OUTsurance DAC

Solvency and Financial Condition Report

For the financial year ended 30 June 2024

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Summary

This document is the first Solvency and Financial Condition Report ("SFCR") of OUTsurance Designated Activity Company ("OUTsurance", OUTsurance DAC", "the Company") on the basis that it became subject to the EU-wide Solvency II Directive on 1 January 2024 on receipt of its Insurance Undertaking licence from the Central Bank of Ireland ("CBI"). From that date, the Company became authorised to underwrite insurance business categorised as Class 13: General liability and in the following groups of classes of business as set out in Schedule1, Part 2 of the Regulations: Motor insurance; and Insurance against fire and other damage to property. The Company underwrites personal lines motor and home insurance business in the Republic of Ireland.

The purpose of the Solvency and Financial Condition Report (SFCR) is to provide information required by the Solvency II (SII) regulatory framework and in particular the capital position of OUTsurance at 30 June 2024. The report sets out different aspects of the Company's business and performance, system of governance, risk profile, valuation methods used for solvency purposes and its capital management practices. The SFCR also includes as an Appendix certain Quantitative Reporting Templates ("QRTS") in order to provide detailed quantitative information on the Company's solvency and financial condition as at 30 June 2024.

Business and Performance

The primary activities of the Company during the year were the finalisation of its application for its non-life insurance license, ensuring that the Company is operationally ready for market entry and the making of financial investments to support the projected insurance activity of the Company. The Company commenced underwriting insurance business at the end of March 2024 with an official launch in May 2024. It had gross written premium in the year to June 2024 of €0.3m (2023: €Nil) and the Company made a loss after tax of €8.9m during the year.

System of Governance

The Board is responsible for the overall governance of the Company. The primary role of the Board is to provide leadership and strategic direction while maintaining effective control over the activities of the Company. The Board delegates authority to achieve its goals and is assisted from a governance perspective by its Board Committees and key control functions. The Board comprises seven directors, six of whom are non-executive and four of whom have been determined by the Board to be independent. This composition is designed to ensure that the Directors have the skills, expertise and experience to appropriately consider and decide on the key opportunities and challenges which arise for the Company. The Directors are satisfied that the system of governance in place is appropriate and adequate for the Company, taking in to account the nature, scale and complexity of the risk inherent in the business to date and envisaged within the planning period.

Risk Profile

The Board Risk Committee performs a review, at least annually, of major risks to ensure that all risks are identified and evaluated. Each risk is assessed by considering the potential impact and the probability of occurrence. Impact assessments are performed against financial, operational, regulatory and reputational criteria. The risk profile section of this report provides information on key risks the Company is exposed to through its business including underwriting, market, credit, liquidity, operational and other material risks. These risks are stressed as part of the Company's Own Risk and Solvency Assessment ("ORSA") process to ensure that the Company holds sufficient capital in the case of such a stress event arising.