
Loans on policies	R0240	0.00	
Loans and mortgages to	R0250		
Other loans and mortgages	R0260		
<i>Reinsurance recoverables</i>	<i>R0270</i>	0.00	
<i>Non-life and health similar</i>	<i>R0280</i>		
Non-life excluding health	R0290		
Health similar to non-life	R0300		
<i>Life and health similar to</i>	<i>R0310</i>		
Health similar to life	R0320		
Life excluding health and	R0330		
Life index-linked and unit-	R0340		
Deposits to cedants	R0350	0.00	
Insurance and intermediaries	R0360		
Reinsurance receivables	R0370	10,202.69	10,202.69
Receivables (trade, not	R0380		
Own shares (held directly)	R0390		
Amounts due in respect of	R0400		
Cash and cash equivalents	R0410	3,551,880.43	3,551,880.43
Any other assets, not	R0420		
Total assets	R0500	3,562,083.13	3,562,083.13

		Solvency II value	Statutory accounts value
		C0010	C0020
Liabilities			
<i>Technical provisions – non-life</i>	<i>R0510</i>	412,349.89	105,799.00
<i>Technical provisions – non-</i>	<i>R0520</i>	412,349.89	105,799.00
Technical provisions	R0530		
Best Estimate	R0540	384,670.80	
Risk margin	R0550	27,679.09	
<i>Technical provisions -</i>	<i>R0560</i>		
Technical provisions	R0570		
Best Estimate	R0580		
Risk margin	R0590		
<i>Technical provisions - life</i>	<i>R0600</i>		
<i>Technical provisions -</i>	<i>R0610</i>		
Technical provisions	R0620		
Best Estimate	R0630		
Risk margin	R0640		
<i>Technical provisions – life</i>	<i>R0650</i>		
Technical provisions	R0660		
Best Estimate	R0670		

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Risk margin	R0680		
<i>Technical provisions – index-</i>	<i>R0690</i>	0.00	
Technical provisions	R0700		
Best Estimate	R0710		
Risk margin	R0720		
Other technical provisions	R0730		
Contingent liabilities	R0740	0.00	
Provisions other than	R0750		
Pension benefit obligations	R0760		
Deposits from reinsurers	R0770		
Deferred tax liabilities	R0780		
Derivatives	R0790	0.00	
Debts owed to credit	R0800		
Financial liabilities other than	R0810		
Insurance & intermediaries	R0820		
Reinsurance payables	R0830	14,905.64	14,905.64
Payables (trade, not	R0840		
<i>Subordinated liabilities</i>	<i>R0850</i>		
Subordinated liabilities not	R0860		
Subordinated liabilities in	R0870		
Any other liabilities, not	R0880	22,758.98	22,758.98
<i>Total liabilities</i>	<i>R0900</i>	450,014.51	143,463.62
<i>Excess of assets over liabilities</i>	<i>R1000</i>	3,112,068.62	3,418,619.51

Template 5.05.01 - Premiums, claims and expenses by line of business
 Entity EWI: East West Insurance Company Limited
 Reporting Cycle EWI Annual QRT - June 2016: East West Insurance company limited Annual QRT - June 2016

	Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)																Total	
	Medical expense insurance C0010	Income protection insurance C0020	Workers' compensation C0030	Motor vehicle liability C0040	Other motor insurance C0050	Marine, aviation and transport C0060	Fire and other damage to C0070	General liability insurance C0080	Credit and suretyship C0090	Legal expenses insurance C0100	Assistance C0110	Miscellaneous financial loss C0120	Line of Business for: Health C0130	Casualty C0140	Marine, aviation, transport C0150	Property C0160		C0200
Premiums written																		
Gross - Direct Business	R0110																	
Gross - Proportional	R0120																	
Gross - Non-proportional	R0130																	
Reinsurers' share	R0140																	
Net	R0200														2,158.00		2.00	2,160.00
Premiums earned																		
Gross - Direct Business	R0210																	
Gross - Proportional	R0220																	
Gross - Non-proportional	R0230																	
Reinsurers' share	R0240																	
Net	R0300														2,158.00		2.00	2,160.00
Claims incurred																		
Gross - Direct Business	R0310																	
Gross - Proportional	R0320								-8,215.00									-8,215.00
Gross - Non-proportional	R0330																	21,870.00
Reinsurers' share	R0340																18.00	18.00
Net	R0400								-8,215.00								21,852.00	13,555.00
Changes in other technical																		
Gross - Direct Business	R0410																	
Gross - Proportional	R0420																	
Gross - Non-proportional	R0430																	
Reinsurers' share	R0440																	
Net	R0500																	
Expenses incurred	R0550								2,136.00								88,556.00	98.00
Administrative expenses																		
Gross - Direct Business	R0610																	
Gross - Proportional	R0620								1,105.00									1,105.00
Gross - Non-proportional	R0630																	45,853.00
Reinsurers' share	R0640																51.00	51.00
Net	R0700								1,105.00								45,802.00	46,958.00
Investment management																		
Gross - Direct Business	R0710																	
Gross - Proportional	R0720																	
Gross - Non-proportional	R0730																	
Reinsurers' share	R0740																	
Net	R0800																	
Claims management expenses																		
Gross - Direct Business	R0810																	
Gross - Proportional	R0820								1,031.00									1,031.00
Gross - Non-proportional	R0830																	42,801.00
Reinsurers' share	R0840																47.00	47.00
Net	R0900								1,031.00								42,754.00	43,832.00
Acquisition expenses																		
Gross - Direct Business	R0910																	
Gross - Proportional	R0920																	
Gross - Non-proportional	R0930																	
Reinsurers' share	R0940																	
Net	R1000																	
Overhead expenses																		
Gross - Direct Business	R1010																	
Gross - Proportional	R1020																	
Gross - Non-proportional	R1030																	
Reinsurers' share	R1040																	
Net	R1100																	
Other expenses	R1200																	
Total expenses	R1300																	90,790.00

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Template	S.05.02.: Premiums, claims and expenses by country
Entity	EWI: East West Insurance Company Limited
Reporting Cycle	EWI Annual QRT - June 2016: East West Insurance company limited Annual QRT - June 2016

Country

R0010A

Home Country	Top 5 countries (by amount of	Total Top 5 and home country
C0080	C0090	C0140

Premiums written

Gross - Direct Business	R0110		0.00
Gross - Proportional	R0120		0.00
Gross - Non-proportional	R0130	2,160.00	2,160.00
Reinsurers' share	R0140		0.00
Net	R0200	2,160.00	2,160.00

Premiums earned

Gross - Direct Business	R0210		0.00
Gross - Proportional	R0220		0.00
Gross - Non-proportional	R0230	2,160.00	2,160.00
Reinsurers' share	R0240		0.00
Net	R0300	2,160.00	2,160.00

Claims incurred

Gross - Direct Business	R0310		0.00
Gross - Proportional	R0320	-8,315.00	-8,315.00
Gross - Non-proportional	R0330	21,870.00	21,870.00
Reinsurers' share	R0340		0.00
Net	R0400	13,555.00	13,555.00

Changes in other technical

Gross - Direct Business	R0410		0.00
Gross - Proportional	R0420		0.00
Gross - Non- proportional	R0430		0.00
Reinsurers' share	R0440		0.00
Net	R0500		0.00

Expenses incurred

R0550	90,790.00		90,790.00
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Other expenses

R1200			
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Total expenses

R1300	90,790.00		90,790.00
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Country

R0010B

Home Country	Top 5 countries (by amount of	Total Top 5 and home country
C0220	C0230	C0280

Premiums written

Gross	R1410		0.00
Reinsurers' share	R1420		0.00
Net	R1500		0.00

Premiums earned

Gross	R1510		0.00
Reinsurers' share	R1520		0.00
Net	R1600		0.00

Claims incurred

Gross	R1610		0.00
Reinsurers' share	R1620		0.00
Net	R1700		0.00

Changes in other technical

Gross	R1710		0.00
Reinsurers' share	R1720		0.00
Net	R1800		0.00

Expenses incurred

R1900			0.00
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Other expenses

R2500			
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<i>Total expenses</i>	R2600			0.00
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Template S.17.01 - Non-Life Technical Provisions
Entity EW: East West Insurance Company Limited
Reporting Cycle EW: Annual QRT - June 2016: East West Insurance company limited Annual QRT - June 2016

		Direct business and accepted proportional reinsurance											Accepted non-proportional reinsurance				Total Non-Life obligation	
		Medical expense insurance C0020	Income protection C0030	Workers' compensation C0040	Motor vehicle liability C0050	Other motor insurance C0060	Marine, aviation and transport C0070	Fire and other damage to C0080	General liability insurance C0090	Credit and suretyship C0100	Legal expenses insurance C0110	Assistance C0120	Miscellaneous financial loss C0130	Non-proportional health C0140	Non-proportional casualty C0150	Non-proportional marine C0160		Non-proportional property C0170
Technical provisions	R0010																	
Direct business	R0020																	
Accepted proportional	R0030																	
Accepted non-proportional	R0040																	
Total Recoverables from	R0050																	
Technical provisions																		
Best estimate																		
Premium provisions																		
Gross - Total	R0060																	
Gross - direct business	R0070																	
Gross - accepted proportional	R0080																	
Gross - accepted non-	R0090																	
Total recoverable from	R0100																	
Recoverables from reinsurance	R0110																	
Recoverables from SPV before	R0120																	
Recoverables from Finite	R0130																	
Total recoverable from	R0140																	
Net Best Estimate of	R0150																	
Claims provisions																		
Gross - Total	R0160								32,210.71						341,395.86	11,064.23		384,670.80
Gross - direct business	R0170								32,210.71									32,210.71
Gross - accepted proportional	R0180																	
Gross - accepted non-	R0190																	
Total recoverable from	R0200														341,395.86	11,064.23		352,460.09
Recoverables from reinsurance	R0210																	
Recoverables from SPV before	R0220																	
Recoverables from Finite	R0230																	
Total recoverable from	R0240																	
Net Best Estimate of Claims	R0250								32,210.71						341,395.86	11,064.23		384,670.80
Total Best estimate - gross	R0260								32,210.71						341,395.86	11,064.23		384,670.80
Total Best estimate - net	R0270								32,210.71						341,395.86	11,064.23		384,670.80
Risk margin	R0280								2,323.81						24,629.63	725.65		27,679.09
Amount of the transitional on																		
TP as a whole	R0290																	
Best estimate	R0300																	
Risk margin	R0310																	
Technical provisions - total																		
Technical provisions - total	R0320								34,534.52						366,025.49	11,789.88		412,349.89
Recoverable from reinsurance	R0330																	
Technical provisions minus	R0340								34,534.52						366,025.49	11,789.88		412,349.89
Line of Business: further																		
Premium provisions - Total	R0350																	
Claims provisions - Total	R0360																	
Cash-flows of the Best																		
Cash out-flows																		
Future benefits and claims	R0370																	
Future expenses and other	R0380																	
Cash in-flows																		
Future premiums	R0390																	
Other cash-in flows (ind.)	R0400																	
Cash-flows of the Best																		
Cash out-flows																		
Future benefits and claims	R0410								2,489.30						95,744.41	7,265.13		105,798.84
Future expenses and other	R0420								30,006.62						249,732.65	3,699.45		283,438.62
Cash in-flows																		
Future premiums	R0430																	
Other cash-in flows (ind.)	R0440																	
Percentage of gross Best	R0450																	
Best estimate subject to	R0460																	
Technical provisions without	R0470																	
Best estimate subject to	R0480																	
Technical provisions without	R0490																	

Template	S.23.01.: Own funds
Entity	EWI: East West Insurance Company Limited
Reporting Cycle	EWI Annual QRT - June 2016: East West Insurance company limited Annual QRT - June 2016

		Total C0010	Tier 1 - unrestricted C0020	Tier 1 - restricted C0030	Tier 2 C0040	Tier 3 C0050
Basic own funds before						
Ordinary share capital (gross)	R0010	9,900,000.00	9,900,000.00			
Share premium account	R0030					
Initial funds, members'	R0040					
Subordinated mutual member	R0050					
Surplus funds	R0070					
Preference shares	R0090	20,100,000.00		20,100,000.00		
Share premium account	R0110					
Reconciliation reserve	R0130	-26,887,931.38	-26,887,931.38			
Subordinated liabilities	R0140					
An amount equal to the value	R0160					
Other own fund items	R0180					
Own funds from the financial						
Own funds from the financial	R0220					
Deductions						
Deductions for participations	R0230					
Total basic own funds after	R0290	3,112,068.62	-16,987,931.38	20,100,000.00		
Ancillary own funds						
Unpaid and uncalled ordinary	R0300					
Unpaid and uncalled initial	R0310					
Unpaid and uncalled	R0320					
A legally binding commitment	R0330					
Letters of credit and	R0340					
Letters of credit and	R0350					
Supplementary members calls	R0360					
Supplementary members calls	R0370					
Other ancillary own funds	R0390					
Total ancillary own funds	R0400					
Available and eligible own						
Total available own funds to	R0500	3,112,068.62	-16,987,931.38	20,100,000.00		
Total available own funds to	R0510	3,112,068.62	-16,987,931.38	20,100,000.00		
Total eligible own funds to	R0540	3,112,068.62	-16,987,931.38	20,100,000.00	0.00	0.00
Total eligible own funds to	R0550	3,112,068.62	-16,987,931.38	20,100,000.00	0.00	0.00
SCR	R0580	931,442.05				
MCR	R0600	2,657,340.00				
Ratio of Eligible own funds to	R0620	334.1130%				
Ratio of Eligible own funds to	R0640	117.1122%				
			C0060			
Reconciliation reserve						
Excess of assets over liabilities	R0700	3,112,068.62				
Own shares (held directly and	R0710					
Foreseeable dividends,	R0720					
Other basic own fund items	R0730	30,000,000.00				
Adjustment for restricted own	R0740					
Reconciliation reserve	R0760	-26,887,931.38				
Expected profits						
Expected profits included in	R0770					
Expected profits included in	R0780					
Total Expected profits	R0790					

Template S.23.02 : Detailed information by tiers on own funds
Entity EW: East West Insurance Company Limited
Reporting Cycle EW: Annual QRT - June 2016: East West Insurance company limited Annual QRT - June 2016

		Total	Tier 1		Tier 2		Tier 3
		C0010	Total Tier 1	Of which counted under	Tier 2	Of which counted under	C0060
			C0020	C0030	C0040	C0050	
Ordinary share capital							
Paid in	R0110	9,900,000.00	9,900,000.00				
Called up but not yet paid in	R0220						
Own shares held	R0330						
Total ordinary share capital	R0100	9,900,000.00	9,900,000.00				
Initial fund members'							
Paid in	R0110						
Called up but not yet paid in	R0120						
Total initial fund members'	R0200						
Subordinated mutual							
Dated subordinated	R0210						
Undated subordinated with	R0220						
Undated subordinated with	R0230						
Total subordinated mutual	R0300						
Preference shares							
Dated preference shares	R0310						
Undated preference shares	R0320						
Undated preference shares	R0330	20,100,000.00	20,100,000.00				
Total preference shares	R0400	20,100,000.00	20,100,000.00				
Subordinated liabilities							
Dated subordinated	R0410						
Undated subordinated	R0420						
Undated subordinated	R0430						
Total subordinated liabilities	R0500						

Tier 2		Tier 3	
Initial amounts approved	Current amounts	Initial amounts approved	Current amounts
C0070	C0080	C0090	C0100

Ancillary own funds
 Items for which an amount R0510
 Items for which a method was R0520

		Total	Explanation
		C0110	C0120
Excess of assets over liabilities			
Difference in the valuation of	R0600		
Difference in the valuation of	R0610		
Difference in the valuation of	R0620		
Total of reserves and retained	R0630		
Other, please explain why you	R0640		
Reserves from financial	R0650		
Excess of assets over liabilities	R0660	30,000,000.00	
Excess of assets over liabilities	R0700	3,112,068.62	

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Template	S.25.01.: Solvency Capital Requirement - for undertakings on Standard Formula
Entity	EWI: East West Insurance Company Limited
Reporting Cycle	EWI Annual QRT - June 2016: East West Insurance company limited Annual QRT - June 2016

Article 112 **Z0010** 2 - Regular reporting

		Net solvency capital	Gross solvency capital	Allocation from adjustments
		C0030	C0040	C0050
Market risk	R0010	797,908.55	797,908.55	
Counterparty default risk	R0020	113,600.39	113,600.39	
Life underwriting risk	R0030	0.00	0.00	
Health underwriting risk	R0040	0.00	0.00	
Non-life underwriting risk	R0050	209,569.37	209,569.37	
Diversification	R0060	-201,176.39	-201,176.39	
Intangible asset risk	R0070	0.00	0.00	

Basic Solvency Capital	R0100	919,901.92	919,901.92	
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C0100

Calculation of Solvency		
Adjustment due to RFF/MAP	R0120	
Operational risk	R0130	11,540.12
Loss-absorbing capacity of	R0140	
Loss-absorbing capacity of	R0150	
Capital requirement for	R0160	

Solvency Capital Requirement	R0200	931,442.05
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Capital add-on already set	R0210	
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Solvency capital requirement	R0220	931,442.05
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Other information on SCR		
Capital requirement for	R0400	
Total amount of Notional	R0410	
Total amount of Notional	R0420	
Total amount of Notional	R0430	
Diversification effects due to	R0440	
Method used to calculate the	R0450	
Net future discretionary	R0460	

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Template	S.28.01.: Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity
Entity	EWI: East West Insurance Company Limited
Reporting Cycle	EWI Annual QRT - June 2016: East West Insurance company limited Annual QRT - June 2016

		C0010
Linear formula component for		
<i>MCRNL Result</i>	<i>R0010</i>	68,875.28
		Net (of reinsurance/SPV) best
		C0020
		Net (of reinsurance) written
		C0030
Medical expense insurance	R0020	
Income protection insurance	R0030	
Workers' compensation	R0040	
Motor vehicle liability	R0050	
Other motor insurance and	R0060	
Marine, aviation and transport	R0070	
Fire and other damage to	R0080	
General liability insurance and	R0090	32,210.71
Credit and suretyship	R0100	
Legal expenses insurance and	R0110	
Assistance and proportional	R0120	
Miscellaneous financial loss	R0130	
Non-proportional health	R0140	
Non-proportional casualty	R0150	
Non-proportional marine,	R0160	341,395.86
Non-proportional property	R0170	11,064.23

		C0040
Linear formula component for		
<i>MCR L Result</i>	<i>R0200</i>	
		Net (of reinsurance/SPV) best
		C0050
		Net (of reinsurance/SPV) total
		C0060
Obligations with profit	R0210	
Obligations with profit	R0220	
Index-linked and unit-linked	R0230	
Other life (re)insurance and	R0240	
<i>Total capital at risk for all</i>	<i>R0250</i>	

		C0070
Overall MCR calculation		
<i>Linear MCR</i>	<i>R0300</i>	68,875.28
SCR	R0310	931,442.05
MCR cap	R0320	419,148.92
MCR floor	R0330	232,860.51
<i>Combined MCR</i>	<i>R0340</i>	232,860.51
Absolute floor of the MCR	R0350	2,657,340.00

		C0070
<i>Minimum Capital Requirement</i>	<i>R0400</i>	2,657,340.00