

# **Addendum of “Solvency and Financial Condition Report 2021” IDA Insurance Limited**

## **Report on the financial condition of IDA Insurance Limited, Valletta (Malta), Cham Branch**

### **Management Summary**

FINMA has defined its expectations for the disclosure of information on Swiss business in paragraphs 18-24 (Business activity), 25-34 (Performance) and 102 (Quantitative templates "Performance") of FINMA Circular 2016/2 "Disclosure – insurers".

IDA Insurance Limited, Valletta (Malta), Cham branch (IDA Cham) publishes following information in the “Solvency and Financial Condition Report” of headquarter (IDA).

The reporting period corresponds to the calendar year 2021, i.e., it starts on 1 January 2021, and lasts until the reporting date, 31 December 2021. Unless mentioned otherwise all monetary figures are gross of reinsurance and stated in EUR, IDA's functional currency. At the reporting date it traded at 1.0343 CHF for balance sheet amounts and at 1.0814 CHF for premium and claim amounts.

From a technical point of view, no changes have been undertaken in the calculation methods compared to the closing as at 31.12.2020.

From an underwriting point of view, despite an increase in written premiums compared to 2020, IDA Cham has still not returned to pre covid-19 premium level.

### **1. Business activity**

IDA is licensed by the Malta Financial Services Authority (MFSA). It is a niche non-life one-line insurer specialized in providing worldwide assistance, medical emergency, accident benefits, liability covers and legal indemnities and services to scuba divers and the scuba diving supporting industry. IDA Cham was established and licensed by FINMA in October 2012, and since January 2013 it underwrites

- Accident and Travel (Acc)
- Legal Expenses (LEx)
- General Liability (TPL)

coverages in Switzerland. IDA Cham operates online in the same fashion as the rest of IDA's

worldwide business, and it accounts for approximately. 320'000 EUR of gross written premium.

IDA Cham has outsourced most of its activities in Switzerland and does not employ any individuals within the country. Therefore, the branch has an annual average of 0 full-time positions. There are no activities in research and development. The covid-19 pandemic had a substantial effect on the premiums of IDA Cham.

No significant changes are expected in the market conditions or claims patterns for the modest size existing portfolio. The strategy and the aims of IDA Cham are aligned with those of the headquarter, and therefore we refer to its "Solvency and Financial Condition Report".

Deloitte (Deloitte AG, General-Guisan Quai 38, 8002 Zürich) is since the licensing the external auditor of IDA Cham and Theresa Arican is the responsible auditor.

This report is based on audited annual accounts.

## 2. Performance

### 2.1. Underwriting performance

During the reporting period IDA Cham wrote overall about. 320'000 EUR (ca. 310'000 EUR in 2020) in gross premium, where ca. 75% was generated by the Acc line of business, as depicted in the figures below:

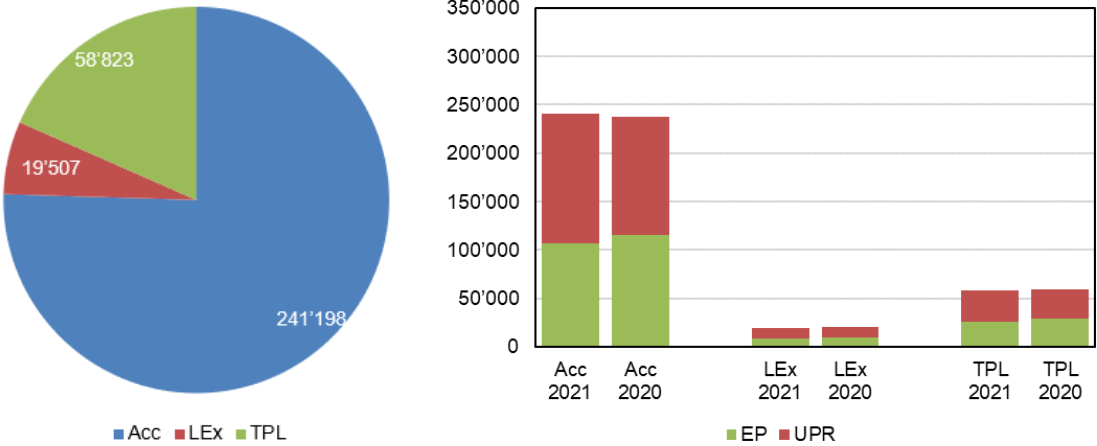


Figure 1: Written premiums; all monetary figures are stated in EUR and are gross of reinsurance.

At the reporting date IDA Cham was exposed to roughly. 4'800 risk-attaching policies (ca. 4'200 in in 2020), most of which covering the three underwritten lines of business. 28 claims were open as at 31.12.2021 (12 in 2020), 27 stemmed from the Acc line of business and 1 from the TPL. Moreover, 1 open claim stemmed from policies written in previous years, 2019 in this case.

The gross paid losses and outstanding case reserves amounted to around. 92'000 EUR (ca. 73'000 EUR in 2020) and 54'000 EUR (ca. 11'000 EUR in 2020) respectively, as depicted in the figure below.

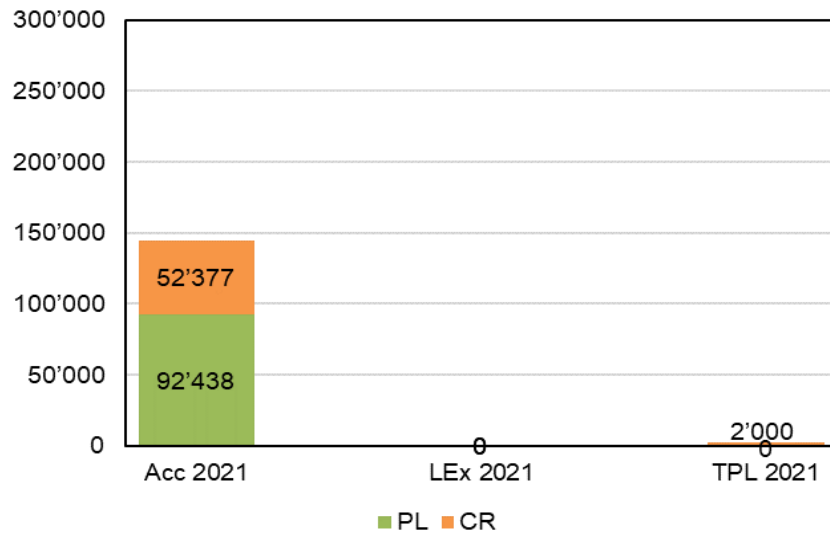


Figure 2: Paid losses and case reserves; all monetary figures are stated in EUR and are gross of reinsurance.

During the year 2021, IDA Cham started to write more premiums again, after a significant decrease during the year 2020 due to covid-19. This is also reflected in the claims paid and the reserves, which are also increasing. The development of the principal premiums and reserves items is depicted in the figure below:

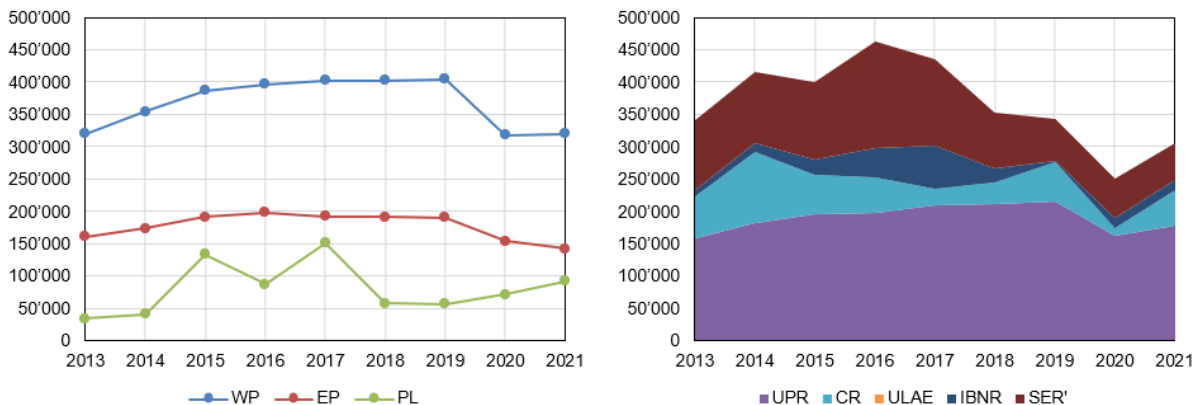


Figure 3: Premiums and reserves; all monetary figures are stated in EUR and are gross of reinsurance.

A comparison of the information relating to the underwriting result with that of the previous year is provided in the table 4, at the reporting date IDA Cham's total expenses from insurance business amounted to almost. 338'000 EUR (ca. 264'000 EUR in 2020).

<b>INCOME STATEMENT for the year ended December 31</b>	<b>2021</b>		<b>2020</b>
Gross written premiums	319'528	3%	310'498
Reinsurers' share of written premiums	-50'965	-5%	-53'637
<b>Net written premiums</b>	<b>268'563</b>	<b>5%</b>	<b>256'861</b>
Gross change in unearned premium reserves	-13'921	-127%	52'148
Reinsurers' share of change in unearned premium reserves	-1'216	-117%	7'266
<b>Net earned premiums</b>	<b>253'425</b>	<b>-20%</b>	<b>316'275</b>
<b>Total income from insurance business</b>	<b>253'425</b>	<b>-20%</b>	<b>316'275</b>
Gross claims paid	-92'438	26%	-73'408
Reinsurers' share of claims paid	73	-100%	20'679
Gross change in claims reserves	-41'886	-213%	36'983
Gross change in equalisation reserves	3'358	-34%	5'071
Reinsurers' share of change in claims reserves	-1'796	-93%	-26'463
<b>Net claims incurred</b>	<b>-132'688</b>	<b>257%</b>	<b>-37'138</b>
Acquisition cost and administrative expenses	-199'612	-10%	-222'197
Reinsurers' share of acquisition cost and administrative expenses	8	-175%	-10
<b>Net acquisition cost and administrative expenses</b>	<b>-199'605</b>	<b>-10%</b>	<b>-222'207</b>
Other expenses from insurance business	-5'526	11%	-4'980
<b>Total expenses from insurance business</b>	<b>-337'819</b>	<b>28%</b>	<b>-264'326</b>
Other financial income	11'296	0%	0
Other financial expenses	-781	-76%	-3'296
<b>Operating result</b>	<b>-73'879</b>	<b>-252%</b>	<b>48'653</b>
Extraordinary income	0	0%	0
Extraordinary expenses	0	0%	0
<b>Result before taxes</b>	<b>-73'879</b>	<b>-252%</b>	<b>48'653</b>
Direct taxes	-325	80%	-180
<b>Result after taxes</b>	<b>-74'204</b>	<b>-253%</b>	<b>48'473</b>

Table 4: Income statement; all monetary figures are stated in EUR.

The underwriting result of IDA Cham at the reporting date is lower than the previous year due to higher provisions and more claims paid.

## 2.2. Financial performance

IDA Cham invests its assets merely in current accounts with Crédit Suisse and ZKB. For this reason, there is no particular qualitative or quantitative information that has to be reported. As in the past, there is no interest on these bank accounts. The total assets in the bank accounts amount at the reporting date to ca. 563'000 EUR (ca. 375'000 EUR in 2020), as depicted in the following table:

<b>Bank</b>	<b>Amount</b>
CS CHF Account 627197-61	30'732
CS EUR Account 627197-62	205'407
CS CHF Account 627197-61-1	97'906
ZKB EUR Account	229'354
<b>Total</b>	<b>563'398</b>

Table 5: All monetary figures are stated in EUR.

In comparison with the previous period, IDA Cham discloses a financial income of ca. 11'000 EUR (financial expense of ca. 3'000 EUR in 2020).

### 3. Quantitative templates

IDA Cham uses for the financial condition reports FINMA's quantitative template. The amounts are stated in CHF but not in millions, because of their small size.

		Total			Personal accident		Casualty		Miscellaneous	
		Previous year	Reporting year	Previous year	Reporting year	Previous year	Reporting year	Previous year	Reporting year	
1	Gross premiums	332'326	345'638	249'116	260'832	62'072	63'611	21'138	21'095	
2	Reinsurers' share of gross premiums	-57'408	-55'114	47	0	-57'454	-55'114			
3	Premiums for own account (1 + 2)	274'919	290'424	249'162	260'832	4'618	8'497	21'138	21'095	
4	Change in unearned premium reserves	55'814	-16'054	46'352	-12'604	2'636	-2'024	6'826	-426	
5	Reinsurers' share of change in unearned premium reserves	7'776	-1'315	-22'168	0	29'944	-1'315	0	0	
6	Premiums earned for own account (3 + 4 + 5)	338'509	274'054	273'347	248'228	37'198	5'157	27'964	20'669	
7	Other income from insurance business	-	-	0	0	0	0	0	0	
8	<b>Total income from underwriting business (6 + 7)</b>	338'509	274'054	273'347	248'228	37'198	5'157	27'964	20'669	
9	Payments for insurance claims (gross)	-78'669	-99'962	-78'569	-99'962	0	0	0	0	
10	Reinsurers' share of payments for insurance claims	22'133	79	22'133	79	0	0	0	0	
11	Change in technical provisions	45'010	-4'664	44'172	-4'1254	287	-707	551	297	
12	Reinsurers' share of change in technical provisions	-28'323	-1'942	-28'323	-1'942	0	0	0	0	
13	Change in technical provisions for unit-linked life insurance	-39'749	-143'489	-40'588	-143'079	287	-707	551	287	
14	<b>Expenses for insurance claims for own account (9 + 10 + 11 + 12)</b>	-237'817	-215'861	-178'270	-162'944	-44'420	-39'738	-15'127	-13'178	
15	Acquisition and administration expenses	-	-	-	-	-	-	-	-	
16	Reinsurers' share of acquisition and administration expenses	-10	8	-10	8	0	0	0	0	
17	Acquisition and administration expenses for own account (15 + 16)	-237'827	-215'853	-178'281	-162'936	-44'420	-39'738	-15'127	-13'178	
18	Other underwriting expenses for own account	-5'331	-5'376	-	-	-3'376	-4'487	-1'354	-1'488	
19	<b>Total expenses from underwriting business (14 + 17 + 18) (non-life insurance only)</b>	-282'907	-365'317	-218'868	-306'015	-48'109	-44'933	-15'930	-14'369	
20	Investment income	-	-	-	-	-	-	-	-	
21	Investment expenses	-	-	-	-	-	-	-	-	
22	<b>Net investment income (20 + 21)</b>	-	-	-	-	-	-	-	-	
23	Capital and interest income from unit-linked life insurance	-	12'215	-	-	-	-	-	-	
24	Other financial income	-	-	-	-	-	-	-	-	
25	Other financial expenses	-	-845	-	-	-	-	-	-	
26	<b>Operating result (8 + 14 + 17 + 18 + 22 + 23 + 24 + 25)</b>	52'074	-79'892	-	-	-	-	-	-	
27	Interest expenses for interest-bearing liabilities	-	-	-	-	-	-	-	-	
28	Other income	-	-	-	-	-	-	-	-	
29	Other expenses	-	-	-	-	-	-	-	-	
30	Extraordinary income/expenses	-	-	-	-	-	-	-	-	
31	<b>Profit / loss before taxes (26 + 27 + 28 + 29 + 30)</b>	52'074	-79'892	-	-	-	-	-	-	
32	Direct taxes	-193	-352	-	-	-	-	-	-	
33	<b>Profit / loss (31 + 32)</b>	51'881	-80'244	-	-	-	-	-	-	

Currency: CHF or annual report currency

Financial situation report: quantitative template