

Public Disclosures

Financial Condition Report for the period
01 January 2017 to 31 December 2017

4/30/2018

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1. Introduction

1.1 Objective

According to the FINMA's Circular Letter 2016/02 on the Public Disclosures all insurance companies as defined in Article 2 para. 1 lets. a and b of the Insurance Supervision Act (ISA; SR 961.01) and to the insurance groups and conglomerates (insurance groups) as defined in Article 2 para. 1 let. d and Articles 65 and 73 ISA which are subject to group and/or conglomerate supervision.

The Toa 21st Century Reinsurance Company Ltd. ("TTFC" or "the Company"), being a C1 licensed reinsurance company, must adhere to this circular.

The financial condition report (FCR) is formulated in such a way as to be comprehensible to the policyholders and the entitled beneficiaries. The FCR is based on the audited annual report as specified in the Accounting Standards Ordinance (RSO; SR 221.432).

The Company must ensure that the published information is consistent with the information prepared for reporting to FINMA in accordance with Article 25 ISA and Article 53 ISO.

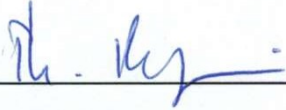
1.2 Scope

The following directives, laws, regulations and/or internal manuals and reports have been used as the basis for this FCR:

- The Swiss Insurance Supervision Act of 17 December 2004 (status 15 March 2016) (ISA)
- The Swiss Insurance Supervision Ordinance of 9 November 2005 (status 1 January 2016) (ISO)
- The Swiss Insurance Supervision Ordinance of 9 November 2005 (status 15 March 2016) (ISO-FINMA)
- The Swiss Code of Obligations of 30 March 1911 (status 1 July 2016) (SCO)
- The Finma circular 2016/02 "Disclosure – insurers"
- The annual Risk Assessment
- The annual SST report as at 01 January 2018
- The annual audited report as at 31 December 2017
- The Governance Manual
- The Internal Control System

2. Report submitted to FINMA approved by the Company

Zürich, Switzerland on 30 April 2018:



Philippe Regazzoni
CEO



Michal Suchan
CFO

The report was prepared by Aon Switzerland Ltd on behalf of TTFC.

3. Management Summary

3.1 Strategy and 2017 results

TTFC, a fully owned subsidiary of The Toa Reinsurance Company Ltd. (Toa Re), is currently a reinsurance vehicle of Toa Re providing reinsurance protection for all lines of business. As per the insurance license, TTFC can also reinsure third-party risks.

The key objective of TTFC is to assist the risk management and insurance requirements for Toa Re by offering reinsurance arrangements, more specifically detailed below:

- Underwriting the group retention;
- Providing reinsurance coverage for Toa Re's insurance program;
- Controlling cash flow, reducing cash outflow; maximize investment return;

After deduction of the direct corporate taxes of CHF 2'223'545, the Company's annual result is CHF 19'460'625, compared to CHF 16'147'895 of 2016.

3.2 Governance and risk management

The Board of Directors is the ultimate governing body of TTFC; however the Company's Management Board is responsible for the day-to-day administration. The duties of the Management Board are:

- Administration
- Investments
- Finance and Accounting
- Underwriting and claims management

The Board attends to all matters, which are not reserved for the Annual General Meeting or the Management Board of TTFC by law, the Articles of Association or the Board Regulations of TTFC. The Board consists of three members, one of which is independent.

TTFC's Risk Management System includes the definition of the risk management strategy, risk appetite framework and various risk management procedures (identified as key risks for TTFC). Key procedures are the Swiss Solvency Test ("SST"), the annual Risk Assessment and the Own Risk and Solvency Assessment ("ORSA").

TTFC's Risk profile contains the following key risks:

- Insurance Risk
- Market Risk
- Credit Risk
- Operational Risk
- Liquidity Risk
- Strategic Risk

The Company assesses the risks on an annual basis.

3.3 Solvency and capital

The Company manages its capital against a solvency ratio alarm point of 125%.

The Company's SST ratio as at 1 January 2018 was 369%.

In 2017 TTFC paid a dividend to its shareholder of CHF 2'100'000 with regards to financial year 2016.

In 2018 TTFC paid a dividend to its shareholder of CHF 1'900'000 with regards to financial year 2017.

No other capital action is anticipated for this timeframe.

4. Business Operations

4.1 Strategy and objectives

At the core of the Company's strategy there are two objectives:

- Optimize value to the group: Underwriting the group retention and provide reinsurance coverage for Toa Re,
- Benefit from a central risk mutualisation tool, taking advantage of non-correlated risks: Controlling cash flow, reducing cash outflow, maximize investment return.

Within its mission the Company also follows KPI's such as combined ratio and investment performance ratios, Profitability ratios and Leverage ratios.

4.2 Key Business Segments

The Toa Re 21st Century Reinsurance Company Limited domiciled in Zürich, is a fully owned subsidiary of Toa Re, Tokyo Japan, a professional Japanese reinsurance company. Toa Re was established in 1940 and writes a diverse range of life and non-life reinsurance risks.

TTFC was set up in 2002 and currently provides reinsurance for Toa Re including its overseas branches and subsidiaries.

Historically underwriting risk was driven by exposure to Japanese Natural Catastrophe events, such as Windstorm or Flood.

4.3 Shareholder

TTFC is fully owned by Toa Re, Tokyo, Japan.

4.4 Key transactions with group and subsidiaries

The Company became the reinsurance company of Toa Re in 2002. The Swiss Financial Market Supervisory Authority (FINMA) (formerly "The Federal Office of Private Insurance") approved the business plan and gave TTFC the license to write reinsurance in all lines of business. As of 2002, the Company started to actively write reinsurance programs.

The administration of TTFC is currently outsourced to Aon Insurance Managers (Switzerland) AG with active support of Toa Re.

4.5 External auditors

The Company's appointed external auditors are PricewaterhouseCoopers AG (PWC) in Zurich.

The scope of the audit is the Financial Statement of the current financial year according to the Swiss Code of Obligations and the Swiss Insurance Act/Swiss Insurance Ordinance requirements. Additionally, there could be other subjects to be audited if mandated by FINMA (regulatory supervisory audit), where PWC would perform the audit on behalf of FINMA.

4.6 Extraordinary events

There has not been any extraordinary events affecting the operational business of TTFC.

As at end of January 2017 the Company changed the domicile from Chur to Zürich after having received FINMA's approval.

There have been some changes in the Management positions of the company within 2017 and at the beginning of 2018, which are disclosed here.

Name	Residence	Nationality	Position
Angelo Giglio	Switzerland	Swiss	General Manager, outsourced to Aon (01.01.2017 – 31.07.2017)
Sandra Simion	Switzerland	Romanian	Account Manager, outsourced to Aon (01.01.2017 – 30.04.2017)
Bruno Verduci	Switzerland	Italian	Account Manager, outsourced to Aon (01.05.2017 – 31.07.2017)
Angelo Giglio	Switzerland	Swiss	CEO, TTFC payroll (01.08.2017 – 31.12.2017)
Bruno Verduci	Switzerland	Italian	CFO, TTFC payroll (01.08.2017 – 31.12.2017)
Philippe Regazzoni	Switzerland	Swiss	CEO as of 01.01.2018
Michal Suchan	Switzerland	Polish	CFO as of 01.01.2018

5. Business performance /corporate results

5.1 Underwriting result

For the Financial Year 2017, the net underwriting result is made up of the following:

<i>In CHF</i>		
YTD	31.12.2017	31.12.2016
Net Earned Premiums	43'139'293	47'539'714
Net Paid Losses	-21'149'018	-21'124'120
Net Outstanding Loss Reserves Movement	11'292'420	-1'540'922
Equalisation Reserves Movement	-3'624'969	-4'805'111
Underwriting Acquisition and Other Expenses	-11'038'839	-12'999'082
Net Underwriting Result	18'618'886	7'070'478

The financial year 2017 was profitable to TTFC. The reinsurance business underwritten remains unchanged; however, there were various changes in the limits of liability of the individual lines of business. These however were quite immaterial.

Compared to the financial year 2016, the Net Premium Income was CHF 4'400'421 lower.

In financial year 2017 claims development has been quite favorable which resulted in CHF 18'618'886 net underwriting profit.

5.2 Financial result

For the Financial Year 2017, the net financial result is made up of the following:

<i>In CHF</i>		
YTD	31.12.2017	31.12.2016
Receivables from derivative financial instruments	4'769'845	1'511'414
Other investment income	9'192'724	9'218'209
Liabilities from derivative financial instruments	0	-3'587'577
Other investment expenses	-8'140'007	-777'029
Exchange gains and losses	-2'890'121	2'507'726
Provisions for unrealised gains	132'844	4'470'393
Net Financial Result	3'065'284	13'343'137

Overall investment income has remained stable. Due to favorable market developments for the portfolio of TTFC, the Company has recorded a loss on the FX-forward contracts.

5.3 Other expenses and income

General administrative expenses amount to CHF 892'486 (compared to CHF 876'603 in 2016) and mainly include management fees, audit fees, actuarial fees and director fees.

There have not been any profits and losses directly recognized in the equity.

After deduction of the direct corporate taxes of CHF 2'223'545, the Company's annual result is CHF 19'460'625, compared to CHF 16'147'895 in 2016.

6. Corporate governance and risk management

6.1 Composition of the Board and Management

The Board of Directors (the “Board”) is the ultimate governing body of TTFC. The Board attends to all matters, which are not reserved for the Annual General Meeting or another governing body of TTFC by law, the Articles of Association or the Board Regulations of TTFC.

The Board of Directors collectively exercises the different tasks and functions / key responsibilities that are assigned to the Board by the Laws, the Articles of Association or the Board Regulations of TTFC. The Board Regulations of TTFC set out the constitution of the Board of Directors, the powers and the duties of the Board of Directors, the delegation of the power, the information of Board Members and reporting, the meetings of the Board of Directors.

The Board of TTFC is comprised as follows:

Name	Residence	Nationality	Position
Toshiyuki Sugawara	Japan	Japan	President
David Ryser	Switzerland	Swiss	Member (independent)
Markus Mende	Switzerland	German	Member

Subject to law, the Articles of Association and the Board Resolutions, the Board of Directors delegates to the Management Board of TTFC the power to manage the Company’s entire Business such as set in the Operations and Governance Manual.

The CEO and CFO compose the management of TTFC (the “Management Board”).

The Management Board of TTFC is comprised of the following:

Name	Residence	Nationality	Position
Angelo Giglio	Switzerland	Swiss	General Manager, outsourced to Aon (01.01.2017 – 31.07.2017)
Sandra Simion	Switzerland	Rumanian	Account Manager, outsourced to Aon (01.01.2017 – 30.04.2017)
Bruno Verduci	Switzerland	Italian	Account Manager, outsourced to Aon (01.05.2017 – 31.07.2017)
Angelo Giglio	Switzerland	Swiss	CEO (01.08.2017 – 31.12.2017)
Bruno Verduci	Switzerland	Italian	CFO (01.08.2017 – 31.12.2017)

Philippe Regazzoni	Switzerland	Swiss	CEO as of 01.01.2018
Michal Suchan	Switzerland	Polish	CFO as of 01.01.2018

6.2 Description of the risk management system

The Risk Management System of the Company includes the definition of the risk management strategy, risk appetite framework and various risk management procedures (identified as key risks for TTFC).

6.2.1 Risk management

The overriding goal of TTFC risk management strategy is to control and to achieve as much as possible a reduction in the Company's risk exposure as a means of minimizing the impact of undesired and/or unexpected events. This aims to increase the likelihood of achieving TTFC's strategic and business objectives.

Consequently, the risk management objectives of TTFC are to:

- set out the level of risk acceptable by TTFC (Risk Appetite and risk tolerance);
- identify all kind of risks which represent a threat to the achievement of its strategic objectives;
- identify, define and regularly measure key risk indicators enabling an efficient monitoring of risks;
- define and take appropriate actions to reduce TTFC risk exposure;
- ensure the risk management framework implementation in day-to-day business processes;
- regularly review controls and mitigation actions to ensure that they remain relevant and effective.

The key risk categories for which TTFC has set up specific control and monitoring mechanisms are:

- Insurance Risk
- Market Risk
- Credit Risk
- Operational Risk
- Liquidity Risk
- Strategic Risk

The Risk Appetite and Risk Tolerance set out the target and deviation amount of risks that TTFC is prepared to accept in order to achieve its Strategic Objectives.

On a global basis and for the seven main risk categories as shown above, the level of risk acceptable by TTFC has been defined using the methodology detailed hereunder.

	Steps	Process
1	Risk Appetite	Clear and pragmatic indication of the maximum global level of risk TTFC is willing to accept in the pursuit of its <i>Strategic Objectives</i> . It is expressed by a ratio, a maximum loss amount or any other relevant element.
2	Appetite per risk category	Clear and pragmatic expression of the Risk Appetite TTFC is willing to accept for each risk category. The individual set of appetites is in line with the Risk Appetite as defined in Step 1.
3	Metrics	List of metrics that will be used to monitor each Risk Appetite as defined under Step 2.
4	Limits	The defined and precise limits, checkpoints and/or early warning indicators applied on each metric enabling to run the day-to-day business operations by staying under the defined appetite(s) for each risk category.
5	Tolerance per limit	Definition of the maximum acceptable variation of each limit for each metric.

TTFC's Risk Management Procedures include the Swiss Solvency Test ("SST"), the annual Risk Assessment and the Own Risk and Solvency Assessment ("ORSA").

TTFC applies and maintains a capital and solvency model in compliance with regulatory requirements as per the SST specifications. It captures and quantifies a range of key risks TTFC is exposed to, including insurance, market and credit risks. It provides a probabilistic measure of the overall solvency position of TTFC. It enables to assess the capital adequacy of TTFC.

Accordingly, business decisions impacting TTFC's risk and solvency profile (in particular underwriting, asset management, dividend and capital measures) are tested in advance against the impact on the capital and solvency model in accordance with the respective guidelines.

In addition, a risk identification and assessment is performed during the annual Risk Assessment. This results in an annual update of a Risk Register which details those risks that are not quantitatively assessed as part of the annual SST. The Risk Register also contains an estimate of financial impact and likelihood for each of the identified risks. Together with the SST, the Risk Register thus provides a comprehensive view of TTFC's exposures.

The main trigger for risk identification and assessment will always be the annual Risk Assessment. However, events such as the acquisition or disposal of a business line within Toa Re would necessitate revisiting the annual Risk Assessment if considered as necessary. On each risk identification and assessment exercise, the corresponding control and monitoring, as well as the mitigation measures will also need to be reviewed accordingly.

The annual Risk Assessment covers all TTFC seven risk categories and is a holistic approach.

The purpose of the procedures is to ensure a common understanding and to specify risk definitions and related approaches in order to secure the robustness of TTFC's Risk Management policy, i.e.:

- **identify** risks that may impact TTFC's strategic and business objectives;
- **assess** the risk exposure level, defined as the product between the probability of the risk occurrence and the impact of the risk for TTFC and compare it to the Risk Appetite framework;
- **manage** risks by identifying the appropriate risk response with which to develop a plan to mitigate, transfer or resolve with actions assigned to owners;
- **implement** the actions defined in the response to the risk;
- **monitor** and update on progress of actions undertaken to mitigate the impact of risks and escalate through reporting.

The Own Risk and Solvency Assessment ("ORSA") policy is complementary to the Risk Management policy. The ORSA policy formalizes and builds on the existing practices of periodically updating the Risk Register pursuant to the annual Risk Assessment approach and adhering with the existing FINMA requirements.

The ORSA policy contains procedures and methodologies which enable TTFC to adhere to the ORSA process as required under Art. 96a of the Swiss Insurance Supervision Ordinance (ISO) and Circular 2015/3 (ORSA) and updates thereof. The main purpose of the ORSA is to assess all the risks inherent to its business. The ORSA is a forward-looking assessment of solvency and capital adequacy that brings together the Strategic Objectives, Risk Appetite, and Risk Register, for the three years under consideration.

6.2.2 Risk Management Function

The Risk Management Function defines and documents the risk appetite framework and the policies and principles of risk management. It coordinates and leads the annual risk assessment and ORSA. The findings and report(s) are communicated at the monthly management calls and at the board meetings in form of written reports, excel tables or summaries. Risk Management is also represented at the regular management meetings.

As per the decision of the TTFC Board of Directors in 2017 the risk management function was outsourced to Aon Insurance Managers (Switzerland) AG.

6.2.3 Internal Audit Function

Internal audit ensures that processes are in place (Risk management, governance and controls) and that the activities of TTFC are aligned with the policies. As per the decision of the TTFC Board of Directors in 2017 the internal audit function was outsourced to Mazars AG, Zürich.

Mazars AG is appointed to undertake annually one specific internal audit project, which is chosen by the Board of TTFC after proposal by the Management of TTFC. Similar to any other subsidiary of the Toa Re Group, TTFC may from time to time be inspected by the parent company, Toa Re.

6.2.4 Compliance Function

The Compliance Function monitors and ensures compliance of the activities of TTFC with Laws and Regulations. It performs an annual compliance review of all the governance and risks related policies and principles to ensure corporate compliance with all applicable regulations; it checks the adequacy of compliance business measures; it ensures the reliability of the transmitted information and it ensures a regulatory monitoring process. The findings of the review are communicated in an annual Compliance Report to the Board of Directors of TTFC. Compliance is also represented at the regular management meetings.

As per the decision of the TTFC Board of Directors in 2017 the compliance function was outsourced to Aon Insurance Managers (Switzerland) AG.

6.3 Key changes in the risk management

Compared to 2016 there were no changes to the risk management system.

6.4 Description of the internal controls

The Internal Control System embedded in the Company's operations is a mix of actions and processes undertaken by all stakeholders within the Company to provide reasonable assurance that the strategic objectives will be achieved.

The objectives of the Company's Internal Control System are therefore to ensure:

- an ordered execution of ethical, economical, efficient and effective operations;
- accountability obligations are fulfilled;
- availability and reliability of financial and non-financial information;
- compliance with applicable laws, regulations and administrative provisions;
- resources are protected against losses, misuses and damages.

In order to achieve the aforementioned objectives, the Internal Control framework of the Company is structured around five complementary components.

Component	Contents
1) Control environment	A strong "risk and control" culture is embedded within the Company's operations through the continuous oversight of the Board of Directors and the communication to all internal stakeholders of all governance and risk principles through the present manual.
2) Risk assessment	Procedures and policies are detailed and formalized in order to disclose the way of identifying, managing, controlling, mitigating and reporting issues relating to each risk category.
3) Reporting channels	Clear and structured reporting processes are in place enabling the Board of Directors to have access to relevant, complete, reliable, correct and timely communication related to internal as well as external events.

4) Monitoring process

The appropriate escalation of significant issues to the Board of Directors, the ongoing involvement of all internal stakeholders as well as the Internal Audit process enables the Company to continuously monitor and adapt when necessary its Internal Control System.

5) Control activities

The Company developed a comprehensive set of preventive, detective or corrective control actions embedded in its daily operations, as formalized hereafter.

7. Risk profile

TTFC's risk profile contains the following risks:

- Insurance risk
- Market risk
- Credit risk
- Operational risk
- Liquidity Risk
- Strategic Risk

All SST relevant risks (insurance risk, market risk and credit risk) are based on a one-year time horizon. This means that any deviance from expected is quantified over the period of one year. However, in order to fully run off all risks to which TTFC is exposed to, it is not sufficient to solely address one-year risk. The SST provides a framework via the so called cost of capital method to quantify the overall risk. The idea is that the cost of capital provides the necessary interest for a potential investor to lend to the company the necessary risk capital for the proper run-off. TTFC estimates this capital cost via proxy methods which are in line with FINMA requirements and deemed feasible for SST submissions. As a result, TTFC quantifies the one-year risk capital and the cost of capital necessary to ensure a proper run-off of the net assets and liabilities. In the following subsections, the different one-year risk components are explained in further detail.

The valuation is based on the assumption that the company is following its own business plan, set up as at the valuation date, during the future period(s) except that no new business is underwritten following the one-year period after the SST valuation date of 1 January 2018.

A materiality concept is applied to the valuation (as described in section 8) and the calculation of target capital such that the aggregated impact of simplifications and omissions does not lead to a relative change in the SST ratio by more than 10% and shall not lead to exceeding or falling short of regulatory intervention thresholds.

7.1 Key risks

7.1.1 Insurance risk

Insurance risk corresponds to the risk that TTFC's actual insurance result will deviate substantially from the expected one over the period of one year. It is quantified annually for the Swiss Solvency Test. The risk is split into several sub-risks which are the following:

- Reserve risk
- Underwriting risk, split into:
 - Premium risk
 - Natural catastrophe risk

Reserve risk is the risk that losses relating to claims incurred prior to the valuation date (existing claims) vary from those assumed when the obligations were estimated.

Underwriting risk is the risk that ultimate losses incurred during the SST period (or post the valuation date) of new claims vary from those expected and, as a result, the earned premium will not be sufficient to cover the claims.

In order to simplify the model methodology, underwriting risk is modelled on ultimate basis instead of a one-year basis as specified for the SST by FINMA. This means that TTFC holds regulatory capital to cover the full run-off instead of only the one year plus capital cost of the run-off.

The overall risk driver in the SST is NatCat risk.

The following table shows the risk capital for insurance risk components for the current and previous SST (in CHF million):

In mCHF

Risk model	SST 2018	SST 2017
Underwriting risk	88.3	88.7
Reserve risk	17.8	22.4
Insurance risk (diversified)	90.4	91.3

7.1.2 Market risk

For the quantification of market risk, TTFC follows the Delta-Normal Market Risk standard model methodology.

The following table shows the quantified market risk for the current and previous SST (in CHF million):

In mCHF

Risk model	SST 2018	SST 2017
Interest rate risk	23.9	25.6
Spread risk	21.8	22.9
FX risk	2.3	5.7
Other market risks	nil	nil
Market risk (diversified)	25.2	25.8

Note that TTFC's market risk exposure is limited to interest rates, spreads and FX risk only. All other risks (equities, real estate, hedge funds, private equity, etc.) are nil.

7.1.3 Credit risk

For the quantification of credit risk, TTFC follows the Credit Risk standard model.

The main contributors to credit risk are the following asset positions:

- Corporate bonds
- Cash at bank
- Debtors
- Public entity bonds

The following table shows the risk weighted capital charges as well as the total cost of capital which corresponds to the risk capital for credit risk (in CHF million):

In mCHF

Risk category	SST 2018	SST 2017
Public entities bonds	5.5	0.8
Corporate bonds	123.7	110.4
Cash at bank	12.8	12.8
FX forward	1.0	0.3
Reinsurers	0.0	0.3
Debtors	10.1	4.1
Prepayments and accrued income	1.2	nil
Total	154.3	128.8
Credit risk (8% of Total)	12.3	10.3

7.1.4 Operational risk

The exposure of TTFC to operational risks is considered under the Swiss Quality Assessment. Risk management practices are detailed in the Company's business plan and Internal Control System. There is no risk capital charge for operational risk. The Company will use benchmark data in the future assessments of operational risks in order to have a holistic comprehensive view of all risk impacts.

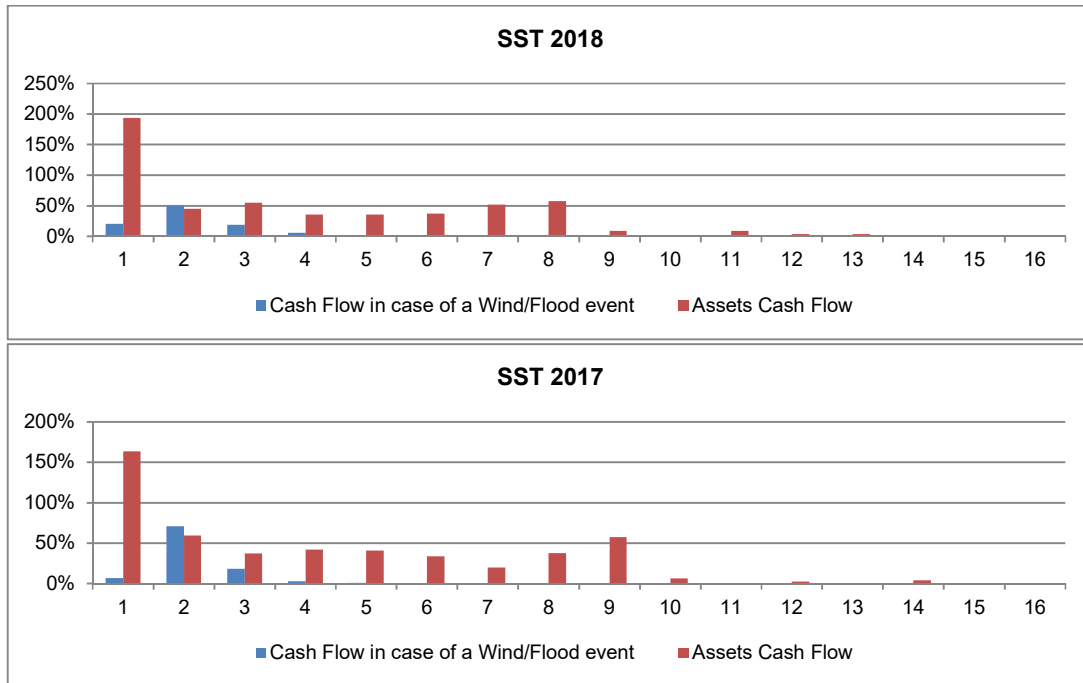
7.1.5 Liquidity risk

The impact of catastrophic losses on liquidity is assessed via analysing deterministic scenarios which are deemed most relevant for liquidity risk purposes.

The liquidity stress shown below is based on the Japanese W/F loss at a 100-year return period i.e. occurring with 1% probability, gross of outwards retrocession. The following sequence of steps is carried out:

- TTFC estimates the outgoing cash flows of the Japanese W/F 100-year event.
- TTFC estimates incoming cash flow from investments and cash at bank and at hand.
- TTFC estimates the remainder of the two.

The two charts below show asset and liability cash flows for the corresponding SST seasons. For each bar chart, 100 percent corresponds to the total nominal liability value. For both valuation dates, the only point in time where the liability cash flow exceeds the asset cash flow is in year two which would indicate a shortage of liquidity. However, for both analyses the year one cash flow is exceeding by far the liability cash flow leaving enough liquidity to cover for year two as well. As TTFC will be informed about the natural catastrophe event, senior management would take precautionary measures to ensure enough liquidity can be provided.



7.2 Concentration of risks

There are no significant accumulations of assets in the balance sheet. TTFC's bond portfolio is well diversified. The largest accumulation is with the European Investment Bank.

Accumulation risk arises due to TTFC's high exposure to NatCat losses in Japan, as well as the exposure to single large losses which impact multiple property treaties (due to, for example, a large fire or explosion). TTFC also underwrites other programs in order to improve its risk diversification.

7.3 Summary of risk mitigating processes

Risks are primarily actively mitigated through

- Diversification of exposures (both in respect of risks arising from the underwriting as well as the investment side); and
- Adequate reinsurance structures:
 - The underwriting risk is capped by applying per claim limits as well as annual aggregate limits for the main lines of business.
 - In case of losses subject to the excess of loss reinsurance contracts can receive additional premiums, so-called reinstatement premiums.

Furthermore, the company purchases retrocession for peak insurance risks.

Besides, the company mitigates FX risk through FX forward positions against the CHF.

As the Company's risks are well diversified and the Internal Control System is robust the Company adheres to the following mitigating processes:

- Regular monitoring of major risks and tracking of action plan implementation,
- Regular, at least annual update of risk assessment.

The above mentioned process is supported by the IT-platform "Governance, Risk and Compliance (GRC)", where all the Risk Management policies are stored and the underlying processes and controls are recorded. Each and every key process is linked to a specific control with a specific control assessment date. On the due date of the control, the control owner will receive an email from the platform and will need to perform the assessment online. No control can be overridden.

8. Valuation principles and methods

In accordance with SST principles, assets and liabilities are valued using market consistent values. Market consistent values are estimated by so called mark to market or mark to model approaches. As a rule, if an asset or a liability has an observable market price, mark to market is used; else mark to model is used.

Market-consistent valuation of assets using valuation models is designed in such a way that independent, knowledgeable and willing business partners would normally purchase or sell the assets at that price in an arm's length transaction. The market-consistent valuation of liabilities is based on the insurance company's financial expenditures to meet those liabilities.

Mark to market model is used when an asset or liability has a reliable market value such that an arm's length transactions between independent and knowledgeable business partners could take place or a sufficient number of securities dealers or brokers, as business partners, offer prices for a business transaction involving significant volumes. For mark to model, TTFC follows the principle of replication. This means that if a cash flow can be replicated with cash flows that have observable market prices, then the cash flow values are assumed equal.

Using replication as a basis, TTFC de-couples cash flows with non-observable prices into two components:

- Cash flows which are replicated and
- Cash flows which are not replicated (e.g. the residual between the original cash flow and the replicated one).

For cash flows which are replicated, the mark to model cash flows behaves exactly the same as the one with a price. This means that there is no inherent risk in the cash flow that its price is incorrect as both cash flows move in sync and are interchangeable. For the remaining part, this risk of cash flows not moving in sync is taken into consideration. The cash flow is modelled as a sum of its expected cash flow plus a risk margin which corresponds to a measure risk how much the actual cash flow can deviate from its expected counterpart.

The value of the expected cash flow is determined by two main valuation principles:

- Book value; and
- Discounted cash flow value.

8.1 Remarks regarding assets

Book values are used for cash at bank balances and small asset / liability classes which where the difference between market value and book value in comparison to the total risk bearing capital is insignificant. Note that TTFC takes into consideration the aggregate of all assets and liabilities valued at book value to ensure that the overall impact remains insignificant to the total.

The main valuation principle for the expected cash flow is the discounted cash flow value principle. Cash flows are estimated on an undiscounted basis and discounted using a feasible discount curve. In general, the discount curve equals to the risk-free discount curve from the SST as at valuation date.

The following table summarizes booked and market values of all assets as at the latest SST:

Assets	Book Values	Adjustments	Market Values
Investments	338'348'605	9'198'220	347'546'825
<i>Public Bonds</i>	27'637'609	-	27'637'609
<i>Corporate Bonds</i>	319'909'216	-	319'909'216
<i>Deposits with credit institutions</i>	-	-	-
Debtors	20'247'741	-	20'247'741
<i>Debtors arising out of reinsurance operations</i>	20'247'741	-	20'247'741
Cash at bank and in hand	63'799'470	-	63'799'470
FX forward (fair value gain)	1'182'268	-	1'182'268
Prepayments and accrued income	8'316'132	-5'872'451	2'443'682
<i>Deferred commissions</i>	5'872'451	-5'872'451	-
<i>Accrued interest and rent</i>	2'175'166	-	2'175'166
<i>Other prepayments and accrued income</i>	268'516	-	268'516
Total Assets	431'894'216	3'325'770	435'219'985

8.2 Remarks regarding liabilities

In general, liabilities are valued using the discounted cash flow valuation principle. Best estimate cash flows are discounted using current information and generally accepted actuarial methods / models in line with the Company's Reserving Policy and the FINMA circulars 2017/3 (SST) and 2011/3 (technical reserves in reinsurance).

Model choices are subject to limitations and assumptions.

Based on the (actuarial) model chosen, estimation techniques are as well subject to further specific assumptions, judgment and limitations. All cash flows are modelled on an undiscounted basis gross and ceded.

The valuation is then based on a sum of best estimate discounted cash flows.

Equalisation reserves comprise of a large proportion of the statutory liabilities of TTFC. The equalisation reserves are valued as "zero" because there are no underlying obligations as at the valuation date. This means that, in accordance with SST principles, equalisation reserves are considered as risk bearing capital as at the valuation date.

The following table summarizes booked and market values of all liabilities as at the latest SST:

Liabilities			
Provisions for unearned premiums	20'705'142	-11'004'298	9'700'844
Claims reserves (OSLR + IBNR)	23'333'278	366'254	23'699'532
Reinsurer's share of reserves (UPR and reserves)	-338'776	195'207	-143'569
Equalisation reserves	19'968'299	-19'968'299	-
Creditors arising out of reinsurance operations	7'399'253	-	7'399'253
Accruals and deferred income	360'330	-	360'330
Total Liabilities	71'427'526	-30'411'136	41'016'390

8.3 Summary of valuation methods

To summarize, TTFC applies the following assumptions and methodologies to derive at the risk bearing capital:

A / L	Asset / Liability class	Valuation methodology
A	Investments	Mark to market
A	Debtors	Mark to model (book value)
A	Cash at bank	Mark to model (book value)
A	Other assets	Mark to model (discounted cash flow value)
A	FX forwards	Mark to market
A	Prepayments and accrued income	Mark to model (discounted cash flow value)
L	Insurance liabilities	Mark to model (discounted cash flow value)
L	Equalisation reserves	Nil
L	No claims bonus	Mark to model (discounted cash flow value)
L	Provisions for taxation	Nil
L	Creditors	Mark to model
	Creditors arising out of reinsurance operations	(discounted cash flow value)
	Other creditors	(book value)
L	Accruals and deferred income	Mark to model (book value)

8.4 Market Value Margin (Risk Margin)

The Market Value Margin is calculated using the “Cost of Capital” approximation based on the previous SST Standard model approach according to the transitioning options granted based on figure 211 as per FINMA circular 2017/3.

It considers the regulatory capital that would be required to cover the following risks in case of a portfolio transfer:

- Reserve Risk
- Underwriting Risk
- Credit Risk from retrocession

TTFC does not consider market risk within the MVM. This is because market risk is generally hedge-able for TTFC due to the short-term payment and development patterns of the risks underwritten. As a result, the best estimate cash flows can be matched using a replicating portfolio subject to risk-free yields.

TTFC does not consider credit risk from investments or reinsurance underwriting within the MVM. Credit risk associated with TTFC’s bond portfolio is deemed to be hedge-able as it is not subject to long-term durations. TTFC’s credit risk from reinsurance underwriting is subject to short term duration of not more than 1 to 2 years which are deemed to be hedge-able.

9. Capital management

9.1 Capital planning

The Company manages its capital against a solvency ratio alarm point of 125%.

The Company's SST ratio as at 1 January 2018 is 369%.

In 2017 TTFC paid a dividend to its shareholder of CHF 2'100'000 with regards to financial year 2016.

In 2018 TTFC paid a dividend to its shareholder of CHF 1'900'000 with regards to financial year 2017.

No other capital action is anticipated for this timeframe.

Each year the capital structure of TTFC is reviewed in the ORSA process to check for adherence to the stated objectives. In the ORSA a time horizon of 3 business years is used.

9.2 Equity

TTFC's equity is composed primarily of share capital, reserves and retained earnings. Details are as follows:

<i>In CHF</i>		
YTD	31.12.2017	31.12.2016
Share capital	243'000'000	243'000'000
Organisation Fund	2'000'000	2'000'000
Legal retained earnings	34'758'103	31'528'524
Voluntary retained earnings	80'708'587	66'577'540
<i>Result carried forward</i>	<i>61'247'961</i>	<i>50'429'646</i>
<i>Result for the period</i>	<i>19'460'625</i>	<i>16'147'895</i>
Total shareholders' equity	360'466'690	343'106'064

All the components of TTFC's equity either comprise of paid in capital or capital accumulated through profits. None of the components of equity are in form of contingent capital.

9.3 Difference between accounting equity and market consistent equity

The difference between the value of accounting equity and market consistent equity arises due to Equalisation reserves which is considered as a component of market consistent equity, but not considered from a statutory perspective. TTFC's Equalisation reserves were CHF 19'968'298 as at 31 December 2017.

10. Solvency

10.1 Model for Solvency calculations

TTFC uses the standard model for reinsurance companies (“StandRe”) developed by FINMA to estimate its SST target capital.

The target capital can be split into the following:

- Non-life Insurance risk
- Market risk
- Impact of scenarios
- Aggregation of Non-life insurance risk, market risk and scenarios
- Expected financial result
- Expected insurance result
- Credit risk
- Market value margin

Non-life Insurance Risk

TTFC uses the standard model for reinsurance companies (“StandRe”) developed by FINMA to estimate its SST target capital for Underwriting and Reserve Risk.

TTFC uses a partial internal model to estimate its SST target capital for natural catastrophes.

Market Risk

The Market Risk used by TTFC corresponds to the simplified SST Market Risk Standard model (Delta-Normal).

TTFC’s portfolio does not have derivatives with non-linear payoff functions (such as options), nor does its bonds and liabilities cash flow patterns have significant convexity. TTFC therefore does not apply the full SST Market Risk Standard Model (Delta-Gamma).

Impact of Scenarios

TTFC quantifies the impact of scenarios which are provided by FINMA. In addition, TTFC quantifies entity specific scenarios where any limitations in the current modelling scope are observed. The modelling follows a multinomial distribution which samples one scenario in each simulation trial of the internal model and is directly attributed to the risk it belongs to (i.e. to market risk or insurance risk or both).

Aggregation of Insurance Risk, Market Risk and Scenarios

TTFC is using the methodology and assumptions as per StandRe for the aggregation of insurance risk, market risk and scenarios.

The model uses stochastic simulations to aggregate the modules for underwriting risk, reserve risk, NatCat risk and market risk. The result of each trial can effectively be viewed as one “state of the world” with a particular impact on the RBC (Risk bearing capital; before considering items considered as deterministic such as premium income and expenses, and before considering the credit risk module).

TTFC is using the so-called shifting method in the aggregation of scenarios. With this method, the change in the RBC amounts in high return from insurance risk and market risk based on simulated amounts, which are adjusted by aggregating with the simulated amounts from scenarios.

Within the SST standard model, insurance risk and market risk as well as scenarios are assumed to be independent and are aggregated using the probabilities of occurrences for the amounts stemming from the scenarios and the remainder for the amounts stemming from insurance risk and market risk.

Expected Financial Result in excess of risk free return

The Expected Financial Result in excess of the risk free return is calculated based on the yields on TTFC's investment portfolio in excess of the one-year risk-free return as per the StandRe specifications.

Expected Technical Result

The Expected Technical Result is calculated as per the StandRe specifications.

Credit Risk

The Credit Risk is calculated based on the SST Credit Risk Standard model.

Market Value Margin

Please refer to section 8 for detailed description.

10.2 Target Capital

The target capital as at 1 January 2018 is decomposed as follows:

In mCHF

Risk category	SST 2018	SST 2017
Expected Technical Result	-2.8	0.0
Expected Financial Result above 1 year risk-free rate	3.0	2.3
Expected Shortfall on Insurance and Market Risks (div)	-93.1	-100.0
<i>Expected Shortfall on Reserve Risk</i>	<i>-17.8</i>	<i>-22.4</i>
<i>Expected Shortfall on Underwriting Risk</i>	<i>-88.3</i>	<i>-88.7</i>
<i>Expected Shortfall on Market Risk</i>	<i>-25.2</i>	<i>-25.8</i>
<i>Effect of scenarios</i>	<i>-1.0</i>	<i>-1.0</i>
<i>Diversification (Insurance and Market Risk)</i>	<i>39.2</i>	<i>43.0</i>
Expected Shortfall on Credit Risk	-12.3	-10.3
Market Value Margin	-5.4	-6.8
Target Capital	110.8	114.8

For the SST 2018, the total required equity capital (Target Capital) amounts to CHF 110.8m, whereas for the SST 2017 it was CHF 114.8m.

The main reasons for the change in each model component over the past year are as follows:

- The expected technical result decreased due to lower estimated premium with stable expected losses; this is caused by the StandRe methodology rather than changes in the profitability of the business underwritten.
- The expected financial result increased. The yield to maturity on the bond portfolio in excess of the CHF strongly negative one-year risk-free rate increase.
- The ES on insurance and market risks decreased:
 - Insurance risk decreased, driven by reduced Reserve risk, because the best estimate of reserves has decreased from CHF 35m to CHF 24m.
 - Market risk didn't change materially.
- Credit risk increased due to the additional credit risk charge associated with the FX forward, the general increase in the market value of the bond portfolio and cash assets, and a higher proportion of A and BBB rated bonds than for the 2017 SST.
- The MVM decreased due to the lower estimated overall reserve risk and the lower written volume of proportional business expected for 2018.

10.3 Risk bearing capital

The following table shows all assets and liabilities of TTFC as at SST valuation date plus comparative figures from the prior SST with positive figures denoting assets and negative figures denoting liabilities:

In CHF

A / L	Asset / Liability class	SST 2018	SST 2017
A	Fixed income	347'546'825	355'454'905
L/A		1'182'268	-562'642
A	Cash at bank	63'799'470	64'230'782
A	Receivables from insurance operations	20'247'741	8'197'099
A	Other assets	2'443'682	2'518'394
L	Technical provisions gross	-33'400'377	-55'677'289
A	Reinsurers' share of technical provisions	143'569	0
L	Non-technical provisions	0	-562'642
L	Payables from insurance operations	-7'399'253	-3'774'020
L	Other liabilities	-360'330	-455'377
	Risk bearing capital	394'203'595	369'369'210

The RBC increased moderately, with better than projected technical and financial results over the past year.

The valuation difference between the statutory shareholders' equity and the risk bearing capital corresponds to an increase of CHF 33.8m. This is a 9 percent increase compared to the statutory figure. On the asset side, the valuation difference and change of retroceded amounts from assets to liabilities with negative amounts is an increase in CHF 3.3m. On the liability side, the liability decreases by CHF 30.4m.

The following table provides a summary of all valuation adjustments by asset and liability class (CHF million):

In CHF

A / L	Asset / Liability class	SST 2018	SST 2017
A	Fixed income	9'198'220	11'783'439
A	Other assets	-5'872'451	-5'301'750
L	Technical provisions net (incl. equalisation reserves)	30'411'136	15'244'556
L	Provisions for taxation	0	2'504'036
L	Payables from insurance operations	0	2'250'240
	Total adjustments (A – L)	33'736'906	26'480'521

10.4 Overall solvency position

Based on the methods, assumptions and limitations used for the SST 2018 of TTFC, the TC amounts to CHF 110.8m and the RBC amounts to CHF 394.2m as at 1 January 2018. This leads to an excess of RBC over TC of CHF 283.4m and a SST ratio of 369%.

10.5 Confirmation

The Company confirms that the current information about solvency (risk bearing capital, target capital) is identical to the information submitted to FINMA and is still subject to a regulatory verification for the SST 2018.

11. Enclosures

- Annual audited report as at 31 December 2017
- Quantitative information as per template FINMA Circular 2016/02 Appendix 1
- Abbreviations/Glossary

Glossary

Aggregate Exceedance Probability (“AEP”) curve

The AEP represents the probability of seeing total annual losses of a particular amount or greater.

See also OEP curve.

Attritional losses / frequency losses

Claims with loss amounts below a certain threshold value, typically characterised by high frequencies and low severities.

Basis point (“bp”)

In Finance, changes in interest rates are usually quoted in percentage points times 100 i.e. 1% is 100 bp's.

Best estimate (“BE”)

Mathematically, the best estimate is defined as an estimator of the conditional expected value of the sum of future cash flows subject to the information level as at the valuation date.

A distinction is made between the nominal (or undiscounted) BE which is the one defined in TTFC's reserving policy for statutory accounting purposes and the discounted BE which is the one to be used for market-consistent valuation purposes.

Catastrophe risk (“Cat, NatCat”)

The risk that a single event, or a series of events (natural hazards such as earthquake, flood, hail, storm, etc. as well as man-made disasters such as fire, nuclear fallout, etc.), of major magnitude, usually over a short period (often 72 hours) leads to a significant deviation in actual claims from the total expected claims.

Claims Development Result (“CDR”)

This is the difference between the incoming reserves and the payments and outgoing reserves for the prior accident years.

Coefficient of Variation (“CoV”)

The CoV denotes the standard deviation divided by the expected value (or average value).

Credit risk

Credit risk is the risk that the RBC may change due to defaults and rating changes of the counterparties. In particular, credit risk is contained in bonds, loans, guarantees, mortgages, and outwards reinsurance policies and balances.

Equalisation Reserves

Equalisation reserves are statutory reserves built because of uncertainties in the valuation of technical reserves for insurance liabilities. The uncertainties are due to process risk, the risk of deviation from the true values, as well as parameter risk and estimation risk, the risk from not knowing the true values and only using statistical estimators. It serves to damp fluctuations from adverse claims development results and fluctuations from the loss activity due to newly occurred claims relative.

Event Loss Table (“ELT”)

An ELT is a collection of theoretical cat events (hurricanes, earthquakes etc.) along with the modelled losses estimated to occur from each event. This forms the raw data that is used to build up EP curves and calculate other measures of risk.

Exceedance Probability (“EP”) curve

An EP curve communicates the probability of any given financial loss being exceeded. It can be used in one of two ways: provided with a financial loss the EP curve could be read to give you the probability of this loss (or a greater loss) occurring; or alternatively provided with a probability level the EP curve could be read to show you the financial loss level to which this corresponds.

It is important to note that this refers to a loss being exceeded, and not the exact loss itself. This approach is used for cat modelling, as it is beneficial to identify attachment or exhaustion probabilities, calculate expected losses within a given range, or to provide benchmarks for comparisons between risks or over time.

Expected result

This is the expected profit (or loss) from the business over the next year from both insurance and investments.

Expected shortfall (“ES”)

For a given level of $1-\alpha$ (with α small), it measures the average losses over the threshold defined (typically set as the Value at Risk for a percentile given), i.e. the conditional mean value, given that the loss exceeds the $1-\alpha$ percentile. For the SST, $\alpha = 1\%$.

Hard market

This is a term used in (re-)insurance to denote phase where insurers, reinsurers or retrocessionaires have better negotiation powers than insureds/primary insurers/reinsurers; hence prices or terms and conditions are improving (“hardening”) for the former.

Kolmogorov-Smirnov (“K-S”) test (one-sample version)

A non-parametric goodness-of-fit test. The K-S statistic quantifies the distance between the empirical distribution function of the sample data and the cumulative distribution function of the reference distribution.

A rigorous application of the test requires that the data be independent of the distribution. In actuarial modelling applications, it is usually the case that the parameters have been

estimated from the data rather than pre-specified. In this case, the K-S test using the standard critical values is rather an approximation and more lenient (increasing the probability of a Type II error).

For standard statistical curve-fitting software, modified critical values calculated using Monte-Carlo techniques may be available for some distributions.

Goodness-of-fit tests would generally not be used in isolation, as they are unlikely to reject any distribution for small sample sizes (which is often the case for reinsurance claims data) and will reject all distributions when the sample size is very large.

Large losses

Claims with loss amounts above a certain threshold value, typically characterised by low frequencies and high severities.

Losses occurring during

This is the same as accident year coverage.

Market risk

The market risk is the risk that the RBC may change due to changes of external economic factors or influences. These influences are called risk factors.

Market value margin (“MVM”)

Expected cost of having to hold solvency capital for non-hedgeable risks during the lifetime of the insurance liabilities.

Occurrence Exceedance Probability (“OEP”) curve

The OEP represents the probability of seeing the maximum single event within a defined period (typically one year) with a particular loss size or greater.

One-year capital requirement (“SCR”)

The risk measure expected shortfall applied to the one-year change in risk bearing capital. The sum of the one-year capital requirement plus the market value margin equals the target capital.

Reinstatement

The number of reinstatements is a different way to define the annual aggregate limit in excess of loss reinsurance. The annual aggregate limit is defined as follows:

$(1 + \text{the number of reinstatements}) \times \text{the per risk/per occurrence/per event limit}$

Reinstatement Premium

In excess of loss reinsurance the reinsurer receives an additional premium depending on the terms and conditions. The additional premium is typically defined as a percentage of the exhaustion of the per risk/per occurrence/per event limit by the aggregate losses and a reinstatement premium percentage. The two factors are multiplied with the original premium of the contract.

There can be different reinstatement percentages per reinstatement.

Reserve Risk / Previous-Year Risk (“PY-Risk”)

Risk that ultimate costs relating to incurred claims (existing claims) vary from those assumed when the obligations were estimated. Reserve risk originates from claim volumes being greater than expected or differences in timing of claims payments from expected.

Risk bearing capital (“RBC”)

Capital which may be taken into account when determining the insurer’s available capital for SST purposes. Also referred as available capital.

Risk factors

The underlying stochastic drivers of the variation in capital such as yield curves, exchange rates, market prices, claims frequencies, claims severities which determine the value of assets and liabilities and hence profit or loss and change in capital. Also referred as risk driver.

Risk-free interest rate

The risk-free interest rate is the theoretical rate of return of an investment with no risk of financial loss

Risk-free yield curve

Curve that shows the relation between the risk-free interest rate (or cost of borrowing) and the time to maturity, known as the “term”, of the debt for a given borrower in a given currency. The yield curves corresponding to the bonds issued by governments in their own currency are called the government bond yield curves and considered as risk-free in the context of the SST.

Soft market

This is a term used in (re-)insurance to denote phase where insureds/primary insurers/reinsurers have better negotiation powers than insurers/reinsurers/retrocessionaires; hence prices or terms and conditions are deteriorating (“softening”) for the former.

Target capital (“TC”)

The TC is the amount of capital to be held by an insurer to meet the quantitative requirements under the SST. It equals the sum of the one-year capital requirement plus the market value margin.

Trial

One simulated amount out of many Monte-Carlo simulations or the output of an event-loss table is often called a trial. Also referred as a year, a run or a path.

Underwriting risk / premium risk / Current-Year (“CY-Risk”)

Risk that costs relating to future claims vary from those assumed when the obligations were estimated. Its risk originates from claim sizes being greater than expected or differences in

claims frequency from those expected. Underwriting risk is composed of frequency claims, large claims and catastrophe claims.

Value at Risk (“VaR”)

The VaR is a percentile of a distribution and is used as a (non-coherent) risk measure. VaR measures a single point of a range of potential outcomes corresponding to a given confidence level or fixed position and can equivalently be expressed as a return period (how often one would expect to observe an outcome exceeding a certain size) or an exceedance frequency (inverse of the return period).

Abbreviations

AEP	Aggregate Exceedance Probability
AAL	Annual Aggregate Limit
AIM	Aon Insurance Managers
AGRC	Aon Global Risk Consulting
BE	Best Estimate
BEL	Best Estimate Liability
BE UL	Best Estimate Ultimate Loss
BF	Bornhuetter-Ferguson
bp	Basis points
Brexit	Britain Exiting the EU
CAR	Construction All Risks
Cat XL Retro 21C	Cat XL Retrocession 21C treaty
CCI	Commercial Credit Insurance
CDF	Cumulative Distribution Function
CDR	Claims Development Result
CNY	Chinese Yuan Renminbi
CoV	Coefficient of Variation
CPRT	China Property Retrocession Treaty
CY	Current year
DAC	Deferred Acquisition Cost
ECB	European Central Bank
ELT	Event Loss Table
EP	Exceedance Probability
EPI	Estimated (annual written) Premium Income
EPRT	European Property Retrocession Treaty
EQ	Earthquake
ES	Expected shortfall
EUR	Euro
FINMA	Swiss Financial Market Authority
FX	Foreign Exchange
GBP	British Pounds

HKD	Hong-Kong Dollar
IBNR	Incurred But Not Reported
ISA	Insurance Supervision Act (“Versicherungsaufsichtsgesetz“)
ISO	Insurance Supervision Ordinance (“Aufsichtsverordnung“)
JPY	Japanese Yen
K-S	Kolmogorov-Smirnov
LOB	line of business
LOD	losses occurring during
m	millions
MAR	Moveable All Risks
MDB	Multilateral Development Bank
Motor PD XL Retro	Motor Physical Damage XL treaty
MVM	Market value margin
NatCat	Natural Catastrophe
OEP	Occurrence Exceedance Probability
OSLR	Outstanding Loss Reserve
PA & Life XL	Personal Accident XL treaty
PIM	partial internal model
PML	Probable Maximum Loss
PY	Previous year
QS	Quota Share
RBC	Risk-Bearing Capital
SASTI	Small Amount and Short-Term Insurance
SCR	One-year capital requirement
SST	Swiss Solvency Test
TC	Target Capital
Toa Re	Toa Reinsurance Company Ltd
TTFC	The Toa 21st Century Reinsurance Company Limited
TTY	Treaty
UK	United Kingdom
EU	European Union
UPR	Unearned Premium Reserve, Provision for unearned premium
URR	Unexpired Risk Reserve, Best estimate of UPR for claims and expenses

USD	United States Dollar
UWY	Underwriting Year
VaR	Value at Risk
W/F	Wind / Flood
W/F XL Retro 21C	Wind / Flood XL Retrocession 21C treaty
XL	Excess of Loss