

# **Elips Life AG Solvency and Financial Condition Report 2023**

## Table of Contents

<b>SUMMARY</b> .....	<b>3</b>
<b>A. BUSINESS AND PERFORMANCE</b> .....	<b>4</b>
A.1. Business .....	4
A.2. Underwriting performance .....	5
A.3. Investment performance .....	5
A.4. Performance of other activities .....	5
A.5. Any other information .....	6
<b>B. SYSTEM OF GOVERNANCE</b> .....	<b>7</b>
B.1. General information on the system of governance .....	7
B.2. Fit and Proper requirements .....	9
B.3. Risk Management system including own risk and solvency assessment .....	11
B.4. Internal Control System .....	17
B.5. Internal audit .....	18
B.6. Actuarial Function .....	18
B.7. Outsourcing .....	19
B.8. Other material Information .....	20
<b>C. RISK PROFILE</b> .....	<b>21</b>
C.1. Underwriting risk .....	21
C.2. Market Risk .....	21
C.3. Credit risk .....	21
C.4. Liquidity Risk .....	22
C.5. Operational Risk .....	22
C.6. Any other material risks .....	23
C.7. Any other information .....	24
<b>D. NARRATIVE INFORMATION ON VALUATION FOR SOLVENCY PURPOSES</b> .....	<b>24</b>
D.1. Information on valuation of assets .....	24
D.2. Information on valuation of technical provisions .....	26
D.3. Information on Valuation of other liabilities .....	28
D.4. Any other material information .....	29
<b>E. CAPITAL MANAGEMENT</b> .....	<b>30</b>
E.1. Own Funds .....	30
E.2. Solvency Capital Requirement (SCR) / Minimum Capital Requirement (MCR) .....	30
E.3. Use of the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement .....	31
E.4. Differences between statutory and Solvency II .....	31
E.5. Non-compliance with the Minimum Capital Requirement and non-compliance with the Solvency Capital Requirement 32	
E.6. Any other material information .....	32
<b>ANNEX I – QUANTITATIVE REPORTING TEMPLATES TO SOLVENCY AND FINANCIAL CONDITION REPORT 2023 ELIPS LIFE AG</b> .....	<b>33</b>

## Summary

The present report is published in accordance with the law on the insurance sector of 7 December 2015. This law introduced a new Supervisory framework (referred to as Solvency II) with effective date on 1 January 2016.

Over 2023, elipsLife continued to develop its key business lines in the area of Employee Benefits with a gross written premium of CHF 871 million and a net profit during the year of CHF 27.5 million. Details on the business performance can be found in section A of this report.

The governance system in place plays a central role in the day-to-day activities of elipsLife. In section B, description and details on the system of governance are provided and includes description of the key roles and functions within elipsLife (the Board of Directors and the related committees, the risk management, compliance and actuarial function) as well as the policies in place with regards to remuneration and outsourcing of critical activities.

As a result of a regular Own Risk and Solvency Assessment (ORSA) led by the Board of Directors, the risk profile of elipsLife is established. The risk profile provides key information on the nature and the materiality of the risks the Company is exposed to and plays an important role in managing these risks. The risk profile of elipsLife is described under section C.

Under Solvency II, the balance sheet of elipsLife is valued from an economic perspective. The balance sheet, as presented in the Financial Statements (statutory figures) is therefore restated to reflect adequately the principles provided by the law. Section D provides a description of the main valuation principles applied, and the deviations to the statutory values for the relevant items of the balance sheet.

The following table compares total balance sheet amounts of year-end 2022 and year-end 2023:

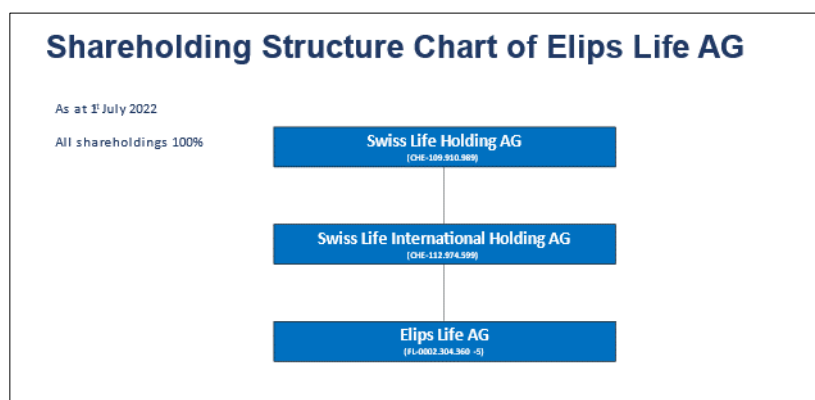
(CHF million)	2022		2023	
	Statutory	Solvency	Statutory	Solvency
<b>Balance sheet</b>				
Total assets	2'155	1'721	2'236	2'163
Total liabilities	2'072	1'615	2'126	2'059
Excess of assets over liabilities	83	106	110	103

## A. Business and Performance

Elips Life AG, referred to as elipsLife, is an insurance company located and incorporated under the laws of Liechtenstein and regulated by the Finanzmarktaufsicht Liechtenstein (FMA), Landstrasse 109, Postfach 2799490 Vaduz (Liechtenstein). PricewaterhouseCoopers (PwC)<sup>1</sup> is serving as external auditor for elipsLife. elipsLife underwrites the following material lines of business: life and non-life insurance.

elipsLife operates in Europe. The European headquarter is located in Ruggell, Liechtenstein, with branch offices in Switzerland (Zurich), the Netherlands (Hoofddorp) and Italy (Milan). In accordance with the principle of freedom to provide services, elipsLife also operates in Belgium.

With effect from 1 July 2022, Swiss Life International has successfully completed the acquisition of elipsLife from Swiss Re. From that date, elipsLife belongs to the Swiss Life Group and is ultimately fully owned by Swiss Life Holding AG, as shown in the holding structure in the figure below. The Swiss Life Group is under the supervision of the Swiss Financial Market Supervisory Authority FINMA<sup>2</sup>.



### A.1. Business

elipsLife is a specialized European group life insurer, focusing on mid-market clients. elipsLife strives to be a leading competent B2B / B2B2C partner for mid-sized companies, offering life and health insurance products in selected markets. The focus is on accident and health coverages and on cover in the event of death or disability. Customers of elipsLife are pension funds, collective foundations, companies and associations. For elipsLife, to create value for the mid-market segment means to address needs of mid-sized companies and therefore to provide tailored affordable covers and to deliver excellent service in an efficient and effective way for insureds, policyholders and distribution partners.

<sup>1</sup> PriceWaterhouseCoopers AG, Birchstrasse 160, 8050 Zurich, Switzerland

<sup>2</sup> FINMA, Laupenstrasse 27, CH-3003 Berne, (+41) 313279100, info@finma.ch, www.finma.ch

## A.2. Underwriting performance

The underwriting performance in 2023 was driven by the changes to the reinsurance cover from Swiss Re (as per agreements with Swiss Re at the time of elipsLife transfer to Swiss Life International). This resulted in more of the health and life underwriting risks being retained by elipsLife.

Overall, net premiums less claims were at CHF 26 million (last year's CHF -23 million). Gross written premiums increased by 16% from CHF 750 million in 2022 to CHF 871 million in 2023.

In the table below, the written premiums and claims (both in CHF million) for Switzerland, Netherlands and Italy are shown.

Country	Total		Switzerland Life and Health Liechtenstein		Switzerland Accident and Health <sup>3</sup> Liechtenstein		Netherlands		Italy		
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	
<b>Gross Premium</b>											
Gross	750	871	70	73	229	286	383	406	61	107	
Reinsurers' share	741	752	70	66	229	283	383	342	53	62	
Net	9	119	0	7	0	3	0	64	8	44	
<b>Gross Claims</b>											
Gross	653	486	80	53	203	246	341	165	22	20	
Reinsurers' share	621	393	80	21	201	244	333	119	21	8	
Net	32	93	0	31	2	2	8	46	0	12	

## A.3. Investment performance

At year-end 2023, elipsLife investments consist mainly of investments in government and corporate bonds, money market funds and cash. Going forward funds will continue to be gradually invested in line with the strategic asset allocation.

Swiss Life Asset Management (SLAM) is responsible for credit risk management and for day to day management of elipsLife assets. The investments are managed in line with the elipsLife Strategic Asset Allocation, and with the objective to, where possible and appropriate, match assets and liabilities by duration and currency. elipsLife assets are invested in line with the guidelines set in the Group Guidelines on Asset Liability Management and on Credit Risk.

The majority of elipsLife assets are invested in liquid instruments including time deposit and cash, and in bonds (including Government bonds and Corporate bonds). elipsLife does not hold any investments in equities or property.

## A.4. Performance of other activities

Intangible assets were further impaired by CHF 13.4 million (last year CHF 4.1 million).

## A.5. Any other information

There is no further material information.

## B. System of Governance

Swiss Life Group complies with accepted standards of corporate governance and, in the interests of its shareholders, policyholders and staff, attaches great importance to the requirements entailed in terms of its management and organisation.

As part of the corporate governance, Swiss Life operates a directives system to regulate the functional management throughout the Group and to define the content-related and organisational principles, standards and topics. Each local entity is responsible for applying Group Framework and implementing specific processes and controls for compliance with local law and regulations.

### B.1. General information on the system of governance

elipsLife management and supervisory body consists of the Board of Directors (BoD) and the elipsLife Executive Committee. The members of the BoD bear ultimate responsibility and liability for meeting applicable legal obligations.

As determined by applicable law, other rules and regulations and the Articles of Association, the BoD is vested with the broadest powers to perform all acts of administration, acquisition and disposal and take decisions on behalf of elipsLife and in elipsLife interest except in the case of acts reserved by Liechtenstein law or the Articles of Association to the general meeting of shareholders.

The BoD has delegated responsibilities and authorities to the elipsLife Executive Committee subject to the responsibilities expressly retained by the BoD. Certain responsibilities are delegated to the Branch Heads and the Regional Management Teams which are mainly responsible for the client facing activities in the local markets (Sales, Policy Administration and Claims Handling). The Chief Executive Officer (CEO) and, under the CEO's leadership, the elipsLife Executive Committee may further delegate certain responsibilities and authorities to individual Committee members.

#### Group directive system

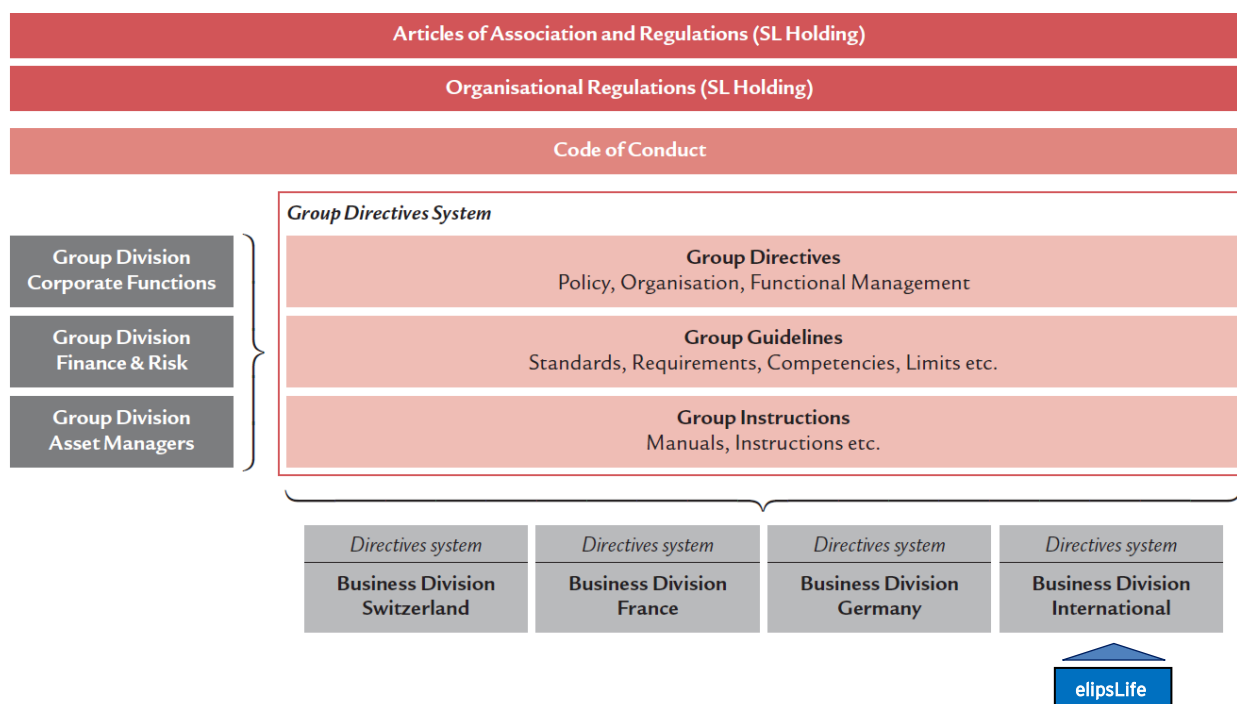
An integral part of Swiss Life's system of governance is the Group Directives System. It regulates the functional management throughout Swiss Life Group and defines the content-related and organisational principles, standards and topics.

The Group Directives System is arranged into Group topics and contains Group Directives, Group Guidelines and Group Instructions:

- Group Directives set out the content-related principles (policy) and requirements and organisational and functional management aspects (including authorities' framework).
- Group Guidelines follow on from the Group Directive and set out more detailed content-based requirements and topics, as well as the minimum standards.
- Group Instructions are based on the Group Directives and Group Guidelines and set out concrete instructions in the form of manuals for example.

Following a standardised consultation process, involving management, functional stakeholders and responsible persons within the different units of Swiss Life Group, the Group Directives and Group Guidelines are put into effect by the Group Executive Board.

The following graph depicts the hierarchy of regulations and the Directives system within Swiss Life Group. elipsLife is included in the Business Division International.



The Business Division International in the graph above is also called Swiss Life International (SLI) and includes elipsLife as well as other smaller life insurance entities in Liechtenstein, Luxembourg and Singapore. Local units operate within the Group’s risk framework considering additional local constraints due to their operating environment. For more information refer to Swiss Life Group Risk Charter published march 2022.

Risk directives, standards and guidelines established at the Swiss Life Group and Business Unit level form a large part of elipsLife risk management system. These are adopted by elipsLife following review for appropriateness and approved by its Board of Directors. Any departures needed to align with specific risks procedures, processes and controls which are specific to elipsLife and necessary to maintain required standards of governance are retained by the business.

Full integration into all of the procedures, processes and systems is planned and scheduled to take time. This is to ensure that the resulting framework is appropriate for elipsLife and reflects elipsLife risk profile. Where governance is not yet fully integrated, elipsLife is following the risk governance processes established prior to the sale to Swiss Life International. This is to ensure continued ability to identify, monitor and manage risks.



## B.2. Fit and Proper requirements

elipsLife requires that all persons effectively running the company and key functions holders (a “Relevant Person”<sup>3</sup>) are “fit and proper”. The fit and proper requirements demand qualities in relation to the integrity demonstrated in personal behaviour and business conduct, soundness of judgment and a sufficient degree of knowledge, experience and professional qualifications. These qualification criteria must be fulfilled at all times to provide for a sound and prudent management of the company.

Policies and procedures are in place to assess the fitness and propriety of all relevant persons prior to joining the company and annually throughout their employment.

The fit and proper evaluation process prior to joining the company can be described with the following steps:

- At the commencement of the recruitment or nomination process, all candidates for the position will be made aware that any offer of employment or engagement is conditional on meeting elipsLife fit and proper criteria.
- A candidate or nominee with an imminent offer of employment or engagement will be provided with a copy of the fit and proper policy and will be required to demonstrate their compliance with the policy by signing the declaration of fitness and propriety.
- Human Resources is responsible for conducting the assessment against the fit and proper criteria based on references provided, documentation from the candidate, completed fit and proper declaration and the results of the background check.
- In considering whether the candidate meets the fit and proper criteria, Human Resources will consider the materiality, relevance and timing of any matters identified in the assessment process.
- The outcome of the assessment will be documented and stored in the Human Resources file.
- Should the candidate or nominee be assessed as not having met the criteria any offer of employment or engagement shall be withdrawn.

The annual evaluation process is a detailed attestation by the relevant individual. This includes declarations concerning criminal convictions, adverse findings by courts or regulatory authorities, bankruptcy orders or liquidation or similar proceedings against them, potential or actual conflicts of interest, and engagement in dishonest or improper business practices.

### Remuneration policy

#### Remuneration Entitlements of the Administrative, Supervisory or Management Body (AMSB)

The members of the BoD are not paid directly for their activities.

#### Remuneration for employees

Remuneration for employees is based on:

- A fixed remuneration: the base salary

---

<sup>3</sup>Members of the BoD, the elipsLife Executive Committee, the Head of Compliance, the Appointed Actuary/Actuarial Function Holder, the Company Auditor and Branch Managers.

- A variable remuneration : the (T)API and the gratification

### Salary

- The amount of the salary depends on the position, function, education, experience and work performance of the employees
- The salary is reviewed annually. The potential salary increases are defined on a discretionary basis, except in countries where mandatory increase are requested due to Collective Bargaining Agreements, for example in The Netherlands and Italy
- Salary definition criteria are defined in more details in the Guidelines on fairness and equity
- Salary is paid in monthly instalments on the 25th of the month. The number of instalment varies from country to country based on local regulatory requirements

### (T)API

- At the end of the financial year, elipsLife can provide employees with an API (Annual Performance Incentive), i.e. a voluntary special remuneration.
- Whether and to what extent an API is aligned is at the full discretion of elipsLife
- The paid API is defined based on 3 factors:
  - The Target API (TAPI) depends on:
    - the hierarchical job level
    - market situation
    - internal benchmarks and the level of function of elected employees
  - The TAPI is than affected by a dual factor:
    - The BPF (Business Performance factor) reflects the company's performance
    - The IPF (Individual Pay-out Factor) reflects the individual performance assessment, taking into account the two dimensions on the 'what' and 'how' and is set at the manager's discretion but cannot exceed a factor of 2. As a guideline;

Low Performer	Some Concerns	Solid Performer	High Performer
0.0 – 0.7	0.4 – 1.0	0.8– 1.6	1.2 – 2.0

**ET Session on Nov 4, 2020:**

- Ranges to be considered as "Guidelines"
- Exemptions from "guidelines" to be justified by Comp. Planning Mgr.

- $API = \text{Adjusted TAPI} \times BPF \times IPF$  (capped at  $2 \times \text{Adjusted TAPI}$ )

### Others: gratification and commissions

- After the end of the financial year, elipsLife may pay employees who do not receive an API or sales commissions, a gratification, i.e. a voluntary special remuneration within the meaning of Art. 322d CO or Art. 13 ABGB. A gratification payment ranges from EUR 2'000 – EUR 4'000. Employees eligible for gratification are typically lower seniority levels.
- Employees with sales activities can receive closing and inventory commissions. The requirements and scope are contained in the commission provisions, which form an integral part of the respective employment contract.

- Employees who are entitled to commission are neither entitled to gratuities nor APIs.

Whereas, as of today, the weighting of each element is not expressly defined, the right balance between both elements of remuneration is at the core of their definition.

Additionally, local regulations in The Netherlands put a cap (20%) on the proportion of variable compensation compared to fixed remuneration.

As of today, no employee earns more variable than fixed remuneration and departure packages are implemented making sure not reward mis-behaviours, poor performance or excessive risk taking.

A convergence of elipsLife Remuneration Policy with Swiss Life is planned over 2024 and should be finalized by end-2025.

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

Taking and managing risk is central to Swiss Life and its business. All risk-related activities are subject to the risk management framework. This framework sets out how Swiss Life Group organises and applies its risk management practices. The details are set out in the Swiss Life Group Risk Management charter.

#### **Risk management strategy**

Swiss Life's risk strategy supports the business strategy and enables elipsLife to grow in its businesses and markets in a sustainable and profitable way. Swiss Life seeks to take on those risks inherent to the insurance that are well understood and for which the expected return compensates the shareholder adequately, i.e. to assume those risks with which the associated cost of capital can be earned. Other risks inherent to the business that cannot be avoided, for example operational risks, must be actively monitored and mitigated.

#### **Risk management objectives**

Key components of risk management are the systematic identification, analysis, assessment, monitoring and management of risks and their reporting.

#### **Risk management techniques**

For the management of risks, the following techniques are applied:

- Risk avoidance is the systematic avoidance of undesired risks (those expected not to compensate the shareholder adequately). Since some of them are connected with desired risks, the below mentioned techniques are applied subsequently;
- Risk mitigation is the systematic reduction of existing risks. This can be achieved for example by hedging undesired exposures through the purchase of financial instruments or by the implementation of controls;
- Risk diversification reduces risks by accepting risks, which are similar but not fully correlated. The overall risk is then lower than the sum of the individual risks;
- Risks are limited by setting thresholds so that the potential loss is limited, for example by limiting the equity exposure or by limiting the size of insurance coverage granted;
- Risk transformation is changing the character of an existing risk as through the purchase of re-insurance cover;

- Risk acceptance is the conscious decision to accept a risk, if necessary after application of the above risk techniques.

The application of these techniques varies by risk type and combinations of them may be required in addressing specific risks.

### **Risk Governance – guiding principles**

Responsibility for managing risks is an integral element of all roles and business activities. Key principles are:

- Ownership and accountability: roles and responsibilities and minimum control standards for risk takers and risk controllers are clearly defined and communicated;
- Compliance with regulatory requirements: external legal and regulatory requirements must be met at all times and in an efficient manner;
- Coordination and reliance among different assurance functions, such as ongoing exchange between Risk, Compliance and Audit;
- Independence: clear separation between risk taking and risk controlling/assurance functions while maintaining strong links to the business.

### **Risk Governance – three lines of defence**

The elipsLife organizational structure can be viewed as three "lines of defence" ensuring independent risk monitoring and control activities. The first line of defence is the responsibility of the business (risk takers) and includes (but is not limited to):

- Senior management
- Process owners
- Control owners

The second line of defence concerns those responsible for risk oversight and risk guidance (risk controller, i.e., risk measurement and monitoring) including the corresponding reporting:

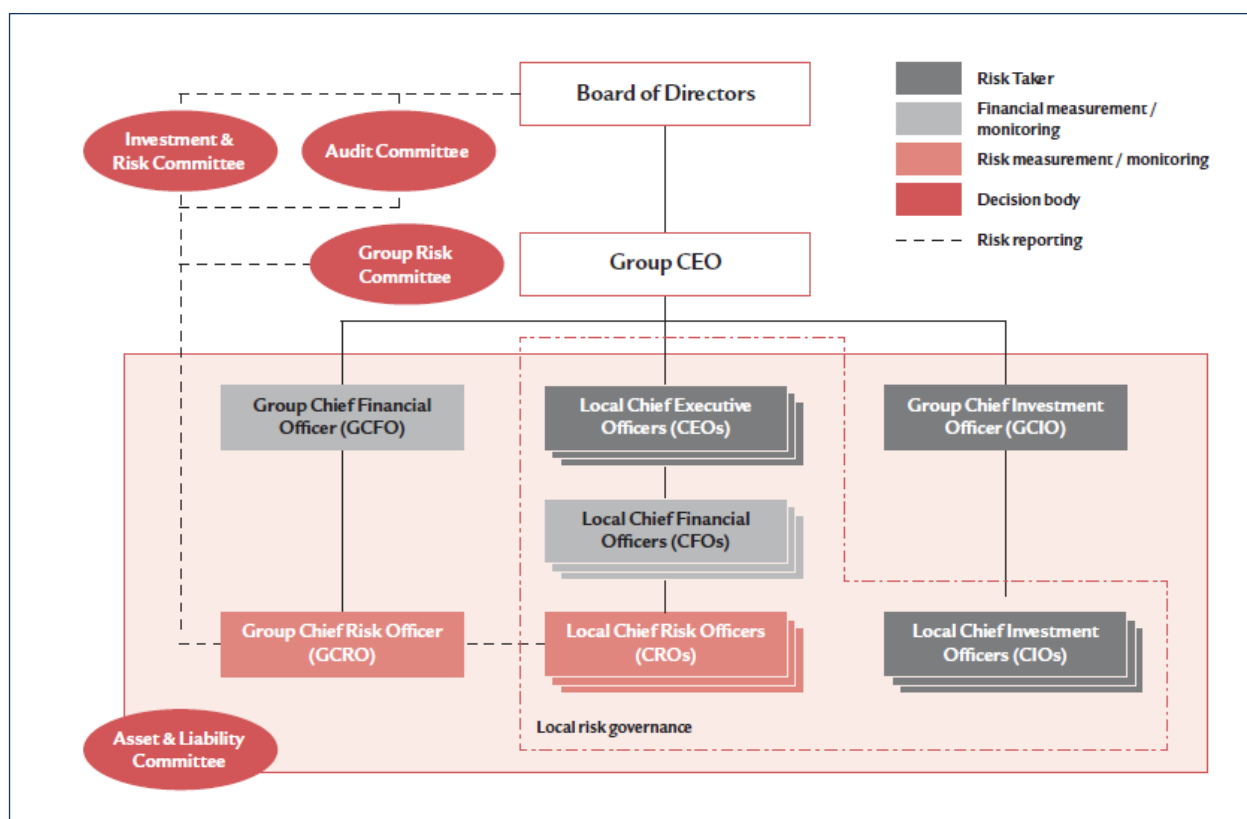
- Risk management functions
- Compliance
- Other control functions

The third line of defence is independent assurance of the effectiveness and efficiency of risk management processes (among others). This assurance is the responsibility of:

- Internal audit
- External audit

### **Boards and Committees**

Risk management tasks are performed at all levels within Swiss Life Group by corresponding bodies, such as the Investment & Risk Committee at the level of the Board of Directors of the Swiss Life Group and the Group Risk Committee at the level of the Corporate Executive Board as shown below. In the local entities, respective risk governance is in place.



## Organisation of risk management

elipsLife is responsible for managing all relevant risks in its business. This is done under the supervision and guidance of the elipsLife Chief Risk Officer and the head of Swiss Life International Risk Management function Swiss Life International Chief Risk Officer. Where applicable, this is done in line with the structures, procedures and methods required by the Swiss Life Group Chief Risk Officer.

The responsibilities of the Swiss Life International Chief Risk Officer in the context of risk management are the coordination of tasks, standards, processes and insuring consistency across the reporting legal carriers within Swiss Life International.

The local risk function at elipsLife is headed by the elipsLife Chief Risk Officer. The responsibilities of the elipsLife Chief Risk Officer in the context risk management are:

- Ensuring the establishment of an appropriate risk management in the company;
- Processing and solving risk management issues within the entity;
- Representing the relevant unit in risk management issues within and outside the company in consultation with Swiss Life Group Risk and the Swiss Life International Chief Risk Officer;
- Reporting according to the instructions of the Swiss Life International Chief Risk Officer and Swiss Life Group Risk as outlined in the guideline on risk reporting;
- Implementing the respective requirements of the Swiss Life Group directives and guidelines into their directives system by taking into consideration local law, local specifications and business activities;
- Ensuring that the necessary human resources are available in terms of numbers, skills, knowledge, and experience.

## Risk culture

elipsLife fosters and maintains a strong risk culture to promote risk awareness and discipline across all its activities. This risk culture is based on risk and control related values and behaviour, shared by all employees. Its principal components are summarised in a framework that builds on the Code of Conduct as well as on the key risk management principles.

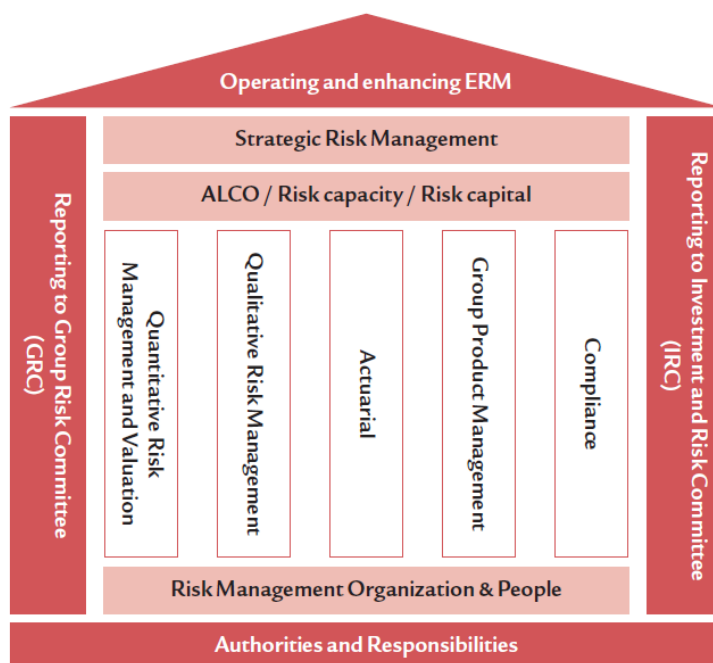
The risk culture framework serves to influence appropriate risk-taking behaviour in four key aspects:

- Leadership in providing clear vision and direction
- Consideration of risk relevant information in decision-making
- Risk governance and accountability of risk takers as well as transparent flow of risk information
- Embedding of risk management skills and competencies

Risk culture provides the foundation for the efficient and effective application of the risk management framework. The Risk Management function reinforces the risk culture by ensuring risk transparency and fostering open discussion and challenge in the risk-taking and risk management processes.

## Risk management framework

The risk management framework, as depicted below, serves to operate and enhance the Group's Enterprise Risk Management (ERM) to achieve stated goals. The authorities and responsibilities are defined in the Articles of Association and Regulations, in the Organisational Regulations of Swiss Life Holding and in the Directives systems. They provide foundation for operating Group's Enterprise Risk Management.



### Risk management framework – Asset Liability Management process

The trade-off between risk and return in the insurance business (where the asset risk is borne by the shareholder) is steered and controlled in the Asset and Liability Management process. The Asset & Liability Committee (ALCO), at the Swiss Life group level, defines the Strategic Asset Allocation, the market risk and exposure limits, in line with the Group risk strategy and risk appetite defined by Investment and Risk Committee and Group Risk Committee.

### Quantitative risk management and valuation

The emphasis in the risk management framework for the quantitative risks is put on the insurance businesses and relies on economic principles.

If possible and meaningful, risks are measured and quantified (quantitative risk management). Otherwise, a qualitative assessment for the identified risks has to take place (qualitative risk management). Risks should be quantified as far as possible, based on generally accepted methods.

### Qualitative risk management

Qualitative risk management covers strategic risks, emerging risks and operational risks. In these areas, the risks are difficult to quantify or a general quantification approach is not established yet in the insurance sector.

#### Strategic Risk

Swiss Life uses analytical methods to ensure that strategic risks are dealt with adequately in what continues to be a challenging economic environment. In its strategic risk management process, Swiss Life incorporates all the information on risks and the risk/return characteristics in its strategic decisions. A thorough

understanding of the interplay of individual risks is essential to take into account factors influencing risks during strategy development so that these factors can be steered appropriately.

### Emerging Risk

With emerging risk management, newly developing or changing risks and their influence on the existing risk environment are monitored and analysed. Emerging risk is a dedicated risk category, which has strong interaction with other risk types as insurance risks such as mortality, longevity and disability. Often, consequences of emerging risks are influencing triggers of other risk types in both ways, positive or negative. From a risk management perspective, those consequences, which have an impact on the business have to be analysed, understood and monitored over time. The result of the analysis is considered in the strategic risk management process.

### Operational Risk

Operational risk is an inevitable consequence of being in business. The aim is not to eliminate every source of operational risk but to provide a framework that supports the identification and assessment of all material operational risks and potential concentrations in order to achieve an appropriate balance between risk and return. Sound operational risk management (which includes information security and IT risk management as well as business continuity management) is an integral part of creating sustainable value for shareholders.

### Risk Tolerance level

Risk tolerance forms an important part of the Risk Framework. The risk tolerance level, set at 130% of the SCR describes the extent to which the BoD has authorised elipsLife Executive Committee to assume risk. It represents the amount of risk that elipsLife is willing to accept within the constraints imposed by its capital and liquidity resources, its strategy, and the regulatory and rating agency environment within which it operates. The risk tolerance sets clear boundaries to risk taking.

### ORSA process

Pursuant to Article 75 of the law on the insurance sector of 7 December 2015, elipsLife performs an Own Risk and Solvency Assessment (ORSA) which is embedded in decision-making and risk management process.

elipsLife ORSA process includes all of the existing activities performed throughout the business cycle to effectively manage risk and capital. It covers all elements of its risk management framework that serve to determine management's own view of risk and the associated solvency requirements. The ORSA process supports adherence to the internal risk appetite framework by monitoring that both current and planned exposures adhere to its criteria.

The ORSA consists of a forward-looking assessment of the elipsLife risk and solvency position over the planning period, comprising an assessment of the:

- Compliance with the Solvency Capital Requirement and Technical Provisions;
- Significance of the deviations between the elipsLife own risk profile and the assumptions underlying the Solvency II Standard Formula used to derive capital requirements;
- Overall solvency needs taking into account the elipsLife risk profile and risk tolerance limits.

The quantitative assessment of the Overall Solvency Needs is performed by taking the results of scenarios and stress-tests into account and is supplemented by a qualitative description of the elipsLife risk profile. The Overall Solvency Needs assessment covers all material risks elipsLife is exposed to and is performed



considering a number of scenarios. Those are selected by the Board of Directors consistently with the elipsLife risk profile taking into account a range of developments relevant for the business such as changes in the economic environment, the resulting evolution of the risk profile and projected management decisions in accordance with the business strategy.

The ORSA is an integral part of the risk and capital management of the Company and is embedded in its decision-making process. The results of the ORSA are an input to the strategic planning process, which sets strategic orientation for elipsLife over a three-year time horizon. The ORSA is performed at least on an annual basis. In addition, a non-regular ORSA might be required in case of specific internal or external events (e.g. the start-up of a new line of business, portfolio transfers or major changes in the asset structure or financial market conditions). The results of the ORSA are included in the ORSA report.

## B.4. Internal Control System

elipsLife has adopted the Internal Control System framework from Swiss Life that consists of all the procedures, methods and measures instituted by the Board of Directors (BoD) and Executive Board (ExB) in order to ensure

- compliance with applicable laws and regulations, internal standards,
- the effectiveness of operations (i.e. business processes),
- the mitigation of potential losses in processes,
- the availability, confidentiality and integrity of financial and non-financial information, and
- the protection of assets.

elipsLife maintains an ICS framework that supports the departments (i.e. first line of defence) to ensure the aspects mentioned above.

The internal control system framework organizes and categorizes internal controls, which include activities established to mitigate risks to an adequate level. The key elements of the internal control system are control activities on entity-level, process-level, the IT control framework, minimum control requirements for end-user computing tools and eBanking-Solutions.

### Compliance Function

The objective of the Compliance function is to ensure:

- Compliance with legal and regulatory requirements and other external or internal regulations at all times;
- Identification and avoidance of compliance risks, and thus of respective consequences, above all, potential impacts on the Company's reputation;

Compliance also supports prudent management by defining the necessary compliance standards and respective processes for all areas of Swiss Life Group, supporting both employees and management in the implementation and enforcement thereof. Moreover, the role of the elipsLife Compliance function is prescribed to encompass the local regulatory requirements of Solvency II.

The Compliance Function, as a part of the Internal Control System, is one of the key functions. The authority and responsibilities of the Compliance Function are established by the BoD. The Compliance Function is a staff unit with a dotted reporting line to the CEO and the Chairman of the BoD. Its independence is ensured by the authorities laid down in the Group Directive on Compliance which has been endorsed

by Elips Life AG and includes among others the authority to establish compliance related processes and controls and to have unrestricted access to all records.

The responsibilities, competencies and reporting duties of the Compliance Function are laid down in the elipsLife Directive on Compliance adopted by the BoD. The Directive on Compliance provides that elipsLife has a flexible, risk-based annual Compliance Plan approved by the BoD setting out the compliance work and covering all areas of the company taking into account their susceptibility to compliance risk.

By means of a companywide Compliance Program, elipsLife supports and follows internationally and nationally recognized guidelines and standards for rules-compliant and value-based corporate governance. These include the principles of economic and financial sanctions and combating bribery, corruption, money laundering and terrorism financing. Through these standards, elipsLife aims to avoid the risks that might arise from non-compliance.

The independent Compliance Function is responsible for ensuring the effective implementation and monitoring of the Compliance Program within elipsLife, as well as for investigating potential compliance infringements. This includes the identification, assessment, and reporting of compliance risks. In addition, the Compliance Function advises the management body on compliance with the laws, regulations and administrative provisions adopted pursuant to Solvency II as well as the impact of any changes in the legal environment on the operations of the company.

The standards of conduct established by elipsLife Code of Conduct apply to all employees. The Code of Conduct and the internal guidelines derived from it provide all employees with clear guidance on behaviour that lives up to the values of elipsLife. In order to transmit the principles of the Code of Conduct and the Compliance Program, elipsLife has implemented a training program.

## B.5. Internal audit

The Internal Audit function of elipsLife is performed by Corporate Internal Audit of the Swiss Life Group in conjunction with the Audit Committee of elipsLife. By doing so, elipsLife ensures that:

- Appropriate resources are allocated to the task,
- Recognised internal audit standards are applied and fulfil the requirements of the law such as audit plan definition, adequate reporting of audit findings and recommendations,
- A follow-up process is in place through effective tracking tools,
- Decisions of the Board of Directors of elipsLife comply with previous recommendations.

It is the responsibility of the Corporate Internal Audit function to plan and perform the audit. The processes include a planning phase where the relevant topics are identified, how the audit has to be performed and documented as well as the manner in which the results have to be reported.

## B.6. Actuarial Function

The local Head of Actuarial Services ensures at all time that the Actuarial function is carried out by persons who have an adequate knowledge and understanding of the written insurance business, stochastic nature of insurance, the risk inherent in assets and liabilities, as well as an understanding of the use of statistical models commensurate with the sophistication of the methodologies and models applied by Swiss Life Group. The deepness of the knowledge required depends on the organisational level they belong to. The Local Chief Actuary represents the Actuarial Function.

The Actuarial function at Swiss Life is defined in the following organisational levels:

- Group Actuarial Services,
- Appointed Actuary,
- Actuarial Board,
- Actuarial Organisation and local Actuarial Services.

### **Actuarial Board**

The Actuarial Board consists of the Group Chief Actuary (Chairman), the local Chief Actuaries and the local Appointed Actuaries. The Board approves Actuarial Directives, Guidelines and Instructions from a functional point of view according to the Group Directives system.

### **Local Chief Actuary**

The local Chief Actuary is responsible for performing all actuarial functions for elipsLife, without any statutory duties in contrast to the Appointed Actuary.

Within elipsLife, the Head of Actuarial Services covers both roles.

The local Chief Actuary has to ensure the appropriateness of the Company's Actuarial function

Guideline and the alignment with all local specific legal and regulatory requirements. As representing the Actuarial function, the local Chief Actuary is responsible for the assessment of the technical provisions according to Solvency II principles and the assessment of reinsurance and underwriting policies regarding their appropriateness.

An adequate segregation of responsibilities established within the organizational structure ensures that the people performing actuarial tasks are not simultaneously responsible for the execution and for providing an opinion on the adequacy of the executed item.

## **B.7. Outsourcing**

elipsLife has an Outsourcing Policy which has been approved by the BoD. The policy is in line with the Solvency II requirements as well as the requirements of the Liechtenstein Insurance Supervision Act (ISA) and defines the governance, processes and approvals for using outsourced services. Based on the risks involved with the outsourcing it ensures a proper due diligence process for any service provider and lays out the ongoing obligations with regard to the oversight on the services provided by the third party.

elipsLife Outsourcing Policy ensures that any third party arrangement entered into does not lead to impairment of either the elipsLife systems of governance and internal control, or the relevant supervisory authority in monitoring compliance risks, does not unduly increase the operational risk and does not undermine continuous and satisfactory service to customers.

The two key functions which elipsLife outsources internally to Swiss Life Group are Asset Management and Internal Audit. The rationale for the intra-group outsourcing of these key functions is to exploit synergies and expertise within the group. The Swiss Life Asset Management and Swiss Life Group Internal Audit, have the necessary skills and expertise to assume those functions on behalf of elipsLife.

In the Netherlands, underwriting functions and the administration of the policies are partly outsourced to independent ("mandated") brokers, which reflects local market practice for this particular distribution channel. These mandated brokers have to follow an agreed framework. Compliance with this framework

is assessed regularly (i.e. ad-hoc, quarterly, annually) by a dedicated elipsLife specialist following a pre-defined risk and random based schedule.

All cooperation agreements with service providers who perform important processes on behalf of elipsLife have been supplemented with certain terms to ensure proper compliance with the Liechtenstein supervisory law. elipsLife exercises due diligence checks in the selection of service providers and applies effective systems and risk controls on a regular basis throughout the contractual relationship with all service providers.

## B.8. Other material Information

### **Adequacy of the system of governance**

elipsLife risks are linked to the business strategy of writing life business, in a number of countries and currencies; these insurance risks are not interconnected with financial risks as they are not dependent on financial performance of the assets. elipsLife are confident that their governance framework and processes are appropriate for managing the risks that they are exposed to through its business activities.

## C. Risk profile

Risk is defined as the potential danger of an actual result deviating adversely from the expected result. If meaningful, material risks must be measured and quantified. If a risk cannot be quantified, a qualitative assessment needs to be done.

When measured, the risks are assessed by their contribution to the Solvency Capital Requirement (SCR) applying the standard formula from the Directive 2009/138/EC, called Solvency II directive. In other cases, when this is not possible, the risks are identified, assessed and managed through the elipsLife qualitative risk management framework. Detailed results from the Solvency II standard formula are given in section E.2. As a summary, the main risks for elipsLife are the life underwriting risk and health underwriting risk from writing of insurance business.

elipsLife invests its assets according to the 'prudent person principle' as presented in Article 132 of Directive 2009/138/EC. The general assets are invested in regulated financial markets and no use of derivatives was made over 2023. A limit system by single counterparty and credit rating is in place to control single counterparty exposures and is included in the asset management mandate. The latter also integrates the management of the duration matching between assets and liabilities as well as regular reporting. At least once a year, the strategic asset allocation is defined by the Asset & Liability Committee.

The risk profile of elipsLife changed during the year due to decrease in amount of life and health underwriting risks transferred to Swiss Re via reinsurance treaties. This is in line with the reinsurance contracts elipsLife entered into with Swiss Re as part of the transfer of elipsLife to Swiss Life International in 2022. As a result a higher portion of the life and health underwriting risks are now retained by elipsLife and life and health underwriting risks are now the main risks for elipsLife.

### C.1. Underwriting risk

Underwriting risk is the risk that claims resulting from the underwritten business are higher than expected. It is currently the biggest risk for elipsLife. The main exposure is to disability and mortality risk which elipsLife is exposed to due to insurance covers that it provides to the policyholders. The exposure to Health underwriting risk comes from the Accident and Health insurance business written in Switzerland. elipsLife mitigates some of the underwriting risk via reinsurance agreements.

### C.2. Market Risk

The market risk is a risk of negative financial impact due to change in values of the investments. elipsLife exposure to market risk is currently low when compared to other risks. Majority of elipsLife assets are invested in liquid instruments including time deposit and cash and in bonds (including Government bonds and Corporate bonds).

### C.3. Credit risk

Credit risk arises from the possibility that a counterparty defaults on its obligations to elipsLife.

Credit risk is a material risk for elipsLife with main exposure concentration due to reinsurance with Swiss Re, where downgrade or default of Swiss Re would have negative financial impact on elipsLife.

The second highest exposure comes from premium receivables, where elipsLife is at risk that our customers do not pay their premiums on the contracts. This risk is highest at the start of the year, when contracts commence, and decrease throughout the year as customers pay the premiums. The exposure is monitored through the year. elipsLife is continuously working on improving communication with customers and brokers to encourage timely premium payment.

Swiss Life Asset Management (SLAM) are responsible for day to day management of assets in line with the Strategic Asset Allocation. They are also responsible for credit risk management. The exposure to credit risk within elipsLife investments is managed following the guidelines set in the Group Guidelines on Asset Liability Management and on Credit Risk.

For SLI the credit risk process is closely linked to the Swiss Solvency Test (SST) calculations. The models required for these calculations are being developed for elipsLife. Once the calculations are finalised elipsLife will be integrated into the full SLI credit risk process including more detailed credit limit setting and reporting of credit exposures against limits.

#### C.4. Liquidity Risk

elipsLife is primarily exposed to liquidity risk through the uncertainty of the size and timing of insurance claims arising out of its insurance business. elipsLife exposure to liquidity risk is monitored by the finance team. The most recent analysis indicates that the elipsLife liquidity position is sufficient to meet expected liquidity requirements, as majority of elipsLife assets are currently invested in highly liquid instruments.

#### C.5. Operational Risk

Operational risk is defined as the risk of a loss or other adverse consequences resulting from failed or inadequate internal processes, people, systems or from external events. This includes legal and compliance risks but excludes strategic and business risks.

##### **The Operational Risk Framework**

The Operational Risk Framework is based on industry standards and takes into account regulatory requirements. The framework covers all business processes and information systems.

The Operational Risk Standard Catalogue (ORSC) defines the universe of inherent operational risks for Swiss Life which arise as a consequence of business activities. This standard ensures a consistent risk taxonomy and allows aggregation of operational risks across Swiss Life. The ORSC is reviewed and updated on an annual basis. Changes to the ORSC require an approval of the functional Qualitative Risk Management Board

##### **Operational Risk Management process**

In general, the business (First line) is responsible for the identification and management of operational risks and Operational Risk Events. Qualitative Risk Management supports the business in the identification and description of risks, definition of mitigating measures, identification and description of risk events.

##### **Operational Risk Event Collection**

Operational risk event identification, collection and analysis forms an integral part of the operational risk management framework. Operational risk events provide an important source for root cause analysis and

lessons learned. This is important for the identification of new risks, evaluation of existing risks and further mitigation measures

### **Operational Standard Risk Assessment**

Operational Standard Risks are assessed based on the Operational Risk Standard Catalogue (ORSC) by the risk owner. Qualitative Risk Management supports the risk owner by providing information from Internal Control System (ICS) control assessments, historical data such as operational risk events, audit reports and expert judgement. In the assessment the potential impact on operational expenses and reputation is considered. Operational Standard Risks have to be assessed at least annually or in case of material changes or events ("ad-hoc analysis").

The operational risk tolerance limit (the acceptable level of operational risks to which the company is willing to tolerate a negative impact on business results and stakeholder value) is set by Swiss Life International based on the guidelines from Swiss Life.

### **Operational Risk Mitigation**

Risks exceeding the tolerance limit need to be addressed with further measures that are recorded and tracked as part of the annual Qualitative Risk Management (QRM) process

### **Escalation**

The responsible QRM function can escalate to the responsible CRO in case of a disagreement between the responsible QRM function and the risk owner regarding the assessment of an operational risk. If the disagreement remains, the Group Head of Qualitative Risk Management can be consulted for further escalation.

### **Monitoring and reporting**

The risk owner and responsible QRM function monitor operational risks. A reporting on a regular basis to the Divisional and Group Risk Committee is established. Group QRM is responsible to summarize and provide operational risk information as required by the Group Risk Committee.

## **C.6. Any other material risks**

The material risks for elipsLife are covered in the solvency capital requirement. The non-quantified risks including reputational and strategic risks are less material but could still have an impact on elipsLife business. These are monitored and managed through the qualitative management process. As part of this process, mitigation actions are defined and monitored as required.

Emerging risks are risks which have not been experienced before, or an unknown development of a known risk that could cause harm to elipsLife in the future. Swiss Life Group considers emerging risks as a distinct risk category and these risks are assessed by a Swiss Life Group expert panel. The results of the panel are submitted to the local Chief Risk Officers who assesses the potential impact of the emerging risks on elipsLife and participates. The Chief Risk Officer participates in the respective divisional or Group discussions on these risks. The potential impacts on elipsLife are assessed based on qualitative information available at the time. For the risks which could have material impact on the elipsLife business, mitigation actions are developed as necessary and revised once there is more clarity on these risks' progression.

### **Cross border risk**

The causes of legal and reputational risks in cross-border financial services are varied. Frequently, they arise from foreign supervisory law. Failures to meet requirements in this area may result in administrative sanctions being imposed by foreign authorities and may incur consequences under criminal law. Tax legislation is a further source of risk. However, with its branch model elipsLife is very well anchored locally. The business is run with local employees and in compliance with all local regulations and the focus is on the local market only with some minor exemptions for the Dutch branch. elipsLife focus is on employee benefits business which is embedded in the local employment, social insurance and tax law. So even though elipsLife is active in foreign markets it is from the perspective of the branch domestic business with little of the usual risks associated with cross border business is exposed to.

## C.7. Any other information

### **Risk exposure measurement**

elipsLife uses the Solvency II Standard Formula (calculating a 99.5% value at risk ) to assess all modelled risk categories together with an integrated risk management framework to manage and mitigate other risks.

### **Risk concentration**

The concentration risk measured by the Solvency II standard formula is the exposure to single ultimate counterparty. For elipsLife the concentration risk comes primarily from the exposure to Swiss Re via reinsurance structures in place.

### **Risk mitigation**

The main financial risk mitigation method for elipsLife is through reinsurance agreements with Swiss Re.

### **Stress testing and sensitivity analysis**

In order to test on-going solvency, the elipsLife solvency ratio is calculated for different scenarios as part of the annual ORSA process. The impact of possible deviations from the planned conditions and their potential impact on elipsLife, are considered through modelling of three-year scenarios. These scenarios are selected based on discussions with the business and reflect the risk profile of elipsLife.

## D. Narrative information on valuation for solvency purposes

### D.1. Information on valuation of assets

#### **D.1.1. Asset classes**

elipsLife only uses the asset classes as prescribed by the Solvency II balance sheet template.



### D.1.2. Methods applied for valuation of material asset classes

Material assets by Solvency II valuation basis as at 31 December 2023 were as follows:

- Investments (other than assets held for index-linked and unit-linked funds);
- Reinsurance recoverables;
- Other assets.

**Investments:** elipsLife investment portfolio at year end 2023 consists of government & corporate bonds and money market funds. The bonds are valued in the statutory accounts at amortized costs (at year end 2023 the value of 'amortized costs' is slightly higher than the 'market value'). Additional depreciation or write-downs are recognized if a permanent impairment is expected. Under Solvency II, bonds are recognized at market value. Therefore, this can generate a difference in valuation.

**Reinsurance recoverables:** The share of technical provisions for reinsured business is determined in the statutory accounts with reference to the contractual agreement and the underlying gross liability per treaty. Solvency II reinsurance recoverables are derived from the statutory values and are valued at market value. This position is shown as a negative liability in the company's statutory Financial Report (in accordance to VersAV, Anhang 4) whereas under Solvency II it is reported as an asset.

**Deposits to cedents:** none

**Tangible assets:** In statutory accounts, tangible assets are measured at historical cost and depreciated using the straight-line method over the expected useful life. Since it can be assumed that this mostly corresponds to a market-to-market consideration, the same values are used for Solvency II accounts.

**Intangible assets:** there are no intangible assets recognized under Solvency II.

**Receivables and accruals:** both asset types are measured in statutory accounts at par value (less specific valuation allowance). Since it can be assumed that this mostly corresponds to a market-to-market consideration, the same values are used for Solvency II accounts.

### D.1.3. Assumptions and judgements applied for valuation of material assets

Solvency II Investments are valued at market value which is determined as far as possible by reference to observable market prices. Where observable market prices aren't available, elipsLife follows the fair value measurement methodology. There are no major sources of estimation uncertainty when using judgments to determine valuations.

### D.1.4. Changes made to recognition and valuation basis of material assets during the year

No changes.

### D.1.5. Drivers of difference between Solvency II and Company statutory accounts

The difference between Solvency II balance sheet and the statutory balance sheet are explained by the different valuation methodologies used, as described above.

### D.1.6. Property (held for own use)

elipsLife only owns movable property. The statutory account values are used for Solvency II.

### D.1.7. Inventories

elipsLife doesn't hold any inventories.

### D.1.8. Intangible assets

There are no intangible assets at elipsLife under Solvency II.

### D.1.9. Methods and assumptions applied in determining the economic value of financial assets

Most financial asset prices are sourced from a major investment management company. The list of vendors used by the investment management company to confirm pricing is held by Swiss Life Asset Management. If the market value of an asset isn't available from the investment management company, then the pricing from an alternative vendor is used. These are pre-agreed vendors depending on the type of the financial assets. In addition, prices are checked by Swiss Re's independent pricing verification team to ensure agreement.

### D.1.10. Holdings in related undertakings

elipsLife does not have any holdings in related undertakings.

### D.1.11. Equities

elipsLife does not hold any investments in equities.

## D.2. Information on valuation of technical provisions

### D.2.1. Value of technical provisions by line of business

elipsLife writes mainly business in the category 'Other Life', in the category 'Health similar to life' (Health SLT) which relates to Accident and Health portfolio and a small share which is classified in the category 'Health -similar to non-life' (Health NSLT).

The Health – NSLT portfolio is in run-off. It is classified as 'similar to non-life' on the Solvency II balance sheet because at the time, this small run-off portfolio was taken over from a non-life insurance company. The risk profile of the underlying products, however, is rather similar to life insurance products.

The Solvency II technical provisions are outlined in the below table:

(values in CHF million)	Other Life		Health SLT		Health NSLT		Total	
	2022	2023	2022	2023	2022	2023	2022	2023
Best-estimate	1249	1653	165	213	5.9	4.3	1420	1870
Risk Margin	32	40	4	5	0.1	0.1	36	45
<b>Technical provision</b>	<b>1281</b>	<b>1693</b>	<b>169</b>	<b>218</b>	<b>6.1</b>	<b>4.4</b>	<b>1456</b>	<b>1915</b>

elipsLife uses the volatility adjustment in its solvency considerations in order to mitigate the effect of short-term volatility of bond spreads.

There are no material changes in the relevant assumptions made for the calculation of the technical provisions compared to the previous reporting period.

### **D.2.2. Material differences with statutory reserves**

Material differences between technical provisions under Solvency II and reserves under Liechtenstein GAAP are the following:

- Discounting: under Solvency II, the interest rates published by European Insurance and Occupational Pensions Authority (EIOPA) with Volatility Adjustment are used, while under Liechtenstein GAAP discounting rates derived from interest rates curves published by the SNB and by De Nederlandsche Bank are used (for Switzerland and the Netherlands respectively).
- The basic risk free interest rate term structure used for the discounting of cash flows in the calculation of technical provisions is delivered by EIOPA.
- Expected profit included in future premiums (EPIFP): Under Solvency II the profit that is expected from future premiums of in-force contracts is subtracted from the technical provisions.
- Risk Margin: The Solvency II technical provisions contain a risk margin.
- Prudency reserves: Since Solvency II follows a best estimate consideration, prudency reserves are removed from the Solvency II balance sheet.

### **D.2.3. Relevant assumptions about future management actions**

The only relevant assumption about future management actions is the continuance of the existing reinsurance arrangements, taking into account already agreed changes.

### **D.2.4. Relevant assumptions about policyholder behaviour**

elipsLife assumes some lapses for a small part of the Swiss portfolio which is similar to individual business.

### **D.2.5. Level of uncertainty of technical provisions**

In the calculation of technical provisions, actuarial and economic assumptions are used. As the assumptions are used for prospective events, there is inherent uncertainty with regards to the development of future mortality, recovery and costs. The size of the portfolio isn't sufficient yet for easily absorbing large deviations from the expected values. Reinsurance is therefore used for reducing this risk (see next point).

### **D.2.6. Description of the recoverables from reinsurance contracts**

The following reinsurance covers were in-force in the reporting period:

- Quota-share, where premiums, claims and claims reserves, and profit commissions are shared;
- Stop-loss reinsurance cover.

The 2023 reinsurance recoverables amount to CHF 1'770 million (2022: 1'429.2 million) under Solvency II valuation.

### **D.2.7. Risk Margin**

The risk margin is derived according to the standard formula, 6% of the present value of the projected SCR. It amounts to CHF 45.0million (2022: CHF 35.8 million).

For the Risk Margin calculation, the SCR for submodules are projected for future time steps, aggregated to a total SCR per time step, and then discounted.

### D.3. Information on Valuation of other liabilities

(values in CHF million)	Solvency II		Statutory		Difference	
	2022	2023	2022	2023	2022	2023
Provisions other than technical provisions	13	8	13	8	0	0
Pension benefit obligations	4	4			4	4
Deposits from reinsurers	0	3	0	3	0	0
Deferred tax liabilities	8	1	0	0	8	1
Subordinated liabilities	28	37	24	30	4	7
Total of all other liabilities not listed above	107	95	107	95	0	-
<b>Total other liabilities</b>	<b>159</b>	<b>147</b>	<b>144</b>	<b>135</b>	<b>15</b>	<b>12</b>

#### D.3.1. Provisions other than technical provisions

The provisions other than technical provisions relate to corporate tax provisions and other provisions, mainly for restructuring, and bonus and holiday accruals. The total amount is CHF 7.8 million (previous business year CHF 13.0 million).

These provisions are raised for obligations that are probable but uncertain (either in amount or timing) on the reporting date. Under Solvency II and in statutory accounts, the amount is based on a best estimate of the future cash outflow and these provisions are tested for adequacy on every reporting date. The statutory account values are used for Solvency II.

#### D.3.2. Pension benefit obligations

For the defined contribution occupational pension scheme an IAS19 valuation has been performed and shows a pension benefit obligation of CHF 4.2 million (previous year CHF 3.8 million). For the statutory accounts no such obligation arises from the pension scheme.

#### D.3.3. Deposits from reinsurers

There are no deposits from reinsurers.

#### D.3.4. Deferred tax liabilities:

Deferred taxes arise due to the recognition of future results namely through unrealised gains and losses on assets and liabilities. In particular, deferred tax liabilities arise due to the recognition of liability best estimates being lower than statutory reserves as these future results will have to face tax payments when materialising and need to be recognised in the Solvency II balance sheet.

#### **D.3.5. Subordinated liabilities**

A subordinated loan agreement was signed in 2023 granted by Swiss Life Holding AG. It was approved by FMA as subordinated liability and qualifies as own fund item. The loan amount is CHF 30 million and corresponds to the statutory value. Under Solvency II a fair value is derived taking into account future interest payments so that the Solvency II value amounts to CHF 36.9 million.

#### **D.3.6. All other liabilities (insurance & intermediaries payables, reinsurance payables, any other liabilities not shown elsewhere):**

Insurance & intermediaries payables, Reinsurance payables, other accounts payable as well as accruals are recorded at par value in both Solvency II and statutory accounts. Other provisions are raised for obligations that are probable but uncertain (either in amount or timing) on the reporting date. Under Solvency II and in statutory accounts, the amount is based on a best estimate of the future cash outflow. Provisions are tested for adequacy on every reporting date.

#### **D.4. Any other material information**

There is no further material information.

## E. Capital Management

### E.1. Own Funds

elipsLife own funds consist entirely of Tier 1 and Tier 2 guarantee and amount to CHF 190.8 million (previous year CHF 133.6 million).

Own funds are managed and steered on a quarterly basis (and on an ad-hoc basis in case of major events) with the objective to keep Solvency II ratio above regulatory required thresholds at any time.

The forecast of the development of the Own Funds over the planning period is included in the ORSA section

### E.2. Solvency Capital Requirement (SCR) / Minimum Capital Requirement (MCR)

(values in CHF million)	2022	2023
Market risk	21.2	25.1
Counterparty Default Risk	36.8	33.7
Life & Health underwriting risk	43.9	53.7
Health risk	5.1	53.0
Non-life underwriting risk	0.0	0.0
Diversification	-31.6	-54.0
BSCR	75.4	111.5
Operational Risk	22.6	32.5
Loss absorbing capacity of deferred taxes	-17.9	-20.6
Loss absorbing capacity of technical provisions	0.0	0.0
<b>Solvency Capital Requirement</b>	<b>80.1</b>	<b>123.5</b>
<b>Eligible Own Funds</b>	<b>133.6</b>	<b>190.8</b>
<b>Ratio of Eligible Own Funds to SCR</b>	<b>167%</b>	<b>154.5%</b>

elipsLife applies the Volatility Adjustment which is considered in above solvency ratio. Assuming a Volatility Adjustment of zero the solvency ratio would be 141% (last year 159%).

The MCR is calculated based on standard formula and amounts to CHF 30.9 million (2022: CHF 20.0 million). With eligible own funds of CHF 190.8 million (previous year CHF 133.6 million) the MCR ratio is 438% (2022: 667%).

elipsLife is not using simplified calculations or undertaking-specific parameters pursuant to Article 104(7) of Directive 2009/138/EC.

Due to simultaneous publication and submission to the regulators, the calculation of the capital requirements hasn't yet been approved by FMA.

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

elipsLife does not use the duration-based equity risk sub-module.

### E.4. Differences between statutory and Solvency II

The basic own funds under Solvency II differ from the assets over liabilities under Liechtenstein GAAP as follows:

- Market values for bonds and technical provisions are considered;
- Present value for future cash-flows impact the basic own funds positively;
- Risk margin impacts the basic own fund negatively;
- Inclusion of deferred tax assets and deferred tax liabilities;
- Allocation of deposits other than cash equivalents as bonds.

(values in CHF million)		Statutory		Solvency II	
		2022	2023	2022	2023
<b>Assets</b>	Intangible assets	4	13	-	-
	Pension benefit surplus	-	-	-	-
	Property, plant & equipment held for own use	2	1	2	1
	Holdings in related undertakings	-	-	-	-
	Equities	-	-	-	-
	Bonds	0	153	0	160
	Collective Investments Undertakings	0	3	-	3
	Loans	-	-	-	-
	Reinsurance recoverables <i>thereof EPIFP</i>	1'859	1'835	1'429	1'770
		-	-	(71)	(31)
	Insurance and intermediaries receivables	32	158	32	158
	Reinsurance receivables	(0)	11	(0)	11
	Receivables (trade, not insurance)	7	6	7	6
	Cash and cash equivalents	248	52	248	52
Any other assets, not elsewhere shown	2	5	2	3	
<b>Total Assets</b>	<b>2'155</b>	<b>2'236</b>	<b>1'721</b>	<b>2'163</b>	

(values in CHF million)		Statutory		Solvency II	
		2022	2023	2022	2023
<b>Liabilities</b>	Technical provisions	1'928	1'994	1'456	1'915
	<i>thereof: Best Estimate</i>	1'928	1'994	1'420	1'870
	<i>thereof: Risk margin</i>	-	-	36	45
	Deferred tax liabilities	-	-	8	1
	Insurance & intermediaries payables	-	63	-	63
	Reinsurance payables	95	14	95	14
	Payables (trade, not insurance)	-	-	-	-
	Subordinated liabilities	24	30	28	37

Pension benefit obligations	-	-	4	4
Provisions other than technical provisions	13	8	13	8
Any other liabilities, not elsewhere shown	12	18	12	18
Assets over liabilities	83	110	106	103
<b>Total Liabilities</b>	<b>2'155</b>	<b>2'236</b>	<b>1'721</b>	<b>2'163</b>

---

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

The precedent figures show that elipsLife is compliant with the regulatory requirements in terms of available solvency capital.

### E.6. Any other material information

There is no further material information.



## **Annex I - Quantitative Reporting Templates to Solvency and Financial Condition Report 2023 Elips Life AG**

All monetary amounts are in thousands of Swiss Francs.

DP\_S020102\_A

**Balance sheet**

	Solvency II value	
thousands CHF	<b>C0010</b>	
<b>Assets as of 31 December 2023</b>		
Intangible assets	R0030	0
Deferred tax assets	R0040	0
Pension benefit surplus	R0050	0
Property, plant & equipment held for own use	R0060	976
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	162 669
Property (other than for own use)	R0080	0
Holdings in related undertakings, including participations	R0090	0
Equities	R0100	0
Equities - listed	R0110	0
Equities - unlisted	R0120	0
Bonds	R0130	159 778
Government Bonds	R0140	74 152
Corporate Bonds	R0150	85 626
Structured notes	R0160	0
Collateralised securities	R0170	0
Collective Investments Undertakings	R0180	2 891
Derivatives	R0190	0
Deposits other than cash equivalents	R0200	0
Other investments	R0210	0
Assets held for index-linked and unit-linked contracts	R0220	0
Loans and mortgages	R0230	0
Loans on policies	R0240	0
Loans and mortgages to individuals	R0250	0
Other loans and mortgages	R0260	0
Reinsurance recoverables from:	R0270	1 769 944
Non-life and health similar to non-life	R0280	4 319
Non-life excluding health	R0290	0
Health similar to non-life	R0300	4 319
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	1 765 625
Health similar to life	R0320	205 529
Life excluding health and index-linked and unit-linked	R0330	1 560 095
Life index-linked and unit-linked	R0340	0
Deposits to cedants	R0350	0
Insurance and intermediaries receivables	R0360	157 922
Reinsurance receivables	R0370	10 759
Receivables (trade, not insurance)	R0380	5 524
Own shares (held directly)	R0390	0
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	0
Cash and cash equivalents	R0410	51 828
Any other assets, not elsewhere shown	R0420	3 024
<b>Total assets</b>	<b>R0500</b>	<b>2 162 646</b>

DP\_S020102\_B

**Balance sheet (continued)**

	Solvency II value	
thousands CHF	<b>C0010</b>	
<b>Liabilities as of 31 December 2023</b>		
Technical provisions – non-life	R0510	4 418
Technical provisions – non-life (excluding health)	R0520	0
TP calculated as a whole	R0530	0
Best Estimate	R0540	0
Risk margin	R0550	0
Technical provisions - health (similar to non-life)	R0560	4 418
TP calculated as a whole	R0570	0
Best Estimate	R0580	4 319
Risk margin	R0590	99
Technical provisions - life (excluding index-linked and unit-linked)	R0600	1 910 607
Technical provisions - health (similar to life)	R0610	217 496
TP calculated as a whole	R0620	0
Best Estimate	R0630	212 474
Risk margin	R0640	5 022
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	1 693 111
TP calculated as a whole	R0660	0
Best Estimate	R0670	1 653 205
Risk margin	R0680	39 906
Technical provisions – index-linked and unit-linked	R0690	0
TP calculated as a whole	R0700	0
Best Estimate	R0710	0
Risk margin	R0720	0
Contingent liabilities	R0740	0
Provisions other than technical provisions	R0750	7 864
Pension benefit obligations	R0760	4 196
Deposits from reinsurers	R0770	0
Deferred tax liabilities	R0780	841
Derivatives	R0790	0
Debts owed to credit institutions	R0800	0
Financial liabilities other than debts owed to credit institutions	R0810	0
Insurance & intermediaries payables	R0820	62 909
Reinsurance payables	R0830	14 164
Payables (trade, not insurance)	R0840	0
Subordinated liabilities	R0850	36 892
Subordinated liabilities not in BOF	R0860	0
Subordinated liabilities in BOF	R0870	36 892
Any other liabilities, not elsewhere shown	R0880	17 510
<b>Total liabilities</b>	<b>R0900</b>	<b>2 059 401</b>
<b>Excess of assets over liabilities</b>	<b>R1000</b>	<b>103 245</b>

DP\_S040521

as of 31 December 2023		Home Country						Total Top 5 and home country	
thousands CHF		C0010						C0020	
		Top 5 countries (by amount of gross premiums written): Life insurance and reinsurance obligations							
		R0010	BE	CH	DE	IT	NL		
		C0080	C0090	C0100	C0110	C0120	C0130	C0140	
<b>Premiums written (gross)</b>									
Gross Written Premium (direct)	R0020	7 812	3 826	350 516	137	106 519	402 441	871 251	
Gross Written Premium (proportional reinsurance)	R0021	7 597	3 219	340 897	0	62 409	338 603	752 725	
Gross Written Premium (non-proportional reinsurance)	R0022	214	607	9 619	137	44 110	63 838	118 526	
<b>Premiums earned (gross)</b>									
Gross Earned Premium (direct)	R0030	7 812	3 826	350 516	700	28 645	402 441	793 939	
Gross Earned Premium (proportional reinsurance)	R0031	7 597	3 219	340 897	0	18 285	337 992	707 990	
Gross Earned Premium (non-proportional reinsurance)	R0032	214	607	9 619	700	10 359	64 449	85 949	
<b>Claims incurred (gross)</b>									
Claims incurred (direct)	R0040	4 925	1 449	293 892	423	19 902	163 443	484 034	
Claims incurred (proportional reinsurance)	R0041	4 366	1 043	260 564	- 74	7 816	117 369	391 084	
Claims incurred (non-proportional reinsurance)	R0042	558	407	33 328	497	12 086	46 074	92 950	
<b>Expenses incurred (gross)</b>									
Gross Expenses Incurred (direct)	R0050		0	17 205	0	5 488	20 932	43 625	
Gross Expenses Incurred (proportional reinsurance)	R0051								
Gross Expenses Incurred (non-proportional reinsurance)	R0052								

as of 31 December 2023		Home Country						Total Top 5 and home country	
thousands CHF		C0030						C0040	
		Top 5 countries (by amount of gross premiums written): non-life insurance and reinsurance obligations							
		R1400	BE	CH	DE	IT	NL		
		C0220	C0230	C0240	C0250	C0260	C0270	C0280	
<b>Premiums written</b>									
Gross Written Premium	R1020								
Gross Earned Premium	R1030								
Claims incurred	R1040						205	205	
Gross Expenses Incurred	R1050								

DP\_050102\_A

as of 31 December 2023

Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)

	Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
thousands CHF	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090
<b>Premiums written</b>									
Gross - Direct Business		0							
Gross - Proportional reinsurance accepted		0							
Gross - Non-proportional reinsurance accepted									
Reinsurers' share		0							
Net		0							
<b>Premiums earned</b>									
Gross - Direct Business		0							
Gross - Proportional reinsurance accepted		0							
Gross - Non-proportional reinsurance accepted									
Reinsurers' share		0							
Net		0							
<b>Claims incurred</b>									
Gross - Direct Business		205							
Gross - Proportional reinsurance accepted		0							
Gross - Non-proportional reinsurance accepted									
Reinsurers' share		205							
Net		0							
<b>Changes in other technical provisions</b>									
Gross - Direct Business		0							
Gross - Proportional reinsurance accepted		0							
Gross - Non- proportional reinsurance accepted									
Reinsurers' share		0							
Net		0							
<b>Expenses incurred</b>									
Other expenses									
<b>Total expenses</b>		<b>0</b>							

DP\_050102\_B

as of 31 December 2023

	Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)	Line of business for: accepted non-proportional reinsurance						Total	
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport		Property
		C0100	C0110	C0120	C0130	C0140	C0150		C0160
thousands CHF									
<b>Premiums written</b>									
Gross - Direct Business	R0110								
Gross - Proportional reinsurance accepted	R0120								
Gross - Non-proportional reinsurance accepted	R0130								
Reinsurers' share	R0140								
Net	R0200								
<b>Premiums earned</b>									
Gross - Direct Business	R0210								
Gross - Proportional reinsurance accepted	R0220								
Gross - Non-proportional reinsurance accepted	R0230								
Reinsurers' share	R0240								
Net	R0300								
<b>Claims incurred</b>									
Gross - Direct Business	R0310							205	
Gross - Proportional reinsurance accepted	R0320							0	
Gross - Non-proportional reinsurance accepted	R0330							0	
Reinsurers' share	R0340							205	
Net	R0400							0	
<b>Changes in other technical provisions</b>									
Gross - Direct Business	R0410								
Gross - Proportional reinsurance accepted	R0420								
Gross - Non- proportional reinsurance accepted	R0430								
Reinsurers' share	R0440								
Net	R0500								
<b>Expenses incurred</b>									
Expenses incurred	R0550								
<b>Other expenses</b>									
Other expenses	R1200								
<b>Total expenses</b>									
Total expenses	R1300								

DP\_050102\_C

as of 31 December 2023

	Line of Business for: life insurance obligations						Life reinsurance obligations			
	Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance	Life reinsurance		Total
thousands CHF	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280		C0300
<b>Premiums written</b>										
Gross	R1410	285 699		585 552						871 251
Reinsurers' share	R1420	282 994		469 401						752 395
Net	R1500	2 705		116 151						118 855
<b>Premiums earned</b>										
Gross	R1510	285 699		508 296						793 994
Reinsurers' share	R1520	282 994		424 722						707 716
Net	R1600	2 705		83 574						86 279
<b>Claims incurred</b>										
Gross	R1610	246 281		239 498						485 779
Reinsurers' share	R1620	243 818		149 207						393 024
Net	R1700	2 463		90 292						92 754
<b>Changes in other technical provisions</b>										
Gross	R1710	0		0						0
Reinsurers' share	R1720	0		0						0
Net	R1800	0		0						0
<b>Expenses incurred</b>	R1900	0		43 625						43 625
<b>Other expenses</b>	R2500									
<b>Total expenses</b>	R2600									

DP\_S120102\_A

as of 31 December 2023

		Index-linked and unit-linked insurance					Other life insurance			Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	Total (Life other than health insurance, incl. Unit-Linked)
		Insurance with profit participation	Index-linked and unit-linked insurance	Contracts without options and guarantees	Contracts with options or guarantees	Other life insurance	Contracts without options and guarantees	Contracts with options or guarantees	C0090			
		C0020	C0030	C0040	C0050	C0060	C0070	C0080				
thousands CHF												
<b>Technical provisions calculated as a whole</b>	R0010											
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0020											
<b>Technical provisions calculated as a sum of BE and RM</b>												
<b>Best Estimate</b>												
<b>Gross Best Estimate</b>	R0030						1 653 205				1 653 205	
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080						1 560 095				1 560 095	
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	R0090						93 110				93 110	
<b>Risk Margin</b>	R0100					39 906					39 906	
<b>Amount of the transitional on Technical Provisions</b>												
Technical Provisions calculated as a whole	R0110											
Best estimate	R0120											
Risk margin	R0130											
<b>Technical provisions - total</b>	R0200					1 693 111					1 693 111	



DP\_S120102\_B

as of 31 December 2023

		Health insurance (direct business)			Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
		Health insurance (direct business)	Contracts without options and guarantees	Contracts with options or guarantees			
thousands CHF		<b>C0160</b>	<b>C0170</b>	<b>C0180</b>	<b>C0190</b>	<b>C0200</b>	<b>C0210</b>
<b>Technical provisions calculated as a whole</b>	R0010						
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0020						
<b>Technical provisions calculated as a sum of BE and RM</b>							
<b>Best Estimate</b>							
<b>Gross Best Estimate</b>	R0030		212 474				<b>212 474</b>
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080		205 529				<b>205 529</b>
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	R0090		6 945				<b>6 945</b>
<b>Risk Margin</b>	R0100	5 022					<b>5 022</b>
<b>Amount of the transitional on Technical Provisions</b>							
Technical Provisions calculated as a whole	R0110						
Best estimate	R0120						
Risk margin	R0130						
<b>Technical provisions - total</b>	R0200	217 496					<b>217 496</b>

DP\_S170101

as of 31 December 2023

Non-Life Technical Provisions	Direct business and accepted proportional reinsurance											Accepted non-proportional reinsurance					Total Non-Life obligation
	Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
thousands CHF	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
<b>Technical provisions calculated as a whole</b>	R0010																
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050																
<b>Technical provisions calculated as a sum of BE and RM</b>																	
<b>Best estimate</b>																	
<b>Premium provisions</b>																	
Gross - Total	R0060																
<b>Net Best Estimate of Premium Provisions</b>	R0150																
<b>Claims provisions</b>																	
Gross - Total	R0160																
		4 319															4 319
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240																
		4 319															4 319
<b>Net Best Estimate of Claims Provisions</b>	R0250																
<b>Total Best estimate - gross</b>	R0260																
		4 319															4 319
<b>Total Best estimate - net</b>	R0270																
<b>Risk margin</b>	R0280																
		99															99
<b>Amount of the transitional on Technical Provisions</b>																	
<b>TP as a whole</b>	R0290																
<b>Best estimate</b>	R0300																
<b>Risk margin</b>	R0310																
<b>Technical provisions - total</b>																	
Technical provisions - total	R0320																
		4 319															4 319
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330																
		4 319															4 319
Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total	R0340																
		99															99

DP\_S220121

as of 31 December 2023		Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
thousands CHF		<b>C0010</b>	<b>C0030</b>	<b>C0050</b>	<b>C0070</b>	<b>C0090</b>
Technical provisions	R0010	1 915 025	0	0	13 640	0
Basic own funds	R0020	192 140	0	0	- 1 023	0
Eligible own funds to meet Solvency Capital Requirement	R0050	190 799	0	0	318	0
Solvency Capital Requirement	R0090	123 479	0	0	4 687	0
Eligible own funds to meet Minimum Capital Requirement	R0100	135 233	0	0	- 1 044	0
Minimum Capital Requirement	R0110	30 870	0	0	1 172	0

DP\_S230101\_A

as of 31 December 2023

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
thousands CHF						
<b>Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35</b>						
Ordinary share capital (gross of own shares)	R0010	12 400	12 400			
Share premium account related to ordinary share capital	R0030	103 300	103 300			
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	10 100	10 100			
Subordinated mutual member accounts	R0050	0				
Surplus funds	R0070	0	0			
Preference shares	R0090	0				
Share premium account related to preference shares	R0110	0				
Reconciliation reserve	R0130	- 22 552	- 22 552			
Subordinated liabilities	R0140	36 892		25 812	11 080	
An amount equal to the value of net deferred tax assets	R0160	0				
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	0	0			
<b>Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds</b>						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	0				
<b>Deductions</b>						
Deductions for participations in financial and credit institutions	R0230	0				
<b>Total basic own funds after deductions</b>	<b>R0290</b>	<b>140 140</b>	<b>103 248</b>	<b>25 812</b>	<b>11 080</b>	<b>0</b>
<b>Ancillary own funds</b>						
Unpaid and uncalled ordinary share capital callable on demand	R0300	0				
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	0				
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	52 000			52 000	
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	0				
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	0				
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	0				
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	0				
Other ancillary own funds	R0390	0				
<b>Total ancillary own funds</b>	<b>R0400</b>	<b>52 000</b>			<b>52 000</b>	
<b>Available and eligible own funds</b>						
Total available own funds to meet the SCR	R0500	<b>192 140</b>	103 248	25 812	63 080	
Total available own funds to meet the MCR	R0510	<b>192 140</b>	103 248	25 812	63 080	
Total eligible own funds to meet the SCR	R0540	<b>190 799</b>	103 248	25 812	61 740	
Total eligible own funds to meet the MCR	R0550	<b>135 233</b>	103 248	25 812	6 174	
<b>SCR</b>	<b>R0580</b>	<b>123 479</b>				
<b>MCR</b>	<b>R0600</b>	<b>30 870</b>				
<b>Ratio of Eligible own funds to SCR</b>	<b>R0620</b>	<b>155%</b>				
<b>Ratio of Eligible own funds to MCR</b>	<b>R0640</b>	<b>438%</b>				

DP\_S230101\_A (continued)

as of 31 December 2023		Total
thousands CHF		<b>C0010</b>
		<b>C0060</b>
<b>Reconciliation reserve</b>		
Excess of assets over liabilities	R0700	<b>103 248</b>
Own shares (held directly and indirectly)	R0710	<b>0</b>
Foreseeable dividends, distributions and charges	R0720	<b>0</b>
Other basic own fund items	R0730	<b>125 800</b>
adjustment portfolios and ring fenced funds	R0740	<b>0</b>
<b>Reconciliation reserve</b>	R0760	<b>- 22 552</b>
<b>Expected profits</b>		
Expected profits included in future premiums (EPIFP) - Life business	R0770	<b>99 347</b>
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	<b>0</b>
<b>Total Expected profits included in future premiums (EPIFP)</b>	R0790	<b>99 347</b>

DP\_S250121

as of 31 December 2023

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
thousands CHF				
Market risk	R0010	25 128		
Counterparty default risk	R0020	33 665		
Life underwriting risk	R0030	53 731		
Health underwriting risk	R0040	52 987		
Non-life underwriting risk	R0050	0		
Diversification	R0060	- 53 963		
Intangible asset risk	R0070	0		
<b>Basic Solvency Capital Requirement</b>	<b>R0100</b>	<b>111 549</b>		
<b>Calculation of Solvency Capital Requirement</b>		<b>C0100</b>		
Operational risk	R0130	32 536		
Loss-absorbing capacity of technical provisions	R0140	0		
Loss-absorbing capacity of deferred taxes	R0150	- 20 605		
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	0		
<b>Solvency capital requirement excluding capital add-on</b>	<b>R0200</b>	<b>123 479</b>		
Capital add-on already set	R0210	0		
<b>Solvency capital requirement</b>	<b>R0220</b>	<b>123 479</b>		
<b>Other information on SCR</b>				
Capital requirement for duration-based equity risk sub-module	R0400	0		
Total amount of Notional Solvency Capital Requirement for remaining part	R0410	0		
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	0		
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	0		
Diversification effects due to RFF nSCR aggregation for article 304	R0440	0		

DP\_S280101\_A

as of 31 December 2023

**C0010**
**MCR Result**
**R0010**

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		<b>C0020</b>	<b>C0030</b>
thousands CHF			
Medical expense insurance and proportional reinsurance	R0020		
Income protection insurance and proportional reinsurance	R0030		
Workers' compensation insurance and proportional reinsurance	R0040		
Motor vehicle liability insurance and proportional reinsurance	R0050		
Other motor insurance and proportional reinsurance	R0060		
Marine, aviation and transport insurance and proportional reinsurance	R0070		
Fire and other damage to property insurance and proportional reinsurance	R0080		
General liability insurance and proportional reinsurance	R0090		
Credit and suretyship insurance and proportional reinsurance	R0100		
Legal expenses insurance and proportional reinsurance	R0110		
Assistance and proportional reinsurance	R0120		
Miscellaneous financial loss insurance and proportional reinsurance	R0130		
Non-proportional health reinsurance	R0140		
Non-proportional casualty reinsurance	R0150		
Non-proportional marine, aviation and transport reinsurance	R0160		
	R0170		

DP\_S280101\_B

as of 31 December 2023		<b>C0040</b>	
MCR Result		<b>R0200</b>	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
thousands CHF		<b>C0050</b>	<b>C0060</b>
Obligations with profit participation - guaranteed benefits	R0210		
Obligations with profit participation - future discretionary benefits	R0220		
Index-linked and unit-linked insurance obligations	R0230		
Other life (re)insurance and health (re)insurance obligations	R0240		
Total capital at risk for all life (re)insurance obligations	R0250		

DP\_S280101\_C

as of 31 December 2023		<b>C0070</b>	
thousands CHF			
Linear MCR	R0300		<b>16 086</b>
SCR	R0310		<b>123 479</b>
MCR cap	R0320		<b>55 566</b>
MCR floor	R0330		<b>30 870</b>
Combined MCR	R0340		<b>30 870</b>
Absolute floor of the MCR	R0350		<b>6 035</b>
<b>Minimum Capital Requirement</b>	R0400		<b>30 870</b>