Solvency and Financial Condition Report 2024

Zurich Eurolife S.A.

Zurich Eurolife S.A.

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For All amounts shown in the tables of the Solvency and Financial Condition Report, unless otherwise stated, are shown in Euros, rounded to the nearest thousand with the consequence that the rounded amounts may not add to the rounded total in all cases. All ratios and variances are calculated using the underlying amounts rather than the rounded amounts.

Zurich Eurolife S.A. (continued)

Overview

Business profile

A diversified portfolio of group risk and group savings insurance business

In 2024, Zurich Eurolife S.A. (ZEL) manages two lines of business with a focus on growing its group risk insurance business while preserving its group savings business. Despite the growth of ZEL risk portfolio, which hit higher ever in terms of gross written premium, the ZEL's group savings insurance business still provides some natural diversification to the company.

The core markets for its group risk business are Germany, Nordics and Benelux with some targeted countries in the EEA served under the EU freedom of services provisions.

System of governance

Strong Group governance framework

Zurich Eurolife S.A. implemented a robust system of governance with clear roles and responsibilities throughout the organization, including new local Chief risk officer (CRO), in accordance with the Group's governance framework and the Solvency II requirements.

The Zurich Risk Policy is the Group's main risk governance document. It is used to determine both the Group's and ZEL's risk tolerance, risk limits and authorities, reporting requirements, procedures to approve any exceptions and procedures for referring risk issues to senior management and the Board of Directors.

Risk profile

Accurate diversification between risks

Both ZEL LOB have increased due to strong underwriting performance on the risk LOB and due to regular premiums and market performance for the saving LOB.

Nevertheless, ZEL risk profile is more and more driven by the risk LOB. The main consequence is a market risk that become more material due to more asset at own risk hold (mainly government bonds) and a more ambitious asset allocation strategy.

Financial condition

SCR covered with a ratio of 167%

As at 31/12/2024, Zurich Eurolife S.A. had an SCR ratio of 167%, and was above the Solvency II requirements. The capital requirement of EUR 24 million was covered by EUR 40.1 million of Own Funds.

Solvency II SCR ratio (as at 31/12/2024)

167%

Own Funds under Solvency II (as at 31/12/2024)

EUR 40.1 million

Solvency Capital Requirements under Solvency II standard model (as at 31/12/2024)

EUR 24 million

Introduction

1 Executive summary

The Solvency and Financial Condition Report was produced in accordance with Article 82 of the Law of 7 December 2015 on the insurance sector, as amended, as well as Annex XX of the Commission delegated Regulation (EU) 2015/35 and EIOPA guidelines on reporting and public disclosure BoS-15-109.

ZEL is a company part of the Zurich Insurance Group (ZIG). Under the Swiss Solvency Test (SST) requirements, the Group filed an SST ratio of 252% with FINMA as at 31/12/2024. The European Commission granted Switzerland and its SST requirements full equivalence relative to the Solvency II regulation in 2015 for an indefinite period.

ZEL has remained compliant with current regulatory capital requirements throughout 2024, with regulatory capital remaining above agreed target capital levels. ZEL applies the Solvency II standard model to determine the regulatory capital requirements. By the end of 2024, the Solvency Capital Requirement (SCR) was covered at 167% by Eligible Own Funds.

2 Note on auditability

Thisreport has been prepared based on information previously published as part of ZEL's financial statements, as well as information from further sources. While the financial statements and the information therein were subject to audit by the statutory auditor of ZEL, Ernst & Young, there was no external audit of this report. Please further note that this report was not reviewed by the Luxembourg supervisory body for the insurance sector: Le Commissariat aux Assurances (CAA).

3 Note on materiality

The information to be disclosed in this solvency and financial condition report is considered as material if its omission or misstatement could influence the decision-making or the judgment of the users of that document, including the supervisory authorities.

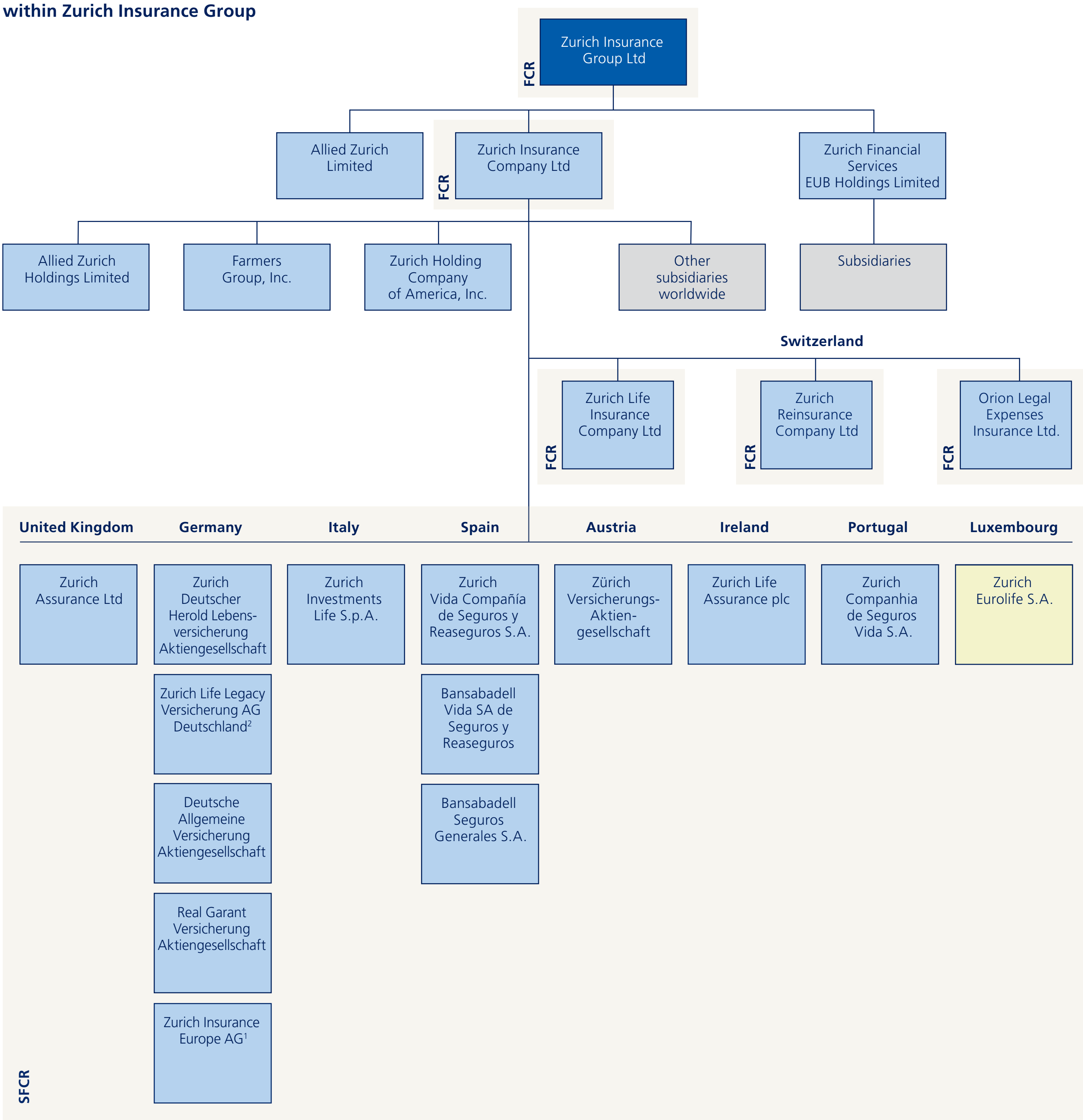
4 Approval of the Solvency and Financial Condition Report

This report was reviewed and approved by the Board of Directors of ZEL on 25/03/2025.

A. Business and Performance

A.1 Business

Chart 1: Public reporting on solvency and financial condition within Zurich Insurance Group



SFCR: Solvency and Financial Condition Report (Solvency II; from 2016 except Zurich Assurance Ltd) **FCR:** Financial Condition Report (Swiss regulation; from 2017)

Subsidiary | Group of subsidiaries | Current disclosure

Note: The purpose of the chart above is to provide a simplified overview of the Group's major subsidiaries (as of December 31, 2023), with special focus on the public reporting of their solvency and financial condition. Please note that this is a simplified representation showing entities that must publish such a report and therefore it may not comprehensively reflect the detailed legal ownership structure of the entities included in the overview. The ordering of the legal entities under each country is not indicative of ownership; these are independent legal entities.

1 Effective January 2, 2024, Zurich Insurance plc moved it head office from Ireland to Germany, by means of a cross-border conversion under the European Directive on cross-border conversions, mergers and divisions, and changed the name to Zurich Insurance Europe AG (ZIE). The head office move had no material impact on ZIE's organization, customer facing and business activities in the local markets ZIE operates in.
2 Life insurance business as from October 2023.

A. Business and Performance (continued)

General information

Name and legal form of the undertaking	Zurich Eurolife S.A. 21, rue Léon Laval L-3372 Leudelange Luxembourg
Name and contact details of the supervisory authority responsible for financial supervision	Commissariat aux Assurances 7, Boulevard Joseph II L-1840 Luxembourg Luxembourg
Name and contact details of the external auditor of the undertaking	Ernst & Young 35E, avenue JF Kennedy L-1855 Luxembourg Luxembourg
List of material related undertakings where ZEL holds an interest	None
Description of the holders of qualifying holdings in the undertaking;	Zürich Versicherungs-Gesellschaft AG (100% of capital) 2, Mythenquai CH-8002 Zürich Switzerland
Details of the undertaking's position within the legal structure of the group	Overview of the group structure shown in chart 1.
Undertaking's material lines of business and material geographical areas where it carries out business	Other life insurance : Group Risk Insurance distributed in Finland, Germany, Ireland, Malta, Luxembourg, Cyprus, Austria, Sweden, Denmark, Norway and in the Netherlands. Index-linked and unit-linked insurance and Insurance with profit participation: Corporate pension solution business with exposure mainly in France and Belgium.
Any significant business or other events that have occurred with material impact on the undertaking	Transfer of main saving plan on customer request

A. Business and Performance (continued)

A.2 Underwriting Performance

The following table shows the 2024 underwriting performance of ZEL.

Underwriting performance

In EUR thousands	UL insurance	Insurance with profit participation	Other life insurance	Total
Premiums written				
Gross	26 022	42 060	73 856	141 938
Reinsurers' share	0	42 060	52 389	94 449
Net	**26 022**	**0**	**21 467**	**47 490**
Premiums earned				
Gross	26 022	42 060	69 039	137 121
Reinsurers' share	0	42 060	49 854	91 914
Net	**26 022**	**0**	**19 185**	**45 207**
Claims incurred				
Gross	**-31 755**	-28 292	-21 374	-81 421
Reinsurers' share	0	28 292	17 172	45 464
Net	**-31 755**	**0**	**-4 202**	**-35 957**
Changes in other technical provisions				
Gross	-13 051	-27 123	-8 369	-48 542
Reinsurers' share	0	27 123	7 603	34 726
Net	**-13 051**	**0**	**-766**	**-13 816**
Other incomes	1 180	2 563	4 465	8 208
Expenses incurred	-1 565	-1 292	-13 374	0
Underwriting result, net	**-19 168**	**1 270**	**5 309**	**-12 589**

The negative underwriting result for UL business is compensated by the investment result related to assets held for UL contracts.

A. Business and Performance (continued)

A.3 Investment Performance

The following table shows the 2024 investment performance of ZEL.

Investment performance

In EUR thousands	Total	Net gains and (losses)	Unrealised gains and (losses)	Income (Dividends and coupons)
Bonds	477	-4	0	481
Equities	0	0	0	0
Cash and cash equivalents	412	-107	130	388
Collective Investments Undertakings	0	0	0	0
Derivatives	0	0	0	0
Assets held for UL contracts	19 424	7 444	11 979	0
Investment result, gross	**20 312**			
Investment expenses	-686			
Investment result, net	**19 626**			

Securitization or repackaged loans

As at 31/12/2024, ZEL had no exposure to securitization or repackaged loans.

A.4 Performance of other activities

For 2024, all revenue are included in the underwriting and investment performance.

A.5 Any other Information

The overall net result of ZEL for 2024 amounted to a profit of MEur 7,04.

B. System of Governance

B.1 General Information on the system of governance

Zurich Group's internal organizational structure and responsibilities

The Group pursues a customer-centric strategy and is managed by regions. The Executive Committee (ExCo) is headed by the Chief Executive officer (CEO). The Board is chaired by the Chairman, or in his absence the Vice-Chairman. The Board has a program of topics that is presented at its meetings throughout the year. It is regularly informed of developments regarding the Group and is provided with timely information in a form and of a quality appropriate to the discharge of its duties in accordance with the standards of care set out in Article 717 of the Swiss Code of Obligations.

The Board is responsible for the ultimate management of ZIG and of the Group as a whole as well as for the supervision of management.

Committees of the Board of Directors

The Board has the following standing committees, which regularly report to the Board and submit proposals for resolution by the Board:

- Governance Committee
- Nominations & Corporate Responsibility Committee
- Remuneration Committee
- Audit Committee
- Risk and Investment Committee
- Finance Committee

ZEL's internal organizational structure and responsibilities

ZEL is a wholly-owned subsidiary of a global insurance group and not a quoted public company. ZEL is part of Zurich Integrated Benefits (ZIB), created in 2021, the notional business unit in ZIG comprising the Group's employee benefit business. The Board of ZEL derives its collective authority by direct delegation from its shareholders and in accordance with Luxembourg laws. Its key purpose is to ensure the Company's prosperity by collectively directing the Company's affairs whilst meeting the appropriate interests of its shareholders and relevant stakeholders.

B. System of Governance (continued)

The Board of ZEL has the following remit:

- Values and Standards: The Board sets the values and standards for the Company. This is achieved through the adoption and adaptation of "Zurich's code of conduct" and other applicable Group or local policies
- Strategy: The CEO in consultation with the ExCo proposes his strategy for ZEL to the Board, who considers and adopts it as appropriate. As a part of its considerations, the Board takes into account the appropriateness of this strategy with a view to ensure that it can be executed in a compliant manner, within its stated risk appetite, and the extent to which it will enable ZEL to meet the interests and expectations of its stakeholders, including the shareholders, customers and employees
- Systems and Controls: The Board is responsible for the effectiveness of an appropriate system of internal controls to ensure the ongoing compliance of ZEL with all applicable regulations and legislations. The ZEL control framework ensures that, where regulations or legislations require Board notification or decision, matters are brought to the attention of the Board in a timely manner. The Board also has accountability for ensuring the completion of remedial actions
- Risk Management: The Board is responsible to approve ZEL's risk appetite and ensures that risks are appropriately identified and managed

As at 31/12/2024, the ZEL Board was composed of two independent directors, two non-executive directors and one executive director, who is the Managing Director and CEO of ZEL. The Chair and one director are members of the senior management of the business segments of ZIG which transact their activity through ZEL.

The members of the Board as at 31/12/2024 are:

- Mrs. Wendy Liu, Chair and Non-executive Director
- Mr. Xavier Nevez, Managing Director and CEO
- Mr. Philip Van Vreckhem, Non-executive Director
- Mr. Eric Müller-Borle, Independent Director
- Mr. Ian Veitch, Independent Director

Consistent with international best practices in the area of corporate governance, the positions of CEO and Chairman are separate. The Board exercises its function as required by law and the articles of association. The Board determines the principles of ZEL's business strategy and policies and exercises an overall control on the management of ZEL. The Board is authorized to pass resolutions on all matters which are not reserved to the General Meeting by the articles of association or delegated to the CEO. The Board decides on granting signatory powers.

Board Committees

Audit Committee

The Board of ZEL has created an Audit Committee as a sub-committee of the Board. The purpose of the AC is to:

- Assist the Board in carrying out its responsibilities with regards to oversight of ZEL's financial statements, ensuring an effective system of risk identification and mitigation, the maintenance of sound internal controls and of the governance of ZEL in accordance with laws and regulations
- Act as a focal point for discussion and communication of matters regarding the oversight of financial reporting, internal control, compliance and risk management
- Provide oversight and guidance to ZEL and its management with regards to the above matters and to assist in identifying issues requiring management's attention
- Give sufficient attention to presented issues and information to determine what might require further review, additional attention and escalation

The AC's role is one of oversight, recognizing that management is responsible for preparing the financial statements of ZEL, risk management, development and maintenance of internal controls and appropriate governance processes.

The AC is responsible for the oversight of the External Auditors. As at 31/12/2024, the AC was composed of two independent directors and one non-executive director.

The members of the AC as at 31/12/2024, are:

- Mr. Ian Veitch, Independent Director
- Mr. Eric Müller-Borle, Independent Director
- Mr. Philip van Vreckhem, Non-executive Director

B. System of Governance (continued)

Executive Management Committees

The Board has delegated the day-to-day management of the business of ZEL to the CEO, giving him the authority to run the business within the parameters set by the Board. The CEO has the duty to appropriately allocate responsibilities and delegate authority to his management team for management of parts of the business. Notably, to support him on the day-to-day management of the business, the CEO has allocated responsibilities to the ExCo. As part of this management responsibility, the CEO is responsible on a day-to-day basis for ensuring that ZEL meets its obligations to its stakeholders, incl. customers, employees, partners, regulators and shareholders.

Executive Committee

The ExCo of ZEL is a management body whose main objective is to support and advise the CEO on the day-to-day management of the business, ensuring alignment on courses of actions for the business via robust challenge and decision-making and identifying any decisions that may need to be taken to the Board. While the various members of the ExCo will support the CEO operation, it is for the CEO to ensure that the agenda is focused on the critical issues and that the execution of actions to address the critical issues meets the governance obligations and responsibilities of relevant statutory directors.

Voting members of the ExCo are the CEO, Head of Market Management Europe, Chief Financial Officer (CFO), Chief Operating Officer (COO), General Counsel and Chief Compliance Officer (CCO), and CRO.

The ExCo has constituted the following sub-committees:

- Investment Management Committee (IMC)
- Product Development Committee (PDC)
- Triage Committee (TC)

and will address other specific areas through focus themes on a rolling schedule and ad-hoc as required:

- Risk and Control matters
- Business Acceptance matters.

With the exception of the Audit Committee, where reference to a committee is used in this report, it indicates the relevant activity being undertaken by the ExCo.

Business Acceptance Committee

Business Acceptance matters can be chaired by the Chair of the ExCo or a Deputy Chair of the ExCo. The quorum for decisions on Business Acceptance matters is two voting members of the ExCo. The CCO and CRO in their roles as second line assurance functions do not have a vote in Business Acceptance matters. The voting members in Business Acceptance matters shall consult with the CCO, who also acts as the Money Laundering reporting officer (MLRO), on the relevant legal and compliance risks and with the CRO on any other relevant risks.

The relevant Business Representative will be invited to these discussions. The focus on Business Acceptance matters has been put in place on local initiative. Acting on Business Acceptance matters, the ExCo's purpose is to:

- Provide a forum Business Acceptance Committee (BAC) for senior management decision making (as might be required e.g. by applicable Anti-Money Laundering (AML) regulations)
- Provide a forum (War Room) for senior management to discuss realization of business opportunities and provide a process (Business Decision Process) to take decisions on commercial aspects such as individual case margin allocation and/or administrative fee allocation to support realization of strategically important opportunities. Such Business Decisions are taken in line with a process agreed between the ZEL CEO and the ZIB CEO; and
- Where decisions cannot be taken by line management of relevant departments, to approve, reject or formulate guidelines regarding:
  - Onboarding of new business
  - Onboarding of new third-parties
  - Processing and administration of transactions
  - Processing and administration of other requests

Where a refusal of a business matter brought to the ExCo is considered, the ExCo will consult with ZIB.

Risk and Control Committee

Risk and Control matters should generally be chaired by the CRO and will be discussed by the members of the ExCo on a quarterly basis according to the schedule in the standard agenda (and in addition if and when required). A representative from Internal Audit is to be invited to these discussions. When focusing on Risk and Control matters the ExCo acts as the RCC for ZEL, as required by the Zurich Risk Policy (ZRP).

B. System of Governance (continued)

Acting as the RCC the ExCo's purpose is to :

- Provide guidance and assist the CEO in identifying and managing risks which require management attention
- Act as a focal point for review, action instigation, action monitoring and communication of audit (internal & external), internal control, risk, compliance and legal matters to the responsible executive management
- Review the response to, and reasons for, material breakdowns in controls or failures of key processes
- Monitor the Business' handling of risks and adherence to the Zurich Risk Policy (ZRP)
- Agree risk tolerance and limits in alignment with the risk appetite statement set by the Board

Investment Management Committee

The IMC is established as a sub-committee of the ExCo. Investment matters should generally be chaired by the CFO and will be discussed at least bi-annual and on ad hoc basis as and when required by any member.

Voting members of the IMC are the CFO, CEO, Chief Life Actuary, ZIB CFO, Investment Manager, and CRO. The Investment Operating Officer Europe will be invited to these discussions.

The IMC acts as the Investment Committee (IC) for ZEL, as required by the ZRP. The IMC's purpose is to:

- Identify and report risk regarding:
  - Market risks of investments relative to liabilities; and
  - Default and liquidity risk of investments.
- Ensure compliance with investment policies and regulations:
  - With regards to group savings scheme:
    - Setting and maintaining external third-party fund asset acceptance criteria;
    - Making decisions on and approve the relevant recommendations regarding the engagement and retention of third-party asset managers;
    - Ensure that the external asset managers act in accordance with the Investment Strategies selected by the respective policyholders;
    - Ensure that the external asset managers act in accordance with the Investment Regulations and restrictions established by the Luxembourg insurance authorities;
    - Ensure that the investment performance of the external asset managers is not substantially deviating in a negative direction
  - With regards to group risk business and own assets:
    - Ensure aggregated market and risk view;
    - Provide asset-liability matching advice and sensitivity analysis;
    - Consider how liability profiles might change and analyzes consequences for the recommendations made on liability profiles and possible asset profiles;
    - Review and make decisions on the recommended investment strategy, objectives and guidelines for the various portfolios;
    - Define limits for each relevant entity in scope for interest rate risk, credit risk, equity risk and other real asset risk;
- Agree any change of custodian bank arrangements;
- Approve such reassurance arrangements as may be required to obtain exposure to other companies' investment;
- Oversee, on a regular and continuing basis, the operational performance of each of its discretionary or advisory fund managers, administrators and custodians in respect of controls, compliance, and service levels. This includes monitoring the application of the agreed investment policy guidelines by fund managers. Specifically, the Committee is responsible for establishing and maintaining its satisfaction with the overall control environment within each third party's operations; and
- Ensure that breaches of risk policies, guidelines, and limits are reported per the ZRP. Material breaches of other policies, investment guidelines and limits, as well as material operational issues impacting investment activities must be reported by the local IC to Group Investment Management immediately

Product Development Committee

The PDC is established as a sub-committee of the ExCo. Product Development matters should generally be chaired by the Head of Market Management Europe and will be discussed at least two times per year and on an ad-hoc basis as and when required by any member. The PDC acts as the Product Development Committee for ZEL, as required by the ZRP. The PDC's purpose is to:

B. System of Governance (continued)

- Review ZEL's products and ensure that they are:
  - Compliant with mandatory legal, tax (including but not limited to tax reporting and withholding obligations) and regulatory rules applicable in Luxembourg and target counties
  - Suitable for the target market
  - Within the Group's risk appetite and profitability boundaries
- Review ZEL's list of products within the scope of AEI (FATCA/ DAC2/ CRS), DAC 6, SRDR and PRIIPs;
- Review and recommend new products;
- Review and recommend products which have been temporarily or permanently revised;
- Assess whether or not new or revised products need to be submitted for GLPAC approval;
- Review and approve the continuing suitability and profitability of all products open to new sales, except where profitability of products is reviewed on Zurich Integrated Benefits (ZIB) level with adequate involvement of ZEL representative(s) (including ZIGRS, TEAM Germany and IPP, including the Heron book);
- Provide an update on regular pricing review of existing products as well actions defined as part of its conclusions;
- Provide an update on adherence to defined Cross-Border Business policy related activity and update on eventual license breaches identified based on CBB related process
- Discuss the actual to expected experience (on the bases of data provided by the CLA) and formulate and oversee any resulting business actions; and
- Oversee ZEL's distribution network.

Where a product is delivered on a cross-border basis, i.e. where the product is sold to residents of a country / sold in the country other than the country of the balance Sheet on which the product is written, the CEO of ZEL has the responsibility to secure the approval of the CEO in the country of the client's residency / in the country of the sale. Where there is no existing life business entity in the other country, the case has to be referred to the Global Head of Proposition of ZIB to agree the next steps. The above does not apply in instances where the product(s) is/are delivered as part of the global strategy, such as ZEL's current group risk or group savings products offered as part of ZIB.

Triage Committee

The TC is established as a sub-committee of the ExCo. The functions represented on the Triage Committee are Compliance, Human Resources and Legal. The Triage Committee meets as and when required to deliberate potential new or pending Integrity Concerns.

The Triage Committee's core responsibility is to evaluate every reported matter, and determine, based on the nature, type and severity of the allegations or suspicions raised:

- whether the matter is an Integrity Concern or an Excluded Matter (or otherwise);
- in case of an Integrity Concern, whether an investigation is required; and
- if so, which function or Investigator should investigate and/or undertake next steps.

Key Functions within ZEL

In line with the Zurich Group, ZEL uses the three-lines-of-defense model in its approach to governance and enterprise risk management. Zurich's three-lines-of-defense approach runs through ZEL's governance structure, so that risks are clearly identified, assessed, owned, managed and monitored:

1. First line of defence - Business management

The first line of defence consists of business management and all functions except Risk Management, Compliance and Audit. The first line takes risks and is responsible for day-to-day risk management (i.e., risks are identified and monitored, mitigation actions are implemented and internal controls are in place and operating effectively), and may have quality assurance, controlling and advisory activities.

2. Second line of defence - Compliance and Risk Management

The second line of defence, provides the frameworks to manage risks, independent challenge, oversight, monitoring and advice to support the fisrt line in managing risks.

3. Third line of defence - Internal Audit

The third line of defence, provides independent and objective assurance regarding the adequacy and effectiveness of the risk management, internal controls, and governance processes.

The roles and responsibilities of the second and third lines of defence and the actuarial function (Solvency II key functions of the company) are listed below:

B. System of Governance (continued)

- Risk Management function
- Compliance function
- Actuarial function
- Internal audit function

Each SII key function holder has the right of access to the Board outside of their own management reporting line. This gives the individual the operational independence to carry out their tasks and advise and inform the Board of any issues or concerns.

Remuneration Policy and Overview of the Zurich Group

ZIG operates a balanced and effectively managed remuneration system which ensures competitive total remuneration opportunities, for which the resulting awards are based on the results achieved. It is an important element of ZIG's Risk Management Framework and is designed to not encourage inappropriate risk-taking.

The members of the ZIG Board receive fixed remuneration as an annual fee, of which the basic fee is paid half in cash and half in five-year sales-restricted shares which are not subject to the achievement of any specific performance conditions. Total remuneration for employees including the members of the Group ExCo comprises, as applicable, fixed remuneration consisting of base salaries, service costs for pensions benefits and other remuneration, as well as variable remuneration consisting of short- and long-term incentive awards. The ZIG's STIP and LTIP aim to align the remuneration architecture with the achievement of the ZIG's key financial objectives, the execution of the business strategy, the RMF and the operational plans.

Based on ZIG's remuneration rules, the Group Board designs and structures remuneration arrangements to ensure they do not encourage inappropriate risk taking. The ZIG CRO consults with the other assurance, control and governance functions to provide the Group CEO with a review of risk factors to consider in the annual variable-compensation process. In consultation with these functions, the ZIG CRO provides an individual assessment of Group key risk takers as part of their annual individual performance assessment.

Guiding principles of the remuneration philosophy

The guiding principles of the remuneration philosophy as set out in ZIG's Remuneration Rules are as follows:

- The remuneration architecture is simple, transparent and can be put into practice
- Remuneration is tied to long-term results for individuals who have a material impact on ZIG's risk profile
- The structure and level of total remuneration are aligned with ZIG's risk policies and risk-taking capacity
- A high performance culture is promoted by differentiating total remuneration based on the relative performance of businesses and individuals
- Expected performance is clearly defined through a structured system of performance management and this is used as the basis for remuneration decisions
- Variable remuneration awards are linked to key performance factors which include the performance of ZIG, the business segments, business units, functions, as well as individual achievements
- The Group's STIP and LTIP, used for variable remuneration, are linked to appropriate performance criteria and the overall expenditure on variable pay is considered in connection with ZIG's long-term economic performance
- The structure of the LTIP links remuneration with the future development of performance and risk by including features for deferred remuneration.
- Employees are provided with a range of benefits based on local market practices, taking into account ZIG's risk capacity on pension funding and investments.

Remuneration entitlement of ZEL board

The independent directors have been paid a total yearly fee of € 45 000 in 2024. The Zurich employees acting as directors do not get any additional compensation on top of their normal one.

Assessment of system of governance

ZEL complies with ZIG's governance framework, which exceeds minimal requirements requested by the Solvency II framework. The governance framework is adequate, considering the nature, scale and complexity of ZEL's business.

B.2 Fit and Proper Requirements

The Fit & Proper policy has been created to define the internal guidelines within ZEL to rule the application of the Fit & Proper requirements for employees, management – in particular Key Function Holders as defined in ZEL's Fit & Proper policy – and Board members.

Collective fitness applies to the collective diversity of qualifications of the Board members ZEL with respect to:

B. System of Governance (continued)

- Insurance and financial markets
- Business strategy and business model
- System of governance
- Financial and actuarial analysis
- Regulatory framework and requirements

Fit requirements
Fitness for a role should be based on the assessment of management competence and technical competence. Must be taken into account the individual's previous experience, knowledge and professional qualifications and demonstration of due skill, care, diligence and compliance with the relevant standards of the insurance sector. The assessment of whether a person is 'fit' may vary according to the position held within ZEL.

Proper requirements
The assessment of whether a person is "proper" shall consider whether they are of good repute and integrity; and include an assessment of that person's honesty and financial soundness based on evidence regarding their character, personal behavior and business conduct including any criminal, financial and supervisory aspects relevant for the purpose of the assessment.

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

Risk management framework

The RMF is based on a governance process that sets forth clear responsibilities for taking, managing, monitoring and reporting risks.

The ZRP is ZIG's main risk governance document. It sets standards for effective risk management throughout ZIG including ZEL. The policy describes the Group's RMF, identifies Zurich's principal risks. Risk-specific policy manuals provide guidelines and procedures to implement the principles of the ZRP. Ongoing assessments verify that requirements are met. ZIG regularly reports on its risk profile at local and Group levels. ZIG has procedures to refer risk issues to senior management and the Board of Directors in a timely way. To foster transparency about risk, the Board receives bi-annual risk reports and risk updates.

Reporting includes in-depth risk insights into ongoing topics such as information security and cyber risk; insurance market trends; the potential adverse impact that accelerating inflation and expectations about inflation could have on reserves; and the potential effects on Zurich of such topical issues as geopolitical developments as Russia invades Ukraine and war in the Middle -East.

ZIG assesses risks systematically and from a strategic perspective through its proprietary Total Risk Profile (TRP) process, which allows Zurich to identify and evaluate the probability and severity of a risk scenario. ZIG then develops, implements and monitors improvements. The TRP process is integral to how Zurich deals with change, and is particularly suited to evaluate strategic risks, as well as risks to ZIG's reputation. At ZIG, this process is continuous, with regular reviews with senior management.

Risk management framework

In order to achieve its mission and objectives, ZEL relies on its RMF to:

- Promptly identify, measure, manage, report and monitor risks that affect achievement of its objectives
- Adjust its risk profile in line with ZIG's risk tolerance to respond to new threats and opportunities in order to optimize returns
- Embed risk management into its strategy and decision-making processes

ZEL manages risk according to a comprehensive RMF based on:

- A robust governance framework that articulates and defines the roles, clear responsibilities and accountability for risk management and risk taking throughout the organization, from the Board and the CEO to its functional areas, thus embedding risk management in the business including:
  - Documented policies, guidelines, monitoring and reporting procedures
  - A culture of disciplined risk taking, through use of common terminology and systems to foster a consistent approach to managing risk
- Strategic risk management:
  - Inclusion of risk management in the business planning and decision-making processes
- Quantitative risk management:

B. System of Governance (continued)

  - Effective risk measurement methodologies and tools
  - Limits for assuming risk and escalation procedures for exceptions
- Qualitative risk management:
  - Systematic identification, assessment and timely mitigation of risks
- Fostering risk transparency by:
  - Raising awareness and understanding of risk
  - Reporting risk internally
  - Appropriately disclosing risks to investors, analysts, shareholders and regulators

ZEL assesses risk systematically and from a strategic perspective through the TRP process, which allows ZEL to identify, assess, manage and monitor risks threatening its ability to reach its strategic objectives and achieve its plans.

The TRP process is a risk assessment focusing on all risk types and uses a structured and systematic process to create comprehensive risk scenarios by identifying vulnerabilities, triggers and consequences. The TRP process quantifies financial and/or reputational impact and also defines, plans, monitors and implements effective risk mitigation strategies such as improvement actions and controls. Risks are prioritized by the reference to a clear time horizon and by pre-defined severity categories.

Its purpose is to support strategic decision making by providing insight into the risks associated with the strategic direction and planning process, as well as an assessment opportunity while:

- Conveying an efficient risk analysis process to foster an enduring risk management culture
- Achieving risk transparency through the ability to assess and address risk controls
- Providing a clear understanding of true risk drivers
- Helping to address stakeholders corporate governance needs
- Assessing large projects and mergers and acquisitions transactions
- Supporting regulatory compliance where relevant (e.g. Solvency II)

In addition to the qualitative approach above, a risk assessment is performed based on:

- Prior year's TRP results
- Business Plan
- SCR

This quantitative risk assessment is the formulation of the risk appetite and tolerance limits.

The Risk appetite Dashboard (RAD) and risk tolerance corresponds to the targeted types and amount (or range) of risk that Zurich is willing to assume in the pursuit of its business strategy and objectives. The risk tolerance correspondence to the type and amount (or range) of risk outside of the risk appetite that Zurich is willing to assume in the pursuits of its nosiness strategy and objectives. The RAD is derived into risk indicators per risk type with tolerance limits. ZEL's CEO, the CLA and the CRO provide their insights into the formulation of the risk appetite. They review and submit ZEL's RAD to the Board, including the agreed tolerance limits by risk type and the measurement of adherence to the agreed risk limits. The RAD is monitored on a quarterly basis. The RAD and the TRP are reported to the ZIB board.

Risk Management organization

The ZIG CRO leads the Group Risk Management function, which provides risk governance mechanisms to assess and manage risks effectively and efficiently with clear accountabilities, roles and responsibilities that enable disciplined risk taking throughout the Group. The ZIG CRO is responsible for oversight of risks across the Group, regularly reporting risk matters to the Group CEO, executive management committees and the risk and investment committee (RIC) of the Board.

ZIG's Risk Management function is a global function. It consists of teams at ZIG, regional and business unit levels. Staff at ZIG level focus on model risk management, quantitative assessments of insurance, credit and operational risks, RMF, tools and methodologies; risk reporting; and risk governance.

CRO at the business unit level focus on implementing ZIG's RMF locally, including early identification of risks with follow-up monitoring and mitigation actions. They report to the regional Heads of Risk, who in turn report to ZIG's CRO. The CROs for ZIG's largest business units report directly to the ZIG CRO.

B. System of Governance (continued)

ZIG has committees covering oversight activities that encompass major business areas. The committees review certain risk management matters for their respective areas. At the local level, these oversight activities are conducted through risk and control committees.

Risk Management organization at ZEL

The ZIG RMF is fully embedded throughout ZEL and one of the key elements of the RMF is to foster risk transparency by establishing risk-reporting standards throughout ZIG. ZEL regularly reports on its risk profile, current risk issues, adherence to its risk policies and improvement actions. There are procedures in place for the timely referral of risk issues to senior management and the Board of Directors.
The Board of Directors of ZEL has ultimate oversight responsibility for the company's risk management. To foster transparency about risk, the Board receives bi-annual risk reports and additional updates as required. Reports include in-depth risk insights.

The ZEL CRO leads the risk management function, which applies methods and processes for identifying, measuring, managing, monitoring and reporting risks throughout ZEL. The ZEL CRO is responsible for the oversight of risks across ZEL. He reports risk matters to the CEO weekly and, with the collaboration of the other control functions, contributes to the RCC. Its findings are shared with the Board.

The ZELCRO is a member of the Exco and reports matrix to the CEO and direct to the Head of Risk Zurich Global Ventures.

Governance principles

Consistent with the governance principles of ZIG, the Board is responsible that the rights, responsibilities, rules and procedures for decision-making within the entity are well defined, transparent and supported through appropriate risk management and sound culture based on Zurich' code of conduct.

The Board of ZEL is further responsible to ensure that such decision-making procedures are adequately implemented.

The ERM system is embedded in the system of governance. The ERM system is designed to support these decision-making procedures by providing consistent, reliable and timely risk information and protecting ZEL capital from risks that exceed established risk tolerances. These risk tolerances define maximum willingness and ability to take risk overall and with respect to specific types of risks having due regard for circumstances that may arise and the actions undertaken in response to those circumstances.

As part of the ERM, the risk management function calculates annual risk tolerance limits and evaluates breaches and potential breaches. The risk management function and other control functions, such as compliance, legal, actuarial and finance, develop and operate methodologies to identify, manage and mitigate designated types of risks. The risk management function monitors overall risks, including specific risk-types, and escalates through the system of governance any such risks that exceed risk tolerance.

The Own Risk and Solvency Assessment ('ORSA') approach

ZEL defines ORSA as the entirety of the processes and procedures employed to identify, assess, monitor, manage, and report the short- and long-term risks it faces or may face and to determine the level of own funds necessary to ensure that overall solvency needs are met at all times. These processes and procedures are embedded into the ERM framework articulated in the ZRP.

The ORSA policy includes the following:

- Roles and responsibilities within the ORSA process
- Processes and procedures for conducting the ORSA own risk and solvency assessment
- Processes and procedures for conducting the forward looking assessment of own risks and solvency
- Links with the overall Risk and Capital Management System
- Frequency and timeline of the ORSA report production.

The outcome of these processes and procedures is the main basis for the ORSA report. The preparation of this report is the result of cooperation among various functional areas, including risk management, finance, legal, compliance, actuarial, audit and others.

Key components of the ORSA

The cornerstone of the ORSA results from several assessment of the current risk profile (including Total Risk Profile (TRP)) as well as an assessment of regulatory capital requirements, including:

- Consideration of the nature, scale and complexity of the current and likely future risks inherent to the business
- An update of the solvency position under current and stressed conditions

B. System of Governance (continued)

– A forward-looking assessment of the solvency position over the planning horizon and implications for strategy

The Board of Directors of ZEL ensures that an ORSA is set up and used. The ORSA is reviewed and updated at least once a year.

Purpose and scope of ORSA

The ORSA report is written for the Board of ZEL, which has to approve it, before it is submitted to the local regulator within two weeks following the Board's approval.

In 2024, the report was approved at the Board meeting on 26/09/2024

The ORSA report draws out key themes and actions that have arisen. Periodic updates will be referenced within the RCC, TRP and RAD reports, presented to the AC or Board respectively, to inform of the on-going risk exposures and any potential actions that need to be taken.

ZEL has a robust, well established risk and capital management framework used for the consistent and effective management of risk across the company, noting that this framework will continue to evolve to reflect developing industry practice, changes within ZEL's business and the specific requirements of the Solvency II regime.

The approach to articulating ZEL's risk appetite will continue to evolve in response to developing industry practice and market changes. Based on the Board's current articulation of its risk appetite, this analysis indicates that ZEL's risk exposure is expected to remain within risk appetite over the 3 years business plan period.

ZEL has remained compliant with current regulatory capital requirements over the reporting period.

B.4 Internal Control System

ZIG considers controls to be key instruments for managing operational risk. The Board has overall responsibility for ZIG's risk management and internal control frameworks, in particular for their adequacy and integrity. ZIG's internal control system increases the reliability of ZIG's financial reporting, makes operations more effective, and aims to ensure legal and regulatory compliance. The internal controls system is designed to mitigate rather than eliminate the material risk that business objectives might not be met. It provides reasonable assurance against material financial misstatements or operational losses.

ZIG promotes risk awareness and understanding of controls with communication and training. Primary risk management and internal control systems are designed at ZIG level and implemented Group-wide.

Management, as the first line of defense, is responsible for identifying, evaluating and addressing significant risks, and designing, implementing and maintaining internal controls. Key processes and controls in the organization are subject to reviews by management, Group Risk Management, Group Compliance, and Group Audit. Significant risks and associated mitigation actions are reported regularly to the RIC and the AC of the Board.

Internal control system at ZEL

Significant controls are assessed for their design and operating effectiveness. The internal and external auditors also regularly report conclusions, observations and recommendations that arise as a result of their independent reviews and testing of internal controls over financial reporting and operations. ZEL utilizes the control framework provided by ZIG to ensure comprehensive documentation of processes, identified risks and associated controls.
The controls implemented by ZEL include the following:

– Internal Control Over Financial Reporting (ICFR)
– Controls for Economic Capital and Solvency (CECS)
– Internal Control Framework (ICF)

All controls will be included under the ICIF framework which is currently under implementation at Group level.

Compliance function

ZIG's core values are founded on the principle that it acts lawfully and seeks to do what is right. Sound compliance in everything ZIG does, helps to protect ZIG's reputation and supports the achievement of ZIG's ambitious goals.

ZIG's compliance function provides policies and guidance, business advice, training and assurance of appropriate compliance controls within its mandate. The compliance function also supports ZIG's management in maintaining and promoting a culture of compliance and ethics consistent with Zurich's Code of Conducts. This Compliance Framework relies on an ongoing global Compliance Risk Assessment to support a risk-based monitoring regime. The results of this assessment underpin the Compliance function's strategic planning which is conducted in consultation with business partners.

B. System of Governance (continued)

The compliance plan is presented annually to the AC and approved by the Board. Through a program, the Compliance function implements, embeds and monitors internal compliance policies and guidance. As part of that program, Compliance department introduces new employees to applicable rules and are involved in the integration of newly acquired companies. To help employees understand their responsibilities under Zurich's Code of Conducts and internal compliance policies, all employees receive regular ethical and compliance training. In addition, ZIG's Compliance function spearheads internal awareness campaigns on ethical and regulatory conduct. Each year, all ZIG employees confirm their understanding of and compliance with Zurich's Code of Conducts and internal policies. ZIG encourages its employees to speak up and report improper conduct that they believe is illegal, unethical, or violates Zurich's Code of Conducts or ZIG's policies. Employees are free to report their concerns to management, Human Resources, ZIG's Legal department, its Compliance function, or through the Zurich Ethics Line (or similar service provided locally), a phone and web-based service run by an external specialized provider. ZIG does not tolerate retaliation against any employee who reports such concerns in good faith.

ZIG's Compliance function, which consists of compliance professionals around the world is overseen by the ZIG CCO. Compliance is a separate, fully vertically integrated Group function. The ZIG CCO regularly provides reports to ZIG's AC and has an additional reporting line to the Chairman of the AC and appropriate access to the Chairman of the Board.

As part of ZIG's approach to managing operational risk, material compliance risk is separately assessed on an annual basis. ZIG has compliance policies to address exposures or topics that apply to a large part or all of ZIG's organization.

Compliance function at ZEL

These policies are implemented by ZEL's CCO. The ZEL CCO regularly assesses compliance risk with a standard tool and reports compliance risks and their mitigations to the ZEL ExCo, AC and Board respectively, along with other compliance program reporting activities. Significant control issues or issues affecting more than one business unit may be escalated at ZIG level, where ZIG's RIC and AC oversee the resolution of such issues.

B.5 Internal Audit Function

Role

Group Audit is the third line of defense within the Group's Three Lines of Defense Model.

The role of ZIG Audit is to:

- Provide independent and objective audit and advisory activities to the Board of ZIG, the Board's Audit Committee, Subsidiary Boards and Subsidiary Audit Committees
- Improve the effectiveness and efficiency of operations, as part of our audit work
- Provide risk and control advisory services as requested.

Additionally, Group Audit will:

- Provide leadership in embedding high standards of governance and the proper control framework within the business
- Contribute to a "no surprise" culture
- Work with the business and the control functions (Group Risk Management, Group Compliance) to provide an integrated response to significant risks facing the business
- Facilitate successful business transformation
- Act as an "internal employer of choice", attracting, training and providing talented professionals to the Group.

Authority and scope

The authority and responsibilities of Group Audit are established by the Board as documented in the Organizational Rules of Zurich Insurance Group Ltd, overseen by the Audit Committee, as documented in the Audit Committee charter and further detailed in the Group Audit Charter.

The Group Chief Auditor and Group Audit staff are authorized to review all areas of the Group and to have full, free and unrestricted access to all Group activities, records, property and personnel necessary to complete their work, and exercise their responsibilities in line with Group accountabilities. Group Audit is authorized to allocate resources, set frequencies, select areas, determine audit scopes and apply audit tools and techniques, and to obtain the necessary assistance and specialized services within or outside the Group to accomplish the audit objectives.

B. System of Governance (continued)

Independence and objectivity

To ensure independence, all Group Audit staff report (via Audit Managers) to the Group Chief Auditor.

In some instances, Legal Entity Heads of Internal Audit may have a functional reporting line to the Subsidiary Audit Committee Chair to comply with regulatory requirements. The Group Chief Auditor reports functionally to the Chairperson of the Audit Committee and for administrative purposes to the Group CEO. The Audit Committee, after consultation with the Group CEO, appoints and oversees the Group Chief Auditor

Group Audit maintains processes and controls to ensure Group Audit staff are independent and objective in all assignments and do nothing that might prejudice or be perceived as prejudicing independence or objectivity. No Group Audit employee reports to, or is directly accountable to, a business unit or function.

The Group Chief Auditor attends all meetings of the Audit Committee and meets regularly alone with the Audit Committee in a private session. The Group Chief Auditor has access and accountability to the Chairperson of the Audit Committee in order to enable the Audit Committee to adequately discharge their supervisory responsibilities.

If independence or objectivity is impaired in fact or appearance, the details of the impairment will be disclosed to the Group Chief Auditor immediately, and will be disclosed in the Audit Report to the Board.

Responsibilities

The responsibility of Group Audit is to review the adequacy and effectiveness of the Group's risk management, internal control and governance processes. This includes the quality of execution of assigned responsibilities. More specific responsibilities include, but are not limited to: providing audit services; and providing advisory services.

This is accomplished by developing a risk-based plan, which is updated continuously as the risks faced by the business change. The plan is based on the full spectrum of business risks including concerns and issues raised by the Audit Committee management and other stakeholders. Group Audit executes the plan in accordance with defined operating standards, which incorporate and comply with the International Standards for the Professional Practice of Internal Auditing, issued by the Institute of Internal Auditors (IIA). Key issues raised by Group Audit are communicated to the responsible management function, the CEO and the Audit Committee using a suite of reporting tools.

Responsibilities at ZEL

Within ZEL's organization, the internal audit function as part of Group Audit, defines a local audit plan every year, which is reviewed and approved by the ZEL ExCo

B. System of Governance (continued)

B.6 Actuarial Function

The Actuarial function sets actuarial governance, reporting and process standards across the Group.

Description of Group Actuarial Function for the Life and General Insurance business

The ZIG Chief Actuary defines and maintains Actuarial Reserving Policies that all Actuaries and all individuals involved in the reserving function must comply with. This policy covers all reserves whether prepared for the purpose of IFRS, ZIG reporting under the SST, SII or local statutory reporting.

These policies articulate the principles followed when reserving for insurance liabilities and acts as the framework for ZIG:

- Actuaries to ensure financial discipline through a consistent and transparent reserving approach
- Management to have expert actuarial advice when setting and taking responsibility for the Zurich reserves
- To maintain a governance structure with strong process controls

The ZIG Reserving Policies are embedded in the ZRP.

Governance Framework for Actuarial Function

The governance and reporting framework identifies the responsibilities and relationships of the different Actuarial function roles within Zurich in order to provide independence. These roles include:

- Group Chief Actuary
- Regional / Center of Excellence (CoE) Chief Actuary
- Local Chief Actuaries are appointed at the business unit level or regional level to head the local or regional actuarial function respectively and have multiple reporting responsibilities to the:
  - Group Actuarial Function
  - Regional Actuarial Function, where applicable
  - Local or regional management

All Local Chief Actuaries must have the appropriate technical knowledge and relevant experience and should be qualified members of recognized professional actuarial bodies. The Local Chief Actuary is appointed by mutual agreement between the Group Chief Actuary and the respective local or regional management and similarly can only be replaced through agreement by both parties. ZEL's CLA reports to the ZEL CFO. The Actuarial function holder is required to inform the Board of the reliability and adequacy of the calculation of technical provisions.

B.7 Outsourcing

Outsourcing is an arrangement by which a business capability that would otherwise be performed by a unit or function is performed by a service provider according to MR 5H third-party governance framework. A service provider can either be:

- A third party external to the Group or the Legal Entity;
- A Zurich unit or function other than the unit or function originating the work. This arrangement is also called intra-Group sourcing.

ZEL local Outsourcing Policy is:

- Assessing and mitigating potential risks, particularly operational risks, before making the decision to outsource and during the life of the outsourcing arrangement
- Standardizing the selection and management of outsourcing arrangements in order to manage exposure to third parties
- Making use of globally selected suppliers to more effectively oversee and manage risk in outsourcing, taking into account potential effects of concentration risk
- Maintaining an inventory of service providers and outsourced work to detect potential concentration
- Establishing internal controls and monitoring them through the life of the outsourcing arrangement
- Developing and maintaining strategies to exit from outsourcing arrangements

While decisions to outsource activities are based on business need, cost, efficiency, service to customers and other such factors, each such decision must ensure that:

- ZEL's management remains in control of critical governance functions and key insurance and reinsurance activities ZEL may choose to outsource aspects of critical functions or key activities, but still must retain ultimate responsibility for them

B. System of Governance (continued)

- Sufficient knowledge and expertise remain in ZEL to oversee outsourced functions or activities
- The outsourcing arrangement would not:
  - Impair the quality of ZEL's governance
  - Unduly increase operational risk
  - Undermine continuous and satisfactory service to policyholders
  - Impair the ability of the supervisory bodies to monitor compliance with obligations

ZEL's Outsourcing Policy, which must be read and interpreted in conjunction with the ZRP, describes and defines the framework for outsourcing applied by and within the functions and units of ZEL. A register is kept where all outsourcing relationships are held, including among other the name of the responsible person within ZEL for management of the relationship.

As at 31/12/2024, ZEL has outsourcing agreements for the following critical and important functions and activities.

Outsourcing agreements of critical functions and key activities

Service	Linked to key function	Intra-Group	Jurisdiction
Actuarial support	x	x	IoM, Slovakia
Capital Modelling	x	x	Switzerland
Financial Accounting and Reporting		x	IoM
Accounting for Premium fund			Norway
IT services		x	Switzerland, IoM, Ireland
SaaS services			Luxembourg
Investment Accounting		x	Spain
Investment Services (own assets)		x	Spain
Financial Operations		x	IoM
Investment Administration		x	IoM
Internal audit	x	x	Switzerland
Claims Assessment Support			Norway
Claims Complaint Assessment Support			Norway
Financial Crime Prevention		x	IoM
Policy Administration Services			Norway
HelpPoint Support		x	IoM
Withholding of taxes			Norway
Records Management		x	IoM
Introducer Administration		x	IoM
Planholder Implementation		x	IoM

B.8 Any other information

No further information to disclose.

B. System of Governance (continued)

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C. Risk Profile

C.1 Underwriting risk

Underwriting risk is the inherent uncertainty regarding the occurrence, amount or timing of in-surance liabilities.

The exposure is transferred to ZEL through the underwriting process. ZEL actively seeks to write those risks it understands and that provide a reasonable opportunity to earn an acceptable profit. ZEL manages the customer risks it assumes, and minimizes unintended underwriting risks, through such means as:

- Establishing limits for underwriting authority
- Requiring specific approvals for transactions above established limits or new products
- Using a variety of reserving and modelling methods
- Ceding insurance risk through external proportional or non-proportional reinsurance treaties and facultative single-risk placement. ZIG centrally manages reinsurance treaties

The following table shows the SCR for life risk as calculated with the SII SF.

Solvency II Standard Formula SCRs for Life Risk

In EUR thousands	2 024	2 023
Mortality risk	214	371
Longevity risk	8	6
Disability-morbidity risk	640	827
Lapse risk	7 893	19 202
Life expense risk	5 719	6 857
Revision risk	975	727
Life catastrophe risk	1 704	1 743
Diversification within module	-4 240	-5 490
Total capital requirement for life underwriting risk	**12 913**	**24 243**

Life underwriting risk

The risks associated with life underwriting include:

- Mortality risk – actual insured's death experience on life insurance policies is higher than expected.
- Longevity risk – annuitants live longer than expected.
- Disability-morbidity risk – policyholder health-related claims are higher than expected
- Life catastrophe risk – similar to Mortality risk but assumes a severe mortality stress that applies for a short period e.g. a pandemic type event
- Lapse risk – policyholders, behavior in discontinuing and reducing contributions or withdrawing benefits prior to the maturity of contracts is worse than expected. Poor persistency rates may lead to fewer policies remaining on the books to defray future fixed expenses and therefore reduce the future positive cash flows from the business written, potentially affecting ZEL ability to recover deferred acquisition expenses
- Life expense risk – expenses incurred in acquiring and administering policies are higher than expected
- Revision risk - adverse change resulting from fluctuations in the level, trend, or volatility of revision rates applied to annuities
- New business – risk that ZEL fails to write sufficient volumes of new business at acceptable margins to ensure that overhead costs are covered
- Concentration risk – exposure to increased losses associated with inadequately diversified portfolios of assets or obligations

A change in any subset of the risks will likely less affect across the board a more diversified portfolio of risks. As a result, the offsetting effects between Unit-Linked (UL) and traditional business reduce some of the risk associated with the Life business.

ZEL has PDC and a Group-level product approval committee to analyze potential new life products that could significantly increase or change the nature of its risks. The continued suitability and the potential risks of existing life products are regularly reviewed.

From a risk-management perspective, UL products are designed to reduce much of the market and credit risk associated with ZIG's traditional business. Risks that are inherent in these products are largely passed on to the policyholder, although a portion of the management fees are linked to the value of funds under management, and hence are at risk if fund values decrease.se.

No death or morbidity benefit is embedded in the UL products marketed by ZEL which therefore do not carry any mortality or morbidity risks.

C. Risk Profile (continued)

Other life insurance liabilities include traditional life insurance products, such as protection and life annuity products. Protection products carry mortality, longevity and morbidity risk, as well as market and credit risk. Epidemics and lifestyle changes are among the most significant factors that could result in earlier or more claims than expected Disability, defined in terms of the ability to perform an occupation, could be affected by economic conditions. To reduce pricing cross-subsidies, where permitted, premiums are adjusted for factors such as age, gender and smoker status. Policy terms and conditions and disclosure requirements in insurance applications are designed to mitigate the risk arising from non-standard and unpredictable risks that could result in severe financial loss.

In the life annuity business, medical advances and improved social conditions that lead to increased longevity are the most significant insurance risk. Annuitant mortality assumptions include allowance for future mortality improvements.

ZEL is also exposed to risks posed by policyholder behaviour, and expenses. Policyholder behaviour risk is mitigated by designing products that, as closely as possible, match revenue and expenses associated with the contract.

Expense risk is reduced by carefully controlling expenses, and through regular expense analysis and allocation exercises.

Interest rate guarantees (with concentration in traditional and guaranteed business in France and Belgium) expose ZEL to financial losses that may arise as a result of adverse movements in interest rates.

Risk concentrations

By the end of 2024, ZEL has commercialized corporate life policies with death and disability covers as well as pension solutions. The exposure to death and disability risk is monitored by the Finance department and controlled through reinsurance agreements. The following table sets out the exposure to death, disability and guaranteed interest risk as at 31/12/2024.

Life risk concentration 1

In EUR thousands	Exposure gross of reinsurance	Exposure net of reinsurance
Death benefit	22 382 923	5 151 657
Disability benefit	9 931 429	1 548 811
Guaranteed interest benefit	426 566	0

C. Risk Profile (continued)

The geographical concentration, for group life policies, is limited through the international distribution across Europe. The following table sets out the risk exposure per country.

Life risk concentration 2

In EUR thousands	Exposure gross of reinsurance	Proportional exposure gross of reinsurance (%)	Exposure net of reinsurance	Proportional exposure net of reinsurance (%)
Country				
Germany	27 260 271	84%	4 808 054	72%
Norway	1 342 458	4%	433 604	6%
Finland	1 239 830	4%	621 682	9%
Others	2 471 794	8%	836 128	12%

Analysis of sensitivities for life underwriting risk

As interest guaranteed products are 100% reinsured, the greatest drivers of uncertainty of the portfolio are the biometric (mortality and disability) and lapse assumptions.

The sensitivities measured are the impact of an increase of 10% of the mortality, disability and lapse rates on the own funds. The following table shows the impact, net of reinsurance, of the scenarios on the own funds as at 31/12/2024.

Impact of life insurance risk sensitivities

In EUR thousands	Impact on Own Funds	Impact on solvency ratio
Life insurance risk scenario results		
Lapse rate increase of 10%	-956	-3%
Mortality & disability rates increase of 10%	-703	-2%

Risk Mitigation Techniques and their effectiveness

ZEL's objective in purchasing reinsurance is to provide market-leading capacity for customers while protecting the balance sheet and achieving capital efficiency. ZIG follows a centralized reinsurance treaty purchasing strategy for both its Property and Casualty and Life business, and bundles programs, where appropriate, to benefit from diversification and economies of scale. ZIG structures and aligns its reinsurance programs to achieve an optimum risk-return ratio. ZIG continues to use traditional reinsurance markets and other alternatives, such as catastrophe bonds, to protect against extreme single events and increased frequency of events. In particular ZIG is able to use its global reach for catastrophe protection. It has a combination of, per event, and annual aggregate covers. This protects ZIG's business by event and region, and also if multiple events occur across regions.

The ZEL reinsurance strategy is designed to meet these objectives. The reinsurance agreement in place limits the exposure to the life underwriting risk through a quota share agreement and an excess of loss per life cover.

C. Risk Profile (continued)

C.2 Market risk

Market risk is the risk associated with ZEL's balance sheet positions where the value or cash flow depends on financial markets. Risk factors include:

- Equity market prices
- Property market prices
- Interest rate risk - Interest rate risk is the risk of loss resulting from changes in interest rates, including changes in the shape of yield curves
- Credit and swap spread changes
- Currency exchange rates

The following table shows the SCR for market risk as calculated with the SII SF.

Solcency II SCRs for Market risk

In EUR thousands	2024	2023
Interest rate risk	1 752	2 483
Equity risk	4 156	5 227
Property risk	0	0
Spread risk	6 218	5 507
Market risk concentrations	31	26
Currency risk	1 709	1 713
Diversification within module	-3 328	-3 945
Total capital requirement for market risk	**10 538**	**11 012**

The main market risk under the SII SF is the spread risk resulting in a decrease of own risk hold bonds. The increase in the spread risk results from a ZEL willingness to increase the return of its bonds portfolio which results in higher but reasonable risks taken and from organic growth. The decrease in equity risk between 2024 and 2023 results from decrease in asset under management due to the departure of a large customer.

Risk from interest rates and credit spreads

ZEL is exposed to interest rate risk including reserves for insurance contracts, loans and receivables.

ZEL has limits on holdings in real assets and limits on deviations of asset interest rate sensitivities from liability interest rate sensitivities. ZEL also manages credit spread risk, which describes the sensitivity of the values of assets and liabilities due to changes in the level or the volatility of credit spreads over the risk-free interest rate yield curves Movement of credit spreads are driven by expected probability of default, expected losses in cases of defaults of issuers, the uncertainty of default probabilities and losses, as well as actual defaults of issuers.

Currency Exposure

ZEL operates in Europe including non-Eurozone countries and is therefore exposed to the financial impact arising from changes in the exchange rates of various currencies in which business is transacted. The ZEL principle currency in use is the Euro however its assets, liabilities, income and expenses are also denominated in other currencies, with mainly amounts in the Norwegian kroner and smaller amounts in other currencies. The general policy has limitation to the assets and liabilities currency mismatch.

C. Risk Profile (continued)

The following table shows the exposure to the different market risk drivers.

Market risk exposure analysis

In EUR thousands	2024	2023
Assets class		
Bonds	25 361	24 623
Government Bonds	*15 954*	*15 813*
Corporate Bonds	*9 408*	*8 811*
Collective Investments Undertakings held for UL contracts	202 715	189 664
Collective Investments Undertakings held for own-risk	0	0
Cash and cash equivalents	37 662	30 441

Analysis of market risk sensitivities

Concerning the market risk, the impact on the own funds of the following sensitivities has been tested:

- Impact of a parallel shift of +/- 100 bps on the yield curve
- Impact of an increase of 100 bps of the credit spreads (corporate and government bonds)
- Impact of a 25% decrease in equity price

The following table shows the impact of the market risk scenarios on Own funds.

Impact of economic sensitivities

In EUR thousands	Impact on Own Funds	Impact on Solvency Ratio
- 25% in equity price	-2 490	-10%
- 100 bps parallel shift on yields	3 659	+15%
+100 bps parallel shift on yields	-3 531	-14%
+ 50 bps on credit spreads	-325	-1%

Risk Mitigation Techniques and their effectiveness

ZIG manages the market risk of assets relative to liabilities on an economic total balance sheet basis. This is done to achieve the maximum risk-adjusted excess return on assets relative to the liability benchmark, while taking into account ZIG's and ZEL's risk tolerance and local regulatory constraints.

ZEL has policies and limits to manage market risk and keep its strategic asset allocation in line with its risk capacity based on wider ZIG policies. To control risk aggregation and ensure a consistent approach to constructing portfolios and choosing external asset managers, ZIG centrally manages certain asset classes to control aggregation of risk, and provides a consistent approach to constructing portfolios and selecting external asset managers. It diversifies portfolios, investments and asset managers, and regularly measures and manages market risk exposure. ZEL has set limits on concentration in investments in single issuers and certain asset classes as well by how much asset interest rate sensitivities can deviate from liability interest-rate sensitivities. ZEL is subject to the limits set by ZIG for illiquid investments.

ZEL has an IMC that reviews and monitors asset allocation and tactical boundaries, and monitors asset/liability exposure. The economic effect of potential extreme market moves is regularly examined and considered when setting the asset allocation.

Risk assessment reviews include the analysis of the management of interest rate risk for each major maturity bucket and adherence to the aggregate positions with risk limits. The IMC applies processes to manage market risks and to analyze market risk hotspots. Actions to mitigate risk are taken if necessary to manage fluctuations affecting asset/liability mismatch and risk-based capital.

As at 31/12/2024, ZEL had no derivative exposure.

C. Risk Profile (continued)

C.3 Credit risk

Credit risk is the risk associated with a loss or potential loss from counterparties failing to fulfill their financial obligations. ZEL exposure to credit risk is derived from the following main categories of assets:

- Cash and cash equivalents
- Debt securities
- Reinsurance assets
- Other loans
- Receivables

ZIG's and ZEL's objective in managing credit risk exposures is to maintain them within parameters that reflect its strategic objectives and risk tolerance. Sources of credit risk are assessed and monitored, and there are policies to manage the specific risks within the various subcategories of credit risk. To assess counterparty credit risk, ZEL uses ratings assigned by external rating agencies, qualified third parties, such as asset managers, and internal rating assessments. If there is a discrepancy among external rating agencies, the lowest rating is applied unless other indicators justify alternative internal credit ratings.

The following table shows the SCR for credit risk as calculated with the SII SF.

Solvency SII SCRs for Standard Formula Credit Risk Driver

In EUR thousands	2024	2023
Type 1 default	1 592	979
Type 2 default	785	1 723
Diversification	-135	-161
Total capital requirement for counterparty default risk	**2 242**	**2 541**

As at 31/12/2024, the ZEL receivables were lower resulting in lower credit risk exposure and lower credit risk.

Credit risk exposure

The following table shows the exposure to type 1 and type 2 credit risk drivers of the Solvency II SF.

Investment Credit Risk exposure Type 1 & Type 2

In EUR thousands	2024	2023
Type 1 exposures	**59 531**	**35 672**
Type 2 exposures	**5 231**	**11 484**

There is no unapproved exposure in excess of agreed limits for counterparty risk concentration as at 31/12/2024 or envisaged over the planning horizon.

Analysis of credit risk sensitivities

To assess the credit risk sensitivity, the impact on the SCR has been tested on the events of a downgrade of the credit rating (1 Credit quality step) of the reinsurer and of a downgrade of the credit rating (1 Credit quality step) of the deposit banks.

The following table shows the impact of the credit risk scenarios on the SCR.

Impact of the credit risk scenarios

In EUR thousands	Impact on Solvency Ratio
Reinsurer – Rating down	-1%
Deposit banks – Rating down	-4%

Due to a pledge mecanism, there is not any impact of a ZEL external reinsurers credit rating downgrade on capital requirements.

C. Risk Profile (continued)

Risk Mitigation Techniques and their effectiveness

Credit risk concentration

ZEL regularly monitors credit exposures to individual and related counterparties. ZEL exposure to counterparties, parent companies and subsidiaries is aggregated to include reinsurance assets, investments and certain insurance products.

Cash and cash equivalents

To reduce concentration, settlement and operational risks, ZEL monitors the amount of cash that can be deposited with a single counterparty. ZIG also maintains an authorized list of acceptable cash counterparties.

Credit risk related to reinsurance assets

ZEL exposure to reinsurance asset is mitigated through a pledge agreement for guaranteed interest products. These mitigation techniques combined to a high credit rating of re-insurers result in a negligible credit risk related to reinsurance asset.

Credit risk related to receivables

ZEL's largest credit-risk exposure to receivables is related to third-party agents, brokers and other intermediaries, and arises where premiums are collected from customers, or claims are paid to customers. ZEL has policies and standards to manage and monitor credit risk related to intermediaries. Intermediaries are required to maintain segregated cash accounts for policyholder money and must satisfy minimum requirements of capitalization, reputation and experience, and provide short-dated business credit terms.

Receivables that are past due but not impaired should be regarded as unsecured, but some of these receivable positions may be offset by collateral. ZEL reports internally on past-due receivable balances and strives to keep the balance of past-due positions as low as possible, while taking into account customer satisfaction.

Receivables from ceded reinsurance are part of reinsurance assets and are managed accordingly.

C. Risk Profile (continued)

C.4 Liquidity risk

Liquidity risk is the risk that ZEL may not have sufficient liquid financial resources to meet its obligations when they fall due, or would have to incur excessive costs to do so. ZIG's policy is to maintain adequate liquidity and contingent liquidity to meet its liquidity needs under normal conditions and in times of stress. To achieve this, ZEL assesses, monitors and manages liquidity needs on an ongoing basis.

ZEL takes into account the amount, availability and speed at which these sources can be accessed. ZIG has access to diverse funding sources to cover contingencies, including asset sales, external debt issuance and making use of committed borrowing facilities or letters of credit.

ZEL strategy is to only invest in assets traded in deep and liquid markets under normal financial conditions. ZEL's on-going liquidity management includes regular reporting to the executive management via the quarterly RAD reporting to the Risk Committee of the Board.

The cash settlement related to risk reinsurance is planned to be a quarterly process. Nevertheless, the reinsurer may be requested for intra quarter payment through a cash claim limit clause. These clauses efficiently mitigate the liquidity risk that may arise from large claim occurrence. Since the last RSR production, these clauses have never been activated.

Risk Mitigation Techniques and their effectiveness

Liquidity risk is not included in the Solvency II SF as methods for quantifying this risk differ significantly from all the other modelled risk types and holding additional capital is not considered to be an appropriate mitigation approach for this risk. Notwithstanding this point, the risk is important and therefore considered as part of the ORSA and regular processes in ZEL. ZEL's Investment Management Policy outlines the framework in place for liquidity management.

The framework includes:

- IC oversight of liquidity management
- Monitoring of short- and medium-term liquidity needs
- Liquidity management processes

C. Risk Profile (continued)

C.5 Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, systems or from external events such as outsourcing, catastrophes, legislation, or external fraud including cyber-attack.

ZEL quantifies its exposure to operational risk as part of its SCR. As specified by EIOPA, the exposure is calculated using the Standard Formula approach. In addition, ZEL has a comprehensive framework with a common approach to identify, assess, quantify, mitigate, monitor and report operational risk.

The framework:

- Uses a scenario-based approach to assess, model and quantify the operational risks for the business unit under extreme circumstances. This approach allows information to be compared across ZIG
- Conducts risk identification: operational risks are identified within the business area. They are classified based on the ERM taxonomy in order to allow for a consistent, systematic and disciplined approach and also for a 360-degree coverage of risks
- Conducts risk assessments: Identified risks are assessed on the basis of probability and severity, and material risks documented with risk owners responsible for ensuring risks are managed to a clear strategy. The assessments use sources of information as the TRP process, internal control assessments, audit findings, as well as scenario modelling and loss event data
- Responds to refine the suite of risks and controls to drive risks to an acceptable level. Operational risk mitigation enables to manage the likelihood of operational risks occurring and to reduce the impact should they occur. Mitigation action plans are documented and tracked. ZEL leverages its global experience through establishing Group-mandated controls designed to mitigate risks inherent in our core businesses and provide assurance of a set standard. Group mandated controls include frameworks and are documented in the ZRP and other Group policies
- Monitors mitigation actions implementation through ZIG Risk and Control Engine (RACE)
- Reports operational risks to the RCC and to the AC

ZEL's exposure to operational risk is mitigated by a system of internal controls, capital, and its business continuity planning process. ZEL has processes and systems in place to focus on high priority operational matters such as managing information security, third party suppliers as well as preventing money-laundering.

The following table shows the SCR for operational risk as calculated with the SII SF.

Solvency II Standard Formula SCRs for Operational Risk

In EUR thousands	2024	2023
Based on earned premiums	4 444	4 202
Based on technical provisions	2 081	1 562
Cap to 30% of BSCR	5 826	8 968
Expenses incurred in respect of UL business	638	638
Operational risk	4 603	4 361

Risk Mitigation Techniques and their effectiveness

ZEL has a robust framework for identifying, assessing, measuring and managing operational risk and seeks to manage operational risks by its system of internal control, capital, corporate internal insurance program and business continuity planning process, including:

- Documenting and evaluating actual loss events above a threshold specified in the ZRP in a Group-wide database. Improvement actions are put in place to avoid recurrence of past operational loss events.
- Conducting operational risk assessments to identify operational risks for key business areas in ZEL. These identified risks need to be assessed using a qualitative approach. Risks identified and assessed above a certain threshold require mitigation and escalation to ZIG. Improvement plans are documented and tracked on an ongoing basis.
- Assessing the design and effectiveness of controls (operations, financial reporting and compliance) through the internal control assessment process. This includes the assessment of residual risk as well as the remediation of identified deficiencies where residual risk exceeds ZEL's risk tolerance.

C. Risk Profile (continued)

C.6 Other material risks

Strategic risk

Strategic risk corresponds to the risk of being unable to achieve strategic targets. Strategic risks can arise from:

- Inadequate assessment of strategic plans
- Ineffective implementation of strategic plans
- Unexpected changes to assumptions underlying strategic plans; Strategy is defined as the long-term plan of action designed to allow the achievement of goals and aspirations
- ZEL works to reduce unintended risks of strategic business decisions through its risk assessment processes and tools, including the Total Risk Profiling™ process. As part of the regular TRP process, the Executive Management assessed in 2024 key strategic risk scenarios, looking at 2024 and beyond

Risk to reputation

Risks to ZEL's reputation include the risk that an act or omission by any of its employees could result in damage to ZIG's and ZEL's reputation or loss of trust among its stakeholders. Every risk type has potential consequences for ZIG's or ZEL's reputation, and therefore, effectively managing each type of risk helps ZEL reduce threats to its reputation. ZEL monitors these risks by the employee trainings.

Effective management of each risk type is key to mitigating reputation risk. The TRP process plays an important part in identifying and managing reputation risk associated with management decisions. Additionally, ZEL endeavours to preserve its reputation by adhering to applicable laws and regulations, and by following the core values and principles of Zurich Code of Conduct, which includes integrity and good business practice. As part of its commitment to high standards of corporate responsibility, ZIG also follows the principles of the United Nations Global Compact and the Principles of Responsible Investment.

Risk Mitigation Techniques and their effectiveness

Risk taking is systematically assessed against risk tolerance boundaries through the TRP process. This process enables identification, assessment, mitigation and monitoring of risks that threaten the ability to achieve the strategic objectives and business plan.

C.7 Any other information

No further information to disclose.

D. Valuation for Solvency Purposes

D.1 Assets

This section sets out the principles of valuation that ZEL has used to calculate its solvency reporting.

The table below sets out the valuation of assets for financial reporting and for solvency purposes.

Valuation of asset types for financial reporting and solvency purposes

In EUR thousands	Statutory accounts	Solvency II	Difference
Property, plant & equipment held for own use	0	0	0
Bonds	32 359	31 501	-858
Assets held for UL contracts	202 715	202 715	0
Reinsurance recoverable from Life excluding health and UL	476 345	447 998	-28 347
Insurance and intermediaries' receivables	4 441	4 441	0
Reinsurance receivables	4 441	4 441	0
Receivables (trade, not insurance)	620	620	0
Cash and cash equivalents	37 662	37 662	0
Any other assets, not elsewhere shown	1 402	14 02	0
Total assets	**755 764**	**726 559**	**-29 205**

The following table contains a description of basis and methods of valuation of assets for solvency purposes on the level of material classes of assets.

Methods of valuation of assets for solvency purposes on material classes of assets

Asset classes	Valuation for Solvency Purposes
Intangible assets	No intangible asset is considered for ZEL.
Deferred tax assets	No deferred tax asset is considered for ZEL.
Participations	No participation is considered for ZEL.
Investments other than property	All financial assets as defined in IFRS 9 are valued at fair value for SII purposes
Assets held for UL	Valued at fair value.
Reinsurance recoverable	The market consistent value of life reinsurance assets is determined based on the projected best-estimate reinsurance cash-flows. Reinsurers share in technical provisions are adjusted by the probability of default of the counterparty.
Receivables	Nominal amount.
Cash and cash equivalents	Nominal amount.
Any other accounting assets, not elsewhere shown	Discounted unless short term in nature.

The following classes of assets show material differences in their valuation for solvency purposes and for the financial statement.

Investments (other than assets held for UL contracts)

The difference in valuation of bonds stems from a different valuation method for solvency purposes than for the financial statement and a reclassification of the accrued interests. For solvency purposes, the investments are valued at a fair value basis, whereas for the financial statement investments are valued at their book value.

Reinsurance recoverable

The value of the reinsurance recoverable depends on the valuation of the part technical provisions covered by the reinsurer. The valuation method for the technical provision for solvency purposes is different from the valuation for the financial statement, hence the difference of valuation of the reinsurance recoverable.

D. Valuation for Solvency Purposes (continued)

Insurance and intermediaries' receivables

The difference in valuation of insurance and intermediaries' receivables of difference is due to the different accounting method methods (e.g. liabilities which are booked as a negative assets).

D. Valuation for Solvency Purposes (continued)

D.2 Technical provisions

Technical Provisions overview

The following table sets out best estimate provisions, risk margin and the total amount of technical provisions for each material line of business.

Technical provisions by lines of business

In EUR thousands	Best Estimate	Risk margin	Technical provisions (total)
Technical provisions – Life protection (death & disability)	39 814	139	39 953
Technical provisions – Life saving (guaranteed interest rates)	422 554	2 071	424 625
Technical provisions – UL	196 500	939	197 439
Total liabilities	658 868	3 149	662 017

As at 31/12/2024, the calculation of the technical provisions BE was made following our best interpretation of EIOPA recommendations. The Risk Margin is calculated on base of the current SCRs and a proxy run-off.

Indication of the level of uncertainty

The following table sets out the effect of changes to assumptions on the amount of technical provisions.

Sensitivities analysis of the technical provisions for life business

In EUR thousands	Mortality rates	Disability rates	Cost rates	Yield curve up	Yield curve down
Change in assumption	+ 10%	+ 10%	+ 10%	+ 1,00%	– 1,00%
Impact on provisions	**Negligible**	**Negligible**	**Not Material**	**Not Material**	**Not Material**

The sensitivities measure the impact on technical provisions gross of reinsurance resulting from the following changes in assumptions:

- Change in mortality rates of +/-10%;
- Change in disability rates of +/-10%;
- Change in cost rate assumptions of +/-10%;
- Parallel shift of +/-1% on the EIOPA yield curve.

Technical Provisions – Reconciliation to financial statements

The following table sets out the amount of technical provisions for Solvency II and financial accounting purposes.

Valuation of technical provisions for Solvency II and financial reporting purposes

In EUR thousands	Financial reporting	Solvency II	Difference
Technical provisions – Life protection (death & disability)	62 501	39 953	22 548
Technical provisions – Life saving (guaranteed interest rates)	427 740	424 625	3 115
Technical provisions – UL	202 715	197 439	5 276
Total Technical provisions	692 955	464 578	228 377

The difference in technical provisions comes from a different valuation basis for solvency purposes as for the financial reporting..

For the financial reporting, the technical provision are determined as the sum of the life insurance provision, provision for claims outstanding and provision for unearned premium.

The life insurance provision consists of the actuarial value of the company’s liabilities net of future premiums. It is calculated separately for each contract using technical bases and formulas described in the technical notes of the products.

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D. Valuation for Solvency Purposes (continued)

The provision for claims outstanding corresponds to the total estimated cost (including claims settlement costs) for settling all claims arising from events which have occurred up to the end of the financial year, whether reported or not, less amounts already paid in respect of such claims. The provisions for claims outstanding shall be computed separately for each claim and may not include any discounts or deductions.

Written premiums include all the amounts received or receivable with the respect to insurance policies concluded prior to the end of the accounting period. That part of written premiums which is to be allocated to one or more subsequent financial years is deferred by way of the provision for unearned premiums, computed separately for each contract on a pro-rata basis, in accordance with the technical notes of the products.

The technical provision for solvency purposes is composed of the BE and the risk margin.

The BE is the probability-weighted valuation of the expected future cash-flows, discounted with the relevant risk free rate term structure. The BE calculation is based on entity-specific experience information and has to exclude all margins.

The risk margin is calculated in addition to the BE. Its calculation is based on a cost of capital estimation based on the run-off of the portfolio.

Matching adjustment
As at 31/12/2024, ZEL has not applied any matching adjustment.

Volatility adjustment
As at 31/12/2024, ZEL has not applied any volatility adjustment.

Transitional risk-free interest rate-term structure
As at 31/12/2024, ZEL has not applied any transitional risk-free interest rate-term structure.

Transitional deduction
As at 31/12/2024, ZEL has not applied any transitional deduction.

Recoverable from reinsurance contracts and special purpose vehicles
Recoverable from reinsurance have been calculated in line with the current reinsurance agreement in place. The assumptions used for the calculation of the reinsurance recoverable are the same as for the calculation of the BE. The contract boundary of the reinsurance agreement has been respected in the calculation.

D. Valuation for Solvency Purposes (continued)

D.3 Other liabilities

The table below sets out the differences between accounting valuation and valuation for solvency purposes of other liabilities.

Valuation of other liabilities for Solvency II and financial reporting purposes

In EUR thousands	Financial reporting	Solvency II	Difference
Financial liabilities	0	0	0
Insurance payables	2 336	2 336	0
Reinsurance payables	17 637	17 637	0
Deposit from reinsurer	0	0	0
Payables (trade not insurance)	4 325	4 325	0
Any other liabilities not elsewhere shown	152	152	0

Assumptions and judgments

The following table contains a description of basis and methods of valuation of other liabilities for solvency purposes.

Methods of valuation of other liabilities for Solvency II purposes

Classes of other liabilities	Valuation for solvency purposes
Provisions other than technical provisions	Valuation of provisions is in accordance with IAS 37.
Deposits from reinsurers	Nominal amount, adjustment for probability of default of counterparty. Discounted, if long term in nature without taking account of subsequent changes to own credit standing.
Deferred tax liabilities	No deferred tax liability is considered for ZEL.
Debts owed to credit institutions	All financial liabilities as defined in IFRS 9 are valued at fair value.
Financial liabilities other than debts owed to credit institutions	All financial liabilities as defined in IFRS 9 are valued at fair value.
Payables	Measured at fair value by discounting the IFRS values without taking account of subsequent changes to own credit standing.
Other financial liabilities	Discounted, if long term in nature.

D.4 Alternative methods for valuation

As at 31/12/2024, ZEL has not used alternative valuation methods.

D.5 Any other information

As at 31/12/2024, ZEL has no other material information to share regarding valuation of assets and liabilities for solvency purposes.

E. Capital Management

E.1 Own funds

ZIG capital management

ZIG pools risk, capital and liquidity as centrally as possible, considering local legal requirements. ZIG endeavors to maintain sufficient capital buffer above the SCR at local level.

In addition to the capital and liquidity held within ZEL, ZIG holds substantial amounts of capital and liquidity centrally on Group level. These financial resources can be allocated to subsidiaries if needed, and therefore provide resilience to absorb potential losses caused by very large risk events. The solvency and financial condition of ZEL should therefore be understood in the context of the resilience and stability of ZIG.

Internally, the Group uses its Z-ECM, which also forms the basis of the SST model. Z-ECM targets a total capital level that is calibrated to a 'AA' financial strength. Zurich defines the Z-ECM capital required as being the capital required to protect the Group's policyholders in order to meet all of their claims with a confidence level of 99.95 percent over a one-year time horizon. The estimated year-end 2024 SST ratio was 252%.

The Group discloses more information on its risk and capital management in its risk review, an integral part of Zurich Insurance Group's annual report available on www.zurich.com.

ZEL's Capital management and business planning framework

The approach to ZEL's capital management is described in its Capital Management Policy. ZEL's balance sheet is managed in line with local legal, regulatory and business requirements and in line with the Group's capital management principles. The CFO under the oversight of the Board of Directors works with GTCM to meet the requirements of the policy.

ZEL aims to maintain a compliant SCR at all times which also allows for a sufficient buffer to withstand unexpected capital loss events. Funds available in excess of this buffer will be returned to the Zurich Insurance Group (ZEL ultimate shareholder) via ZEL parent companies. In the event of a breach of the lower boundary requirement, i.e. of the regulatory requirement, the ZEL's CFO will immediately notify the Board of Directors and the supervisory authority. The CFO engages with GTCM to explore mitigation actions and design a remediation action plan. The CFO then presents the remediation action plan to the Board for approval and agrees the remediation action plan with the supervisory authority within 12 weeks after notification.

ZEL's CFO plans the solvency position over the Group's planning horizon of 3 years. His responsibility includes the assessment of the solvency implications of the business plan (including a projection of the SCR and own funds position) and the planning of capital actions (should the plan indicate an excess or a shortfall against the boundaries).

Structure of the Own Funds

The following table sets out the composition of the own funds.

Composition of Own funds

In EUR thousands	2024	2023
Ordinary share capital (gross of own shares)	2 500	2 500
Share premium account related to ordinary share capital	42 640	42 640
Reconciliation reserve	-5 048	5 216
Total basic own funds	**40 092**	**50 355**

Tiering of own funds

The following table sets out the amounts of own funds allocated to the three tiers as well as the amounts covering the SCR and MCR.

Segmentation of own funds by tier of capital

In EUR thousands	Total	Tier 1 unrestricted	Other Tiers
Own funds			
Total eligible own funds	40 092	40 092	
SCR	24 024		
MCR	6 006		
Ratio of Eligible own funds to SCR	167%		
Ratio of Eligible own funds to MCR	667%		

E. Capital Management (continued)

The own funds are entirely composed of tier 1 items and are eligible to cover SCR and MCR.

Reconciliation to financial statements

The following table sets out the difference between equity as shown in the financial statements and the excess of assets over liabilities according to Solvency II.

Valuation of equity for Solvency II and financial reporting purposes

In EUR thousands	2024	2023
Solvency II Assets	726 559	602 807
Solvency II Liabilities	686 468	552 452
Solvency II Excess of Assets over Liabilities	40 091	50 355
Financial Statements Equity	38 359	31 321
Difference	-1 733	19 034

Further analysis of own funds

All own fund items are basic unrestricted Tier 1 items, not subject to transitional arrangements. A detailed list of the basic own fund items can be found in the appendix.

Additional ratios used in QRT reporting

No additional ratios were used for QRT reporting.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

SCR and MCR

The following table sets out the amounts of SCR and MCR of the reporting period.

SCR and MCR calculated using the Standard Formula

In EUR thousands	2024	2023
SCR	24 024	34 256
MCR	6 006	8 472

SCR split by risk module or category

The following table sets out the total SCR and the capital charges by risk modules as determined by the SII SF.

SCR charges broken down by risk module

In EUR thousands	2024	2023
Market risk	10 538	11 012
Counterparty default risk	2 242	2 541
Life underwriting risk	12 913	24 243
Health Underwriting risk	0	0
Non-life underwriting risk	0	0
Total undiversified risk	25 693	37 795
Diversification effect	- 6 273	-7 901
Basic Solvency Capital Requirement	19 420	29 894
Operational risk	4 603	4 361
SCR	24 024	34 256

ZEL has calculated the SCR according to the SII SF without using simplified calculations and without the use of undertaking specific parameters nor capital add-ons.

E. Capital Management (continued)

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

ZEL is not using the duration-based equity risk sub-module as at 31/12/2024.

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

ZEL is not using an internal or partial internal model as at 31/12/2024.

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

Throughout 2024, ZEL was compliant with the applicable Solvency Capital Requirements and the Minimum Capital Requirements.

E.6 Any other information

No additional information to disclose.

Appendix

S.02.01.02

Balance Sheet, Assets

in EUR thousands, as of December 31

		Solvency II value
		C0010
Assets		
Intangible assets	R0030	–
Deferred tax assets	R0040	–
Pension benefit surplus	R0050	–
Property, plant & equipment held for own use	R0060	–
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	31,501
Property (other than for own use)	R0080	–
Holdings in related undertakings, including participations	R0090	–
Equities	R0100	–
Equities — listed	R0110	–
Equities — unlisted	R0120	–
Bonds	R0130	25,361
Government Bonds	R0140	15,954
Corporate Bonds	R0150	9,408
Structured notes	R0160	–
Collateralised securities	R0170	–
Collective Investments Undertakings	R0180	–
Derivatives	R0190	–
Deposits other than cash equivalents	R0200	6,140
Other investments	R0210	–
Assets held for index-linked and unit-linked contracts	R0220	202,715
Loans and mortgages	R0230	–
Loans on policies	R0240	–
Loans and mortgages to individuals	R0250	–
Other loans and mortgages	R0260	–
Reinsurance recoverables from:	R0270	447,998
Non-life and health similar to non-life	R0280	–
Non-life excluding health	R0290	–
Health similar to non-life	R0300	–
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	447,998
Health similar to life	R0320	–
Life excluding health and index-linked and unit-linked	R0330	447,998
Life index-linked and unit-linked	R0340	–
Deposits to cedants	R0350	–
Insurance and intermediaries receivables	R0360	4,441
Reinsurance receivables	R0370	620
Receivables (trade, not insurance)	R0380	220
Own shares (held directly)	R0390	–
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	–
Cash and cash equivalents	R0410	37,662
Any other assets, not elsewhere shown	R0420	1,402
Total assets	**R0500**	**726,559**

Appendix (continued)

S.02.01.02

Balance Sheet, Liabilities

in EUR thousands, as of December 31		Solvency II value
		C0010
Liabilities		
Technical provisions — non-life	R0510	–
Technical provisions — non-life (excluding health)	R0520	–
TP calculated as a whole	R0530	–
Best Estimate	R0540	–
Risk margin	R0550	–
Technical provisions — health (similar to non-life)	R0560	–
TP calculated as a whole	R0570	–
Best Estimate	R0580	–
Risk margin	R0590	–
Technical provisions — life (excluding index-linked and unit-linked)	R0600	464,578
Technical provisions — health (similar to life)	R0610	–
TP calculated as a whole	R0620	–
Best Estimate	R0630	–
Risk margin	R0640	–
Technical provisions — life (excluding health and index-linked and unit-linked)	R0650	464,578
TP calculated as a whole	R0660	–
Best Estimate	R0670	462,368
Risk margin	R0680	2,210
Technical provisions — index-linked and unit-linked	R0690	197,439
TP calculated as a whole	R0700	–
Best Estimate	R0710	196,500
Risk margin	R0720	939
Contingent liabilities	R0740	–
Provisions other than technical provisions	R0750	–
Pension benefit obligations	R0760	–
Deposits from reinsurers	R0770	–
Deferred tax liabilities	R0780	–
Derivatives	R0790	–
Debts owed to credit institutions	R0800	–
Financial liabilities other than debts owed to credit institutions	R0810	–
Insurance & intermediaries payables	R0820	2,336
Reinsurance payables	R0830	17,637
Payables (trade, not insurance)	R0840	4,325
Subordinated liabilities	R0850	–
Subordinated liabilities not in BOF	R0860	–
Subordinated liabilities in BOF	R0870	–
Any other liabilities, not elsewhere shown	R0880	152
Total liabilities	**R0900**	**686,468**
Excess of assets over liabilities	**R1000**	**40,092**

Appendix (continued)

S.04.05.21

Home country: Non-life insurance and reinsurance obligations

in EUR thousands, as of December 31

Premiums written (gross)
Gross Written Premium (direct)
Gross Written Premium (proportional reinsurance)
Gross Written Premium (non-proportional reinsurance)
Premiums earned (gross)
Gross Earned Premium (direct)
Gross Earned Premium (proportional reinsurance)
Gross Earned Premium (non-proportional reinsurance)
Claims incurred (gross)
Claims incurred (direct)
Claims incurred (proportional reinsurance)
Claims incurred (non-proportional reinsurance)
Expenses incurred (gross)
Gross Expenses Incurred (direct)
Gross Expenses Incurred (proportional reinsurance)
Gross Expenses Incurred (non-proportional reinsurance)

S.04.05.21

Home country: Life insurance and reinsurance obligations

in EUR thousands, as of December 31

Gross Written Premium
Gross Earned Premium
Claims incurred
Gross Expenses Incurred

Appendix (continued)

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Country	R0010	MT	NL	SE	NO	KE
	Home country	Top 5 countries: non-life				
	C0010	C0020	C0020	C0020	C0020	C0020
R0020	–	–	–	–	–	–
R0021	–	–	–	–	–	–
R0022	–	–	–	–	–	–
R0030	–	–	–	–	–	–
R0031	–	–	–	–	–	–
R0032	–	–	–	–	–	–
R0040	–	–	–	–	–	–
R0041	–	–	–	–	–	–
R0042	–	–	–	–	–	–
R0050	–	–	–	–	–	–
R0051	–	–	–	–	–	–
R0052	–	–	–	–	–	–

Country	R1010	DE	FR	BE	GI	NO
	Home country	Top 5 countries: non-life				
	C0030	C0040	C0040	C0040	C0040	C0040
R1020	695	61,240	54,090	5,883	4,287	2,984
R1030	691	55,982	54,112	5,883	4,287	3,446
R1040	360	17,948	42,923	5,188	2,772	1,588
R1050	15,643	–	–	–	–	–

Appendix (continued)

S.05.01.02

Premiums, claims and expenses by line of business, Life

in EUR thousands, as of December 31

Premiums written	
Gross	R1410
Reinsurers' share	R1420
Net	R1500
Premiums earned	
Gross	R1510
Reinsurers' share	R1520
Net	R1600
Claims incurred	
Gross	R1610
Reinsurers' share	R1620
Net	R1700
Expenses incurred	R1900
Balance – other technical expenses/income	R2500
Total technical expenses	**R2600**
Total amount of surrenders	R2700

S.05.02.01

Premiums, claims and expenses by country, Life

in EUR thousands, as of December 31

	R1400
Premiums written	
Gross	R1410
Reinsurers' share	R1420
Net	R1500
Premiums earned	
Gross	R1510
Reinsurers' share	R1520
Net	R1600
Claims incurred	
Gross	R1610
Reinsurers' share	R1620
Net	R1700
Changes in other technical provisions	
Gross	R1710
Reinsurers' share	R1720
Net	R1800
Expenses incurred	R1900
Other expenses	R2500
Total expenses	**R2600**

Technical provisions by lines of business

Appendix (continued)

	Line of Business for: life insurance obligations						Life reinsurance obligations		Total
	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 insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
	–	42,060	26,022	73,856	–	–	–	–	141,938
	–	42,060	–	52,389	–	–	–	–	94,449
	–	–	26,022	21,467	–	–	–	–	47,490
	–	42,060	26,022	69,039	–	–	–	–	137,121
	–	42,060	–	49,854	–	–	–	–	91,914
	–	–	26,022	19,185	–	–	–	–	45,207
	–	28,493	31,867	21,374	–	–	–	–	81,734
	–	28,493	–	17,172	–	–	–	–	45,665
	–	–	31,867	4,202	–	–	–	–	36,069
	–	731	1,062	13,849	–	–	–	–	15,643
									15,643
	–	28,493	31,867	–	–	–	–	–	60,360

	Home Country	Top 5 countries (by amount of gross premiums written) – life obligations					Total Top 5 and home country
	C0150	C0160	C0170	C0180	C0190	C0200	C0210
		(FR) France	(DE) Germany	(BE) Belgium	(NO) Norway	(NL) Netherlands	
	C0280	C0230	C0230	C0230	C0230	C0230	0.00
	709	43'489	41'542	21'240	5'984	2'510	115'474
	335	31'157	33'573	15'217	2'034	1'353	83'669
	374	12'332	7'969	6'022	3'950	1'158	31'805
	719	43'484	31'822	21'240	6'536	2'311	106'111
	369	31'155	24'196	15'217	2'119	1'279	74'336
	350	12'329	7'625	6'022	4'417	1'032	31'775
	181	13'333	8'925	1'895	1'908	202	26'443
	91	7'853	6'833	1'116	1'749	114	17'756
	91	5'480	2'092	779	158	87	8'687
	(123)	(17'368)	(5'026)	(18'903)	(451)	(29)	(41'899)
	(24)	(22'463)	(5'206)	(17'758)	(837)	198	(46'089)
	(100)	5'096	179	(1'145)	387	('227)	4'190
	68	4'148	3'962	2'026	571	239	11'013
	68	**4'148**	**3'962**	**2'026**	**571**	**239**	**11'013**

Appendix (continued)

S.12.01.02

Life and Health SLT Technical Provisions

in EUR thousands, as of December 31

Technical provisions calculated as a whole	R0010
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0020
Technical provisions calculated as a sum of BE and RM	
Best Estimate	
Gross Best Estimate	R0030
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080
Best estimate minus recoverables from reinsurance/SPV and Finite Re	R0090
Risk Margin	R0100
Technical provisions – total	**R0200**

Appendix (continued)

	Index-linked and unit-linked insurance			Other life insurance					
Insurance with profit participation		Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees	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)
C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0150
–	–			–			–	–	–
–	–			–			–	–	–
422,554		196,500	–		39,814	–	–	–	658,868
419,557		–	–		28,441	–	–	–	447,998
2,997		196,500	–		11,374	–	–	–	210,870
2,071	939			139			–	–	3,149
424,625	**197,439**	**–**	**–**	**39,953**	**–**	**–**	**–**	**–**	**662,017**

Appendix (continued)

S.23.01.01

Own funds

in EUR thousands, as of December 31		Total	Tier 1 – unrestricted	Tier 1 – restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35						
Ordinary share capital (gross of own shares)	R0010	42,640	42,640		–	
Share premium account related to ordinary share capital	R0030	2,500	2,500		–	
Iinitial funds, members' contributions or the equivalent basic own – fund item for mutual and mutual-type undertakings	R0040	–	–		–	
Subordinated mutual member accounts	R0050	–		–	–	–
Surplus funds	R0070	–	–			
Preference shares	R0090	–		–	–	–
Share premium account related to preference shares	R0110	–		–	–	–
Reconciliation reserve	R0130	(5,048)	(5,048)			
Subordinated liabilities	R0140	–		–	–	–
An amount equal to the value of net deferred tax assets	R0160	–				–
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	–	–	–	–	–
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						
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	–				
Deductions						
Deductions for participations in financial and credit institutions	R0230	–	–	–	–	–
Total basic own funds after deductions	**R0290**	**40,092**	**40,092**	**–**	**–**	**–**
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	–			–	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual – type undertakings, callable on demand	R0310	–			–	
Unpaid and uncalled preference shares callable on demand	R0320	–			–	–
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	–			–	–
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	–			–	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	–			–	–
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	–			–	
Supplementary members calls – other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	–			–	–
Other ancillary own funds	R0390	–			–	–
Total ancillary own funds	**R0400**	**–**	**–**	**–**	**–**	**–**

Appendix (continued)

S.23.01.01

Own funds

in EUR thousands, as of December 31		Total	Tier 1 – unrestricted	Tier 1 – restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	40,092	40,092	–	–	–
Total available own funds to meet the MCR	R0510	40,092	40,092	–	–	
Total eligible own funds to meet the SCR	R0540	40,092	40,092	–	–	–
Total eligible own funds to meet the MCR	R0550	40,092	40,092	–	–	
SCR	R0580	24,024				
MCR	R0600	6,006				
Ratio of Eligible own funds to SCR	R0620	167%				
Ratio of Eligible own funds to MCR	R0640	668%				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	40,092
Own shares (held directly and indirectly)	R0710	–
Foreseeable dividends, distributions and charges	R0720	–
Other basic own fund items	R0730	45,140
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	–
Reconciliation reserve	R0760	(5,048)
Expected profits		
Expected profits included in future premiums (EPIFP) – Life business	R0770	7,855
Expected profits included in future premiums (EPIFP) – Non- life business	R0780	–
Total Expected profits included in future premiums (EPIFP)	R0790	7,855

Appendix (continued)

S.25.01.21

Solvency Capital Requirement – for undertakings on Standard Formula

in EUR thousands, as of December 31		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
Market risk	R0010	10,538		No
Counterparty default risk	R0020	2,242		
Life underwriting risk	R0030	12,913	No	No
Health underwriting risk	R0040	–	No	No
Non-life underwriting risk	R0050	–	No	No
Diversification	R0060	(6,273)		
Intangible asset risk	R0070	–		
Basic Solvency Capital Requirement	R0100	19,420		

		C0100
Calculation of Solvency Capital Requirement		
Operational risk	R0130	4,603
Loss-absorbing capacity of technical provisions	R0140	–
Loss-absorbing capacity of deferred taxes	R0150	–
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency capital requirement excluding capital add-on	R0200	24,024
Capital add-on already set	R0210	–
of which, capital add-ons already set – Article 37 (1) Type a	R0211	–
of which, capital add-ons already set – Article 37 (1) Type b	R0212	–
of which, capital add-ons already set – Article 37 (1) Type c	R0213	–
of which, capital add-ons already set – Article 37 (1) Type d	R0214	–
Solvency capital requirement	R0220	24,024
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirement for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring-fenced funds	R0420	
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

Approach to tax rate		Yes/No
		C0109
Approach based on average tax rate	R0590	No

Calculation of loss absorbing capacity of deferred taxes		LAC DT
		C0130
LAC DT	R0640	–
LAC DT justified by reversion of deferred tax liabilities	R0650	–
LAC DT justified by reference to probable future taxable economic profit	R0660	–
LAC DT justified by carry back, current year	R0670	–
LAC DT justified by carry back, future years	R0680	–
Maximum LAC DT	R0690	–

Appendix (continued)

S.28.01.01

Minimum Capital Requirement – Only life or only non-life insurance or reinsurance activity

in EUR thousands, as of December 31		C0040	
MCR(L) Result	R0200		
		Net (of reinsurance/ SPV) best estimate and TP calculated as a whole	Net (of reinsurance/ SPV) total capital at risk
		C0050	C0060
Obligations with profit participation – guaranteed benefits	R0210	2,997	
Obligations with profit participation – future discretionary benefits	R0220	–	
Index-linked and unit-linked insurance obligations	R0230	196,500	
Other life (re)insurance and health (re)insurance obligations	R0240	11,374	
Total capital at risk for all life (re)insurance obligations	R0250		5,862,438

		C0070
Linear MCR	R0300	5,829
SCR	R0310	24,024
MCR cap	R0320	10,811
MCR floor	R0330	6,006
Combined MCR	R0340	6,006
Absolute floor of the MCR	R0350	4,000

		C0070
Minimum Capital Requirement	R0400	6,006

Appendix (continued)

Glossary

Definition	Term
Audit Committee	AC
Business Acceptance Committee	BAC
Board of Directors	Board
Chief Compliance Officer	CCO
Controls for Economic Capital and Solvency	CECS
Chief Executive Officer	CEO
Chief Financial Officer	CFO
Chief Life Actuary	CLA
Chief Risk Officer	CRO
Enterprise Risk Management	ERM
Executive Committee	ExCo
Governance and Oversight Committee	GOC
Group Treasury and Capital Management	GTCM
Investment Committee	IC
Internal Control Framework	ICF
Line of business	LOB
Long Term Incentive Plan	LTIP
Minimum Common Financial Controls	MCFC
Minimum Capital Requirement	MCR
Operational Key Controls	OKC
Product and Oversight Committee	POC
Risk Appetite Statement	RAS
Risk and Control Committee	RCC
Risk and Investment Committee	RIC
Risk Management Framework	RMF
Solvency Capital Requirement	SCR
Standard Formula	SF
Swiss Solvency Test	SST
Short Term Incentive Plan	STIP
Total Risk Profiling	TRP
Unit-linked	UL
Zurich Economic Capital Model	Z-ECM
Zurich Eurolife S.A.	ZEL
Zurich Financial Services (Isle of Man) Insurance Manager Ltd	ZFS (IM)
Zurich Integrated Benefits	ZIB
ZIB Risk and Control Committee	ZIB RCC
Zurich Insurance Group	ZIG
Zurich Risk Policy	ZRP

ZURICH

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