

Addendum of “Solvency and Financial Condition Report 2023” IDA Insurance Limited

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

Management Summary

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

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

The reporting period corresponds to the calendar year 2023, i.e., it starts on 1. January 2023, and lasts until the reporting date, 31. December 2023. Unless mentioned otherwise all monetary figures are gross of reinsurance and stated in EUR, IDA's functional currency. At the reporting date it traded at 0.9282 CHF for balance sheet amounts and at 0.9717 CHF for premium and claims amounts.

From a technical point of view, no changes have been undertaken in the calculation methods compared to the closing as at 31. December 2022.

From an underwriting point of view, IDA Cham saw a sharp increase in premiums during the year, reaching a record amount of premiums of around 425'000 EUR.

1. Business activity

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

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

coverages in Switzerland. IDA Cham operates online in the same fashion as the rest of IDA's worldwide business, and it accounts for approximately 425'000 EUR of gross written

premiums.

IDA Cham has outsourced most of its activities in Switzerland and does not employ any individuals within the country. Therefore, the branch has an annual average of 0 full-time positions. There are no activities in research and development.

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

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

This report is based on audited annual accounts.

2. Performance

2.1. Underwriting performance

During the reporting period IDA Cham wrote overall around 425'000 EUR (ca. 357'000 EUR in 2022) in gross premium, where 79% was generated by the Acc line of business, 16% by TPL and 5% by LEx. The proportions were similar last year.

At the reporting date IDA Cham was exposed to roughly 6'100 risk-attaching policies (ca. 5'300 in in 2022), most of them covering the three underwritten lines of business. 33 claims were open as at 31.12.2023 (54 in 2022), 31 stemmed from the Acc line of business and 2 from TPL. Moreover, 14 open claims stemmed from policies written in the previous year.

The gross paid losses and outstanding case reserves amounted to around 81'000 EUR (ca. 60'000 EUR in 2022) and 39'000 EUR (ca. 73'000 EUR in 2022) respectively. 720 EUR of the paid losses and 12'000 EUR of the outstanding case reserves are attributable to the TPL line of business, all the rest is attributable to Acc. The LEx line of business is still claims-free as at 31. December 2023.

During the year 2023, IDA Cham grew substantially its premium level to reach an all-time high. The development of the principal premiums and reserve items is depicted in the figure below:

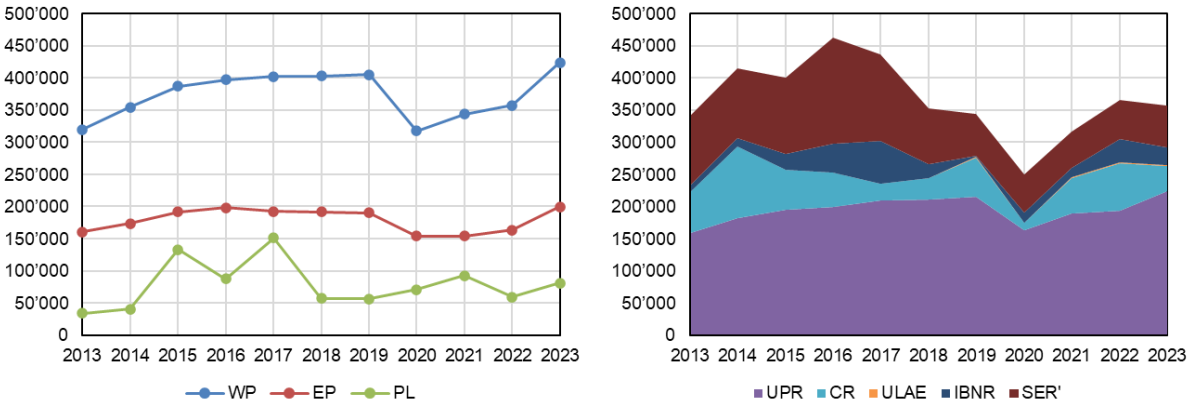


Figure 1: Premiums and reserves; all monetary figures are stated in EUR and are gross of reinsurance.

A comparison of the information relating to the underwriting result with the previous year is provided in the table 1. At the reporting date IDA Cham's total expenses from insurance business amounted to almost 252'000 EUR (ca. 304'000 EUR in 2022).

INCOME STATEMENT for the year ended December 31	2023		2022
Gross written premiums	423'594	19%	357'147
Reinsurers' share of written premiums	-35'240	15%	-30'541
Net written premiums	388'354	19%	326'606
Gross change in unearned premium reserves	-29'041	83%	-15'882
Reinsurers' share of change in unearned premium reserves	2'269	-117%	-13'393
Net earned premiums	361'582	22%	297'331
Total income from insurance business	361'582	22%	297'331
Gross claims paid	-80'935	35%	-59'745
Reinsurers' share of claims paid	0	-100%	1'456
Gross change in claims reserves	41'294	-204%	-39'814
Gross change in equalisation reserves	-4'008	33%	-3'006
Reinsurers' share of change in claims reserves	0	-100%	-1'550
Net claims incurred	-43'649	-57%	-102'659
Acquisition cost and administrative expenses	-202'521	2%	-198'259
Reinsurers' share of acquisition cost and administrative expenses	0	-100%	2'839
Net acquisition cost and administrative expenses	-202'521	4%	-195'420
Other expenses from insurance business	-6'308	14%	-5'539
Total expenses from insurance business	-252'478	-17%	-303'617
Other financial income	5'087	-78166%	-7
Other financial expenses	-497	41%	-354
Operating result	113'693	-1811%	-6'646
Extraordinary income	0	0%	0
Extraordinary expenses	-1'663	0%	0
Result before taxes	112'030	-1786%	-6'646
Direct taxes	-382	4%	-368
Result after taxes	111'648	-1692%	-7'014

Table 1: Income statement; all monetary figures are stated in EUR.

The underwriting result of IDA Cham at the reporting date improved compared to the previous year mainly due to higher premiums and lower claims incurred.

2.2. Financial performance

IDA Cham invests its assets merely in current accounts with Credit Suisse and ZKB. For this reason, there is no particular qualitative or quantitative information that has to be reported. As in the past, there is no interest on these bank accounts. The total assets in the bank accounts amount at the reporting date to ca. 655'000 EUR (ca. 616'000 EUR in 2022), as depicted in the following table:

Bank	Amount
CS CHF Account 627197-61	787
CS EUR Account 627197-62	377'150
CS CHF Account 627197-61-1	48'192
ZKB EUR Account	228'863
Total	654'993

Table 2: All monetary figures are stated in EUR.

In comparison with the previous period, IDA Cham discloses a financial income of ca. 4'600 EUR (financial expense of ca. 360 EUR in 2022).

3. Quantitative templates

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

Financial situation report: quantitative template												
Currency: CHF or annual report currency												
	Total		Personal accident		Casualty		Miscellaneous					
	Previous year	Reporting year	Previous year	Reporting year	Previous year	Reporting year	Previous year	Reporting year	Previous year	Reporting year	Previous year	Reporting year
1	Gross premiums	359'005	411'606	276'466	325'050	62'715	66'696	19'824	19'860			
2	Reinsurers' share of gross premiums	-30'700	-34'243	0	0	-30'700	-34'243	19'824	19'860			
3	Premiums for own account (1 + 2)	328'305	377'363	276'466	325'050	32'015	32'453	19'824	19'860			
4	Change in unearned premium reserves	-15'964	-28'219	-15'483	-25'076	-848	-2'861	367	-282			
5	Reinsurers' share of change in unearned premium reserves	-13'463	2'204	0	0	-13'463	2'204	0	0			
6	Premiums earned for own account (3 + 4 + 5)	298'878	351'349	260'983	299'974	17'705	31'797	20'191	19'578			
7	Other income from insurance business	-	-	0	0	0	0	0	0			
8	Total income from underwriting business (6 + 7)	298'878	351'349	260'983	299'974	17'705	31'797	20'191	19'578			
9	Payments for insurance claims (gross)	-60'056	-78'645	-59'000	-77'945	-10'666	-700	0	0			
10	Reinsurers' share of payments for insurance claims	1'463	-	1'463	0	0	0	0	0			
11	Change in technical provisions	-43'043	36'230	-20'998	38'330	-20'855	-1'998	-1'190	-102			
12	Reinsurers' share of change in technical provisions	-1'558	-	-1'558	0	0	0	0	0			
13	Change in technical provisions for unit-linked life insurance	-103'193	-42'414	-60'093	-39'615	-21'911	-2'698	-1'190	-102			
14	Expenses for insurance claims for own account (9 + 10 + 11 + 12)	-199'290	-196'789	-153'471	-155'407	-34'814	-31'888	-11'005	-9'495			
15	Acquisition and administration expenses	2'854	-	2'854	0	0	0	0	0			
16	Reinsurers' share of acquisition and administration expenses	-196'436	-196'789	-150'617	-155'407	-34'814	-31'888	-11'005	-9'495			
17	Acquisition and administration expenses for own account (15 + 16)	-5'568	-6'130	-150'617	-155'407	-4'230	-4'723	-1'337	-1'406			
18	Other underwriting expenses for own account	-305'197	-245'333	-230'710	-195'021	-60'955	-39'309	-13'532	-11'003			
19	Total expenses from underwriting business (14 + 17 + 18) (non-life insurance only)	-305'197	-245'333	-230'710	-195'021	-60'955	-39'309	-13'532	-11'003			
20	Investment income											
21	Investment expenses											
22	Net investment income (20 + 21)											
23	Capital and interest income from unit-linked life insurance											
24	Other financial income	-7	4'943									
25	Other financial expenses	-356	-483									
26	Operating result (8 + 14 + 17 + 18 + 22 + 23 + 24 + 25)	-6'680	110'475									
27	Interest expenses for interest-bearing liabilities											
28	Other income											
29	Other expenses											
30	Extraordinary income/expenses		-1'616									
31	Profit / loss before taxes (26 + 27 + 28 + 29 + 30)	-6'680	108'860									
32	Direct taxes	-370	-372									
33	Profit / loss (31 + 32)	-7'050	108'488									