Chubb European Group SE

Solvency and Financial Condition Report

31 December 2024

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Introduction and Summary

Introduction

This report ("the Solvency and Financial Condition Report", or "SFCR") sets out the solvency and financial condition of Chubb European Group SE ("CEG" or "the Company") as at 31 December 2024.

The Board of CEG has prepared this report in accordance with Article 51 of Directive 2009/138/EC ("The Solvency II Directive"), Commission Delegated Regulation (EU) 2015/35 and the European Insurance and Occupational Pensions Authority ("EIOPA") guidelines on Reporting and Disclosure.

The regulations prescribe the structure of this report and indicate the nature of the information that must be reported under a series of sections and sub-sections. Where information is not applicable to CEG, the report still includes the section, but with an appropriate note.

In addition to the statutory requirements, this report also addresses other aspects of the Company's business which the Board believes will be of benefit to interested parties.

Figures are stated to the nearest €000 in the SFCR.

Business and Performance Summary

CEG is one of Europe's leading commercial insurance companies and operates a successful underwriting network throughout Continental Europe, the UK and Ireland. The Company offers its clients a broad range of insurance and risk solutions encompassing property & casualty ("P&C"), accident & health ("A&H") and personal lines classes and underwrote business in 11 out of the 16 Solvency II non-life insurance lines of business, including all the non-proportional reinsurance lines of business.

Policies are primarily written under the trading names "Chubb Europe", "Chubb Global Markets" and "Chubb Tempest Re", which capitalise on the distinctiveness and strength of the Chubb brand and acknowledge the company's strong insurance platforms, reputation, skill sets, financial strength ratings and consistent management philosophy. Chubb Europe refers to all European managed business, with the exception of Chubb Global Markets ("CGM") which is Chubb's London market wholesale business, and Chubb Tempest Re which is the reinsurance operation.

CEG has its headquarters in Paris, France, with branch offices in the UK and across Europe, and holds cross-border permissions throughout the European Economic Area ("EEA"). CEG operates under the supervision of the Autorité de Contrôle Prudentiel et de Résolution ("ACPR"). The Company can be found in the ACPR's published register of insurers and has its registered offices at La Tour Carpe Diem, 31 Place des Corolles, Esplanade Nord, 92400 Courbevoie, France, company number 450 327 374 RCS Nanterre. The UK branch of the Company was authorised by the Prudential Regulation Authority ("PRA") under Part 4A of the UK Financial Services and Markets Act 2000 with effect from 16 November 2022. It is based at 40 Leadenhall Street, London EC3A 2BJ.

CEG is also a 'white listed' surplus lines insurance and reinsurance company in the United States, entitling it to write surplus lines in all US states and US territories. Business is accessed by a variety of distribution channels and the Company has strong relationships with the broker community, its corporate partners and direct markets.

CEG is a major contributor to the Chubb Group, generating approximately 12% of the group's overall gross written premium in 2024.

CEG reported gross and net written premiums for 2024 of €7,115.7 million and €3,864.1 million respectively. Top line gross written premiums were up by 9.5% in comparison to the prior year, driven by the strong execution of the company's underwriting strategies, service capabilities and distribution initiatives.

The company produced an underwriting profit, on a French GAAP basis, of 806.1€ million with an associated combined ratio of 83.9%.

Investment performance generated a net French GAAP investment income of €294.6 million. Total French GAAP pre-tax operating profits amounted to €908.1 million.

Capital Management Summary

The Company's regulatory and solvency position is as follows:

As at 31 December	2024	2023
Eligible Own Funds (€'000)	3,222,831	2,953,614
Solvency Capital Requirement SCR (€'000)	1,585,627	1,678,209
Solvency ratio %	203%	176%

As well as benefitting from the support of Chubb Limited, the Company has substantial financial resources. The Company has a large surplus of some €1,637 million above the Solvency Capital Requirement.

The Company's own funds are comprised of Tier 1 capital of €3,223 million as at 31 December 2024. There were no changes to the nature of the items of the Company's own funds during the year. The Company's total eligible own funds of €3,223 million was available to meet the Solvency Capital Requirement "SCR" and the total eligible Tier 1 capital of €3,223 million was available to meet Minimum Capital Requirement ("MCR") of €714 million, which has a coverage ratio of 452% (2023: 391%). Other than €33 million in ring-fenced funds, all Tier 1 capital is permanently available to cover losses.

The primary objectives of CEG in managing capital can be summarised as follows:

- to satisfy the requirements of its policyholders, regulators and rating agencies;
- to match the profile of its assets and liabilities, taking account of the risks inherent in the business;
- to manage exposures to key risks;
- to maintain financial strength to support new business growth;
- to generate a return to shareholders; and
- to retain financial flexibility by maintaining strong liquidity.

System of Governance Summary

CEG has a documented corporate governance framework, the purpose of which is to exercise oversight and control over the management of the business in all its geographical locations and to disseminate key information effectively to the necessary recipients.

The Company has a number of formal committees and sub-committees, described in section B1 of this document. The heads of the functions and business units report to the Regional President, Europe ("President") (except for the Actuarial function, which reports via the Regional Chief Financial Officer ("CFO")).

CEG has identified persons that effectively run the Company and holders of key functions in accordance with the ACPR's Fit & Proper requirements. The Company also complies with other governance requirements applicable to it, for instance the UK Branch is subject to Senior Managers and Certification Regime ("SMCR").

The Board has approved a number of policies, under which responsibilities that govern how certain key areas of the business, and the risks inherent to them, are controlled and reported.

Additional oversight and control are obtained via a "three lines of defence" model whereby the Compliance and Risk Management ("Second Line") monitor key activities independently of the controls and indicators employed by the ("First Line") business and other functions e.g. Finance, HR. Internal Audit ("Third Line") carries out further independent testing and reports outside the First Line and Second Line structures.

CEG has a formal Own Risk and Solvency Assessment ("ORSA") process which sets out the list of activities that CEG undertakes in order to conduct a risk and solvency assessment. ORSA activities includes business planning, strategy, risk profile, risk mitigation & tolerance, stress & scenario analysis, forward capital assessment, monitoring and tracking, and governance.

The ORSA is an integral part of the overall risk management framework and is a process which is conducted throughout the year to support the normal running of business within the Company.

The Risk Management function co-ordinates each element of the ORSA with subject matter experts across the business. The results of the analysis were reported to the Management Committee, Audit & Risk committee, and Board throughout the year.

The Board believes these governance arrangements to be appropriate and effective for the operations that CEG carries out.

Risk Profile Summary

CEG is exposed to risks from several sources and classifies individual risk sources across its landscape into six major categories: insurance that includes reserving and underwriting, market, credit, liquidity, operational and other. Insurance risk which is Chubb's primary risk category is mainly driven by reserving risk; the other risk categories present an exposure primarily from that assumption of insurance risk. Other risks, including group risk and emerging risk are also considered.

There were no changes to the Company's risk sources and areas during the year. Each of these risk categories is described in more detail in section C below.

Valuation for Solvency Purposes Summary

Major differences between the bases, methods and main assumptions used in valuing assets and liabilities for Solvency II purposes compared to the French and previously UK GAAP valuation bases are in relation to reclassification and valuation adjustments required to determine technical provisions and insurance related assets such as reinsurance recoverable.

Under French GAAP, the provision for claims outstanding is calculated using the Management Best Estimate of Ultimate Loss ("MBE") which is based on the estimated ultimate cost of all claims notified but not settled by the balance sheet date, together with the provision for related claims handling costs. The provision also includes the estimated cost of claims incurred but not reported ("IBNR") at the balance sheet date based on statistical methods. In addition, a separate unearned premium reserve ("UPR") is maintained for portion of premiums written that relates to unexpired terms of policies in force at the balance sheet date. The reinsurers' share of the provisions (reinsurance recoverable) is based on the amounts of outstanding claims and projection for claims incurred but not reported that are expected to be recovered from reinsurers net of estimated irrecoverable amounts.

The technical provisions valued for Solvency II purposes are calculated as a best estimate and a risk margin. The best estimate is based on probability-weighted cashflows with consideration for the time value of money, and considers all cash inflows and outflows including both claims and premium provisions. The risk margin is assumed to be the amount required for a third party to take over and meet the (re)insurance obligations and represents the cost of providing eligible own funds equal to the SCR necessary to support these obligations.

The main differences between the Solvency II and French GAAP technical provisions arise from:

- The Solvency II best estimate uses the Actuarial Central Estimate ("ActCE") for all line of business while the French GAAP TPs use the MBE;

- Additionally Solvency II best estimates uses a discounted cash flow basis with inclusion of events not in data ("ENIDs"), future expenses and legally obliged business; and
- Solvency II technical provisions include the risk margin; and
- Solvency II considers the full cost or benefit associated with all legally bound (re)insurance contracts, whereas French GAAP focuses on the earned portion of the contracts only. As a result, Solvency II recognises profits or losses on business that is considered unearned under French GAAP

There have been no changes in the bases, methods and main assumptions for the valuation for Solvency II purposes of assets and liabilities in the period. As set out above however, there are larger differences between CEG's statutory position and Solvency II arising from the transition for statutory accounting from UK GAAP to French GAAP.

Directors' Report

Directors

The following have been Directors throughout 2024:

Executive Directors:

S Mitchell (resigned 10 September 2024)

B F M M Chasseguet

P D Kelaher (appointed 16 December 2024)

D M W Roberts

Non-Executive Directors:

J A Turner (Chairperson)

K S Briggs (appointed 26 September 2024)

D M A Furby

M A Connole

S K Richards

K Koreyva

H Toh

Statement of Directors' Responsibilities

The Directors are responsible for preparing the SFCR, including the attached public quantitative reporting templates, in all material respects in accordance with ACPR rules and regulations.

The Solvency II Directive, the Delegated Acts, related Implementation Rules, Technical Standards and Guidelines, as well as ACPR rules provide the Regulatory Framework in which the Company operates. The rules and regulations include, but are not limited to, the recognition and measurement of its assets and liabilities including Technical Provisions and Risk Margin, the calculation of its capital requirement and the reporting and disclosures of the Solvency II results.

Approval of the Solvency and Financial Condition Report

We acknowledge our responsibility for preparing the SFCR in all material respects in accordance with the Solvency II Regulatory Framework.

We are satisfied that:

a) throughout the financial year in question, CEG has complied in all material respects with the requirements of the Regulatory Framework applicable to the company; and
b) it is reasonable to believe that CEG has continued so to comply subsequently and will continue so to comply in future.

On Behalf of the Board

Peter Kelaher

Managing Director

2 April 2025

A. Business and Performance

A.1 Business

Name and Legal Form

CEG is one of Europe's leading commercial insurance and reinsurance companies and operates a successful underwriting network throughout the UK, Ireland and Continental Europe. The Company has its headquarters in Paris, France, with branch offices in the UK and Europe and holds cross-border permissions throughout the European Economic Area ("EEA"). The UK branch was authorised by the PRA with effect from 16 November 2022.

CEG was initially incorporated in the UK. On 1 January 2019, CEG successfully redomiciled from the UK to France as part of its Brexit preparations. The Company's registered office address is La Tour Carpe Diem, 31 Place des Corolles, Esplanade Nord, 92400 Courbevoie, France.

The Company offers its customers a broad range of insurance and risk solutions encompassing property & casualty, accident & health and personal lines classes and participated in 11 out of the 16 Solvency II non-life insurance lines of business, and in all of the non-proportional reinsurance lines of business with the exception of Health. Policies are written under the brand names "Chubb Europe", "Chubb Global Markets" and "Chubb Tempest Re".

CEG is also a whitelisted surplus lines insurance and reinsurance company in the United States, entitling it to write surplus lines in all US states and US territories. Business is accessed by a variety of distribution channels and the company has strong relationships with the broker community, its corporate partners and direct markets.

Supervisory Authority

CEG is supervised by the Autorité de Contrôle Prudentiel et de Résolution ("ACPR"). The UK branch is authorised by the PRA and regulated by both the Financial Conduct Authority (FCA) and the PRA.

The ACPR address is 4 Place de Budapest CS 92459, 75436 Paris, France.

Group Supervisory Authority

Chubb Limited is supervised at the group level by the Chubb Group Supervisory College, comprised of regulators from a number of jurisdictions around the world. The Chubb Group Supervisory College is led by Chubb's group-wide supervisor, the Pennsylvania Department of Insurance. The ACPR is a member of the Chubb Group Supervisory College.

As at 31 December 2024, CEG was 99.99% owned by Chubb European Holdings Limited with one share held by Chubb EU Holdings Limited. The ultimate parent of CEG is Chubb Limited.

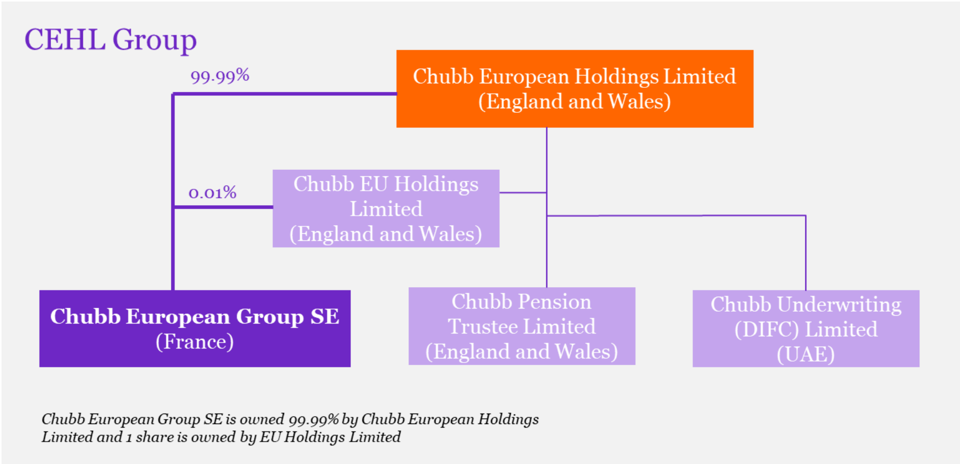
Chubb Limited, headquartered at Bärengasse 32, CH-8001 Zurich, Switzerland, is the Swiss-incorporated holding company of the Chubb Group of Companies. Chubb Limited and its direct and indirect subsidiaries (collectively the "Chubb Group of Companies" or ("The Chubb Group") are together a global insurance and reinsurance organisation.

The address of the Group Supervisor is The Deputy Insurance Commissioner, Pennsylvania Department of Insurance, 1326 Strawberry Square, Harrisburg, PA 17120, USA.

External Auditor

The Company's Auditor is PricewaterhouseCoopers Audit, Chartered Accountants and Statutory Auditors with registered office at 63 rue de Villiers, 92208 Neuilly-sur-Seine Cedex, France.

A.1.1 Position within the Legal Structure of the European Group



The group structure as at 31 December 2024 is summarised in the simplified chart above. No further changes have been made up to the date of this report.

A.1.2 Material Related Undertakings

The company has no material related undertakings.

A.1.3 Material Lines of Business and Geographical Areas

The Company writes 11 out of the 16 Solvency II non-life insurance lines of business with a focus on fire and other damage to property, general liability, miscellaneous financial loss and marine, aviation and transport. Together, these lines of business accounted for 93.2% of CEG's total gross written premiums in 2024. CEG also underwrites a relatively small amount (less than 1% of total GWP) of non-proportional reinsurance business within the Solvency II casualty, marine, aviation and transport and property categories. The majority of business is written in the UK, France, Germany, Netherlands, Italy and Spain. A small proportion is written in other countries. Further detail of business written by Solvency II lines of business and geographical area is disclosed in section A.2.1.

A.2 Underwriting Performance

A.2.1 Key Performance Indicators and Summary by Solvency II Line of Business and Countries

The following financial key performance indicators ("KPIs") have been deemed relevant to the Company's business. These KPIs are reviewed regularly by the CEG Audit & Risk Committee and Board.

KPIs	**2024 €'000**	**2023 €'000**
Gross premiums written	7,115,707	6,499,614
Net premiums written	3,864,103	3,750,525
Underwriting profit (before investment results allocation)	602,877	978,168
Combined ratio %*	83.9%	72.8%

**Ratio of net claims incurred, commission and expenses to net premiums earned*

Management also use a variety of other performance indicators, including production volumes, retention ratios, price monitoring, loss and expense analyses, and operating metrics in assessing the performance of each of the business segments. All financial results are monitored against plan, forecast and prior year on a regular basis.

The company's KPI summary by Solvency II line of business, for the year ended 31 December 2024 is summarised in the table below:

(in €M)	Income protection	Motor vehicle liability	Other motor	Marine, aviation and transport *	Fire and other damage to property *	General liability*	Credit and suretyship *	Miscellaneous financial loss *	Accepted	**TOTAL 2024**	TOTAL 2023
Gross premiums written	37	49	67	755	2,915	2,308	283	652	51	**7,116**	6,500
Net premiums written	22	28	60	454	1,418	1,297	85	462	38	**3,864**	3,751
Claims incurred net	12	22	36	157	415	529	21	100	15	**1,307**	1,225
Expenses incurred	8	16	13	278	675	512	9	268	17	**1,796**	1,414

Each of the Solvency II classes of business marked with an asterisk have net written premiums in excess of €40,000k and in total, account for over 97% of CEG's 2024 net written premiums (98.3% in 2023). For the purposes of this report, these classes can be "core" to CEG. The remaining classes of business can be considered "non-core".

CEG's 2024 gross written premiums were up by 9.5% in comparison to prior year, generating a strong underwriting profit of €806,137k. This growth is primarily organic reflecting the mature markets which CEG operates in.

CEG's gross written premiums for 2024 totalled €7,115,707k. The most significant lines of business underwritten by the Company were fire and other damage to property, general liability, marine, transport and aviation and miscellaneous finance loss, with gross written premiums for these lines in 2024 amounting to €6,629,235k.

The company's GWP summary by top six countries, for the year ended 31 December 2024 is summarised in the table below:

(in €M)	2024		2023	
	GWP	%	GWP	%
United Kingdom	3,478	49%	3,181	45%
France	1,016	14%	900	13%
Germany	563	8%	478	7%
Italy	386	5%	364	5%
Netherlands	378	5%	361	5%
Spain	375	5%	342	5%
Other countries	919	13%	873	12%
TOTAL	**7,116**	**100%**	**6,500**	**91%**

CEG's 49% of gross written premiums are sourced from the UK, with France and Germany providing 14% and 8% respectively. The Netherlands, Italy and Spain complete the top 6, each contributing with 5% of the 2024 premiums respectively. The remaining business is generated in other countries throughout Europe.

CEG purchases reinsurance to mitigate the impact of major events and an undue frequency of smaller losses. A number of the reinsurance programmes operated by CEG during 2024 were with a Chubb company, Chubb Tempest Reinsurance Ltd. CEG also has the benefit, particularly for US and worldwide catastrophe exposures, of reinsurance programmes shared with other Chubb entities, including Syndicate 2488 at Lloyd's. These arrangements result in an increase in the reinsurance purchasing power of Chubb, which ultimately benefits all subsidiaries, including CEG. There were no significant changes to the company's reinsurance purchasing strategy in 2024.

CEG's exposure to large losses is managed by adherence to clear risk management and underwriting guidelines and the use of reinsurance protection and sophisticated modelling and analysis. Profitability was adversely impacted by catastrophe losses of € 25.4 million net of reinsurance recoveries (2023: €27.5 million) however these were more than offset by prior period reserve releases of €135.8 million (2023: €380.5 million) primarily within retail P&C. The 2024 current accident year loss ratio, excluding catastrophe losses and prior period development, was 51.4% (2023: 48.7%) demonstrating the consistency and quality of CEG's underlying business, our adherence to underwriting discipline and the positive impact of the portfolio review process.

Operating expenses constitute commissions and general administrative expenses. The expense ratio of 35.6% compares to the 33.9% reported in 2023. Total reinsurance spends amounted to €3,251.6 million, resulting in net written premiums for the year of €3,864.1 million.

Core lines of business generated net written premiums of €3,825.9 million with non-core lines generating just €38.2 million. Incurred losses, net of reinsurance recoveries, amounted to €1,780.3 million, generating an overall loss ratio for the company of 48.4%.

CEG produced an underwriting profit of €806.1 million for 2024.

A.3 Investment Performance

CEG operates a conservative investment strategy by establishing highly liquid, diversified, high quality portfolios managed by expert external managers. Detailed Chubb group investment guidelines are established for each managed portfolio including Chubb customised benchmarks against which the manager performance is measured.

CEG maintains four active investment grade fixed income portfolios, the core currencies of which are sterling, euro and US dollars. A further passive portfolio is maintained in Switzerland to meet local solvency requirements. CEG also allocates a limited proportion of funds available for investment to alternative strategies. These alternative strategies include high-yield bonds, syndicated bank loans, private loans and private equity. CEG also maintains fixed bank deposits in Turkey to meet local solvency requirements.

At year end 2024 funds allocated to alternative strategies made up 22% of CEG's investment portfolios, falling within the established limits. The majority of CEG's investments continue to be allocated to high quality, diversified, actively managed portfolios with exposure to a broad range of sectors.

The approximate currency split of CEG's investment portfolios is sterling 30%, euro 37% and US dollars 33%.

The company's investment income by Solvency II assets class and investment expenses for the year ended 31 December 2024 is summarised in the table below:

Investment income by asset class	**Income €'000**	**Realised Gain/(Loss) €'000**	**Unrealised Gain/(Loss) €'000**	**Other €'000**	**Total Return €'000**
1 Government bonds	13,241	(1,374)	(6,494)		5,373
2 Corporate bonds	176,808	(27,052)	39,841		189,597
3 Equity securities	0	80	1,377		1,457
4 Collective investments undertakings	0	0	0		0
6 Collateralised securities	19,643	(3,553)	(10,667)		5,423
7 Cash and desposits	14,380	0	0		14,380
8 Mortgages and loans	51,239	(2,468)	8,463		57,234
O Other	0				0
A Futures	0	9,050	5,927		14,977
E Forwards	0	112	0		112
Investment expenses				**(21,408)**	**(21,408)**
Total investment return	**275,311**	**(25,205)**	**38,447**	**(21,408)**	**267,145**

The investment expenses are shown in total as they all relate to investment management fees, similar to 2023.

Equivalent data for the year ended 31 December 2023 is summarised in the table below:

Investment income by asset class	**Income** **€'000**	**Realised Gain/(Loss)** **€'000**	**Unrealised Gain/(Loss)** **€'000**	**Other** **€'000**	**Total Return** **€'000**
1 Government bonds	10,157	587	29,327		40,071
2 Corporate bonds	166,242	(40,448)	283,613		409,407
3 Equity securities	87	119	(550)		(344)
4 Collective investments undertakings	0	0	0		0
6 Collateralised securities	16,242	(14,082)	20,826		22,986
7 Cash and desposits	14,061	0	0		14,061
8 Mortgages and loans	55,579	(1,549)	(3,759)		50,271
O Other		(2,093)	0		(2,093)
A Futures		(373)	(15,975)		(16,348)
E Forwards		(149)	(100)		(249)
Investment expenses					**(20,041)**
Total investment return	**275,311**	**262,368**	**(57,988)**	**313,382**	**(20,041)**

The global economy faced various headwinds in 2024 such as inflationary pressures, geopolitical tensions and structural adjustments, necessitating heightened diligence on the part of central banks and financial institutions.

The US economy experienced moderate growth in 2024 of 2.8%, driven by consumer spending, technological advancements and a resilient labour market. In 2024, the Federal Reserve (Fed) remained committed to balancing its dual mandate of fostering maximum employment and maintaining stable prices. With inflationary pressures easing after persistent hikes in previous years, the Fed adopted a more cautious approach to interest rate adjustments. The focus was on monitoring economic indicators closely and making data-driven decisions to prevent overheating while supporting sustainable growth. Inflation in the US showed signs of moderation, decreasing to 2.9% by the end of 2024 and the labour market remained resilient, with an unemployment rate of 4.1% by the end of the year. The Fed cut rates three times in the latter part of the year to end the year at a target range of 4.25% to 4.5%. However, following the Republican election victory in November, the trajectory of interest rates became less clear with the prospect of significant tariffs and tax cuts expected to impact inflation and Fed activity.

Growth remained elusive in the UK in 2024, with GDP increasing by a modest 0.8% impacted by continuing supply chain disruptions and labour market adjustments post-Brexit. The Bank of England (BoE) maintained a vigilant stance on monetary policy in 2024, with a careful calibration of rates aimed to support economic growth while preventing runaway inflation. Despite some volatility, inflation rates began to stabilise towards the end of the year, with CPI reaching 2.5%. The UK's labour market showed some signs of recovery, with an unemployment rate of 4.4% and increased labour force participation. However, markets remained pessimistic about the prospects of increased growth in the short term in light of the increasing tax burden announced as part of the UK governments autumn budget. Against this backdrop, the BoE cut rates during the year from 5.25% to 4.75%.

The Eurozone experienced subdued growth in 2024, with GDP increasing 0.7% overall. However, regional disparities and high levels of public debt in some member states required careful management to ensure cohesive economic progress. The focus on sustainability and innovation remained crucial in attempts to drive long-term growth, with substantial investments channelled into renewable energy and digital. The European Central Bank (ECB) continued its accommodative monetary policy stance in 2024, aiming to stimulate growth and achieve its inflation target, particularly in the face of potential external shocks and structural challenges within the Eurozone. These efforts helped anchor inflation expectations, with the average inflation rate falling to 2.4% in 2024. The ECB cut rates by 1% during the year to 3% at year end which facilitated access to credit and supported investment across the bloc. The labour market however showed a mixed picture, with some member states experiencing robust job growth while others faced higher unemployment rates.

Investment grade yields increased modestly in 2024, with the exception of Euro corporate bonds, but returns for the year were positive overall. Returns for alternative assets including high yield bonds, bank loans and private loans produced good returns in 2024.

During December USD investment grade and high yield portfolios managed Western Asset Management Company were transferred to other existing CEG investment managers. The investment grade portfolio was transferred to Blackrock and the high yield portfolio transferred to Oaktree.

Overall CEG generated a positive total return of 3.8% in 2024 on balances available for investment. For investment grade portfolios, performance varied by individual manager, averaging at 3.9% for Euros, 2.9% for sterling and 2.5% for USD.

CEG's alternative investment assets which constitute around 22% of the total portfolio produced good results. The allocation to private loans and private equity holdings generated positive total returns of EUR 13.7% and GBP 10.3% and the bank loans portfolio produced a total return of 8.4%. CEG's US dollar upper tier high yield bond portfolio generated a positive return of 7.5% and the EUR denominated illiquid loan portfolio generated a positive return of 8.8%.

A.4 Performance of Other Activities

All CEG's activities are connected with the provision of contracts of insurance or reinsurance.

A.5 Other Information

All material information regarding CEG's Solvency II business and performance by Solvency II lines of business is disclosed in Sections A2 – A4 above.

B. System of Governance

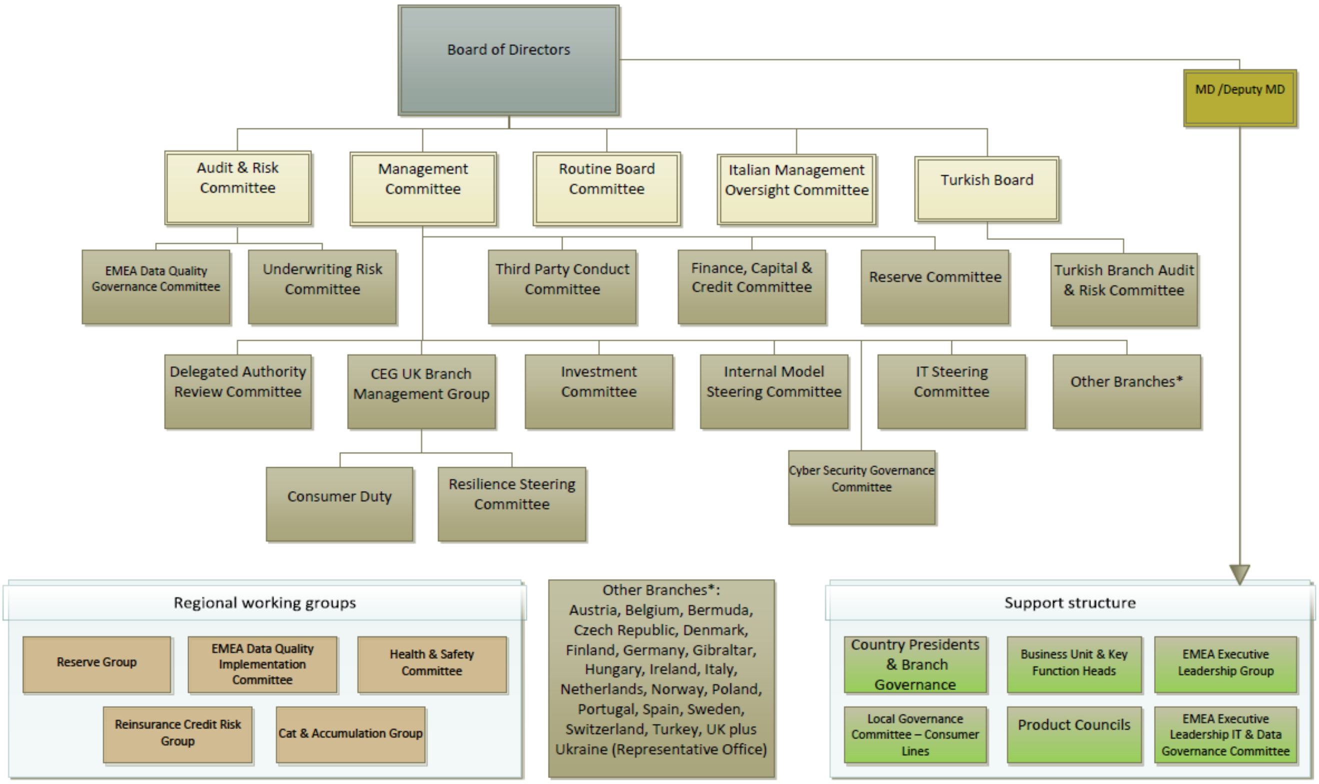
B.1 General Information on the System of Governance

B.1.1 Board and Committees

The Board of Directors ("the Board") has reserved responsibility for decisions in connection with a number of matters. These include those of a significant strategic, structural, capital, financial reporting, internal control, risk, policy or compliance nature. As at 31 December 2024, the Board membership comprised seven Non-Executive Directors ("NEDs") and three Executive Directors.

The Board has delegated a number of matters to committees, including the Audit & Risk Committee which is composed of the seven NEDs and reports to the Board regularly in respect of its activities.

As at 31 December 2024, CEG's governance structure was as follows:



The remainder of this section describes those Board committees which operated in 2024

Management Committee

The Management Committee comprises the Managing Director ("MD") of CEG and other members of the Company's senior management team. The primary role of the Committee is to oversee the day-to-day management of business operations and their performance, to assist the MD in implementing and overseeing operational strategies and decisions determined by the Board. The Management Committee is responsible for the embedding of risk management and monitoring control of risk; prioritising the allocation of resources; monitoring competitive forces and measuring management effectiveness.

The following committees support and report to the Management Committee:

- Third Party Conduct Committee;
- Reserve Committee;
- Finance, Capital and Credit Committee;
- Internal Model Steering Committee;
- Investment Committee;
- Information Technology ("IT") Steering Committee;
- Delegated Authority Review Committee;

Cyber Security Governance Committee; In addition there are a number of branch management committees and regional working groups, providing a comprehensive level of insight and reporting on matters impacting the Company.

Audit & Risk Committee

The Audit & Risk Committee comprises Non-Executive Directors. It considers and makes recommendations to the Board on areas including internal controls, financial reporting, whistleblowing, validation of solvency calculations, actuarial matters and the external audit. It receives reports from the Compliance, Risk Management, Actuarial and Finance functions and from Internal Audit on a quarterly basis. From a risk perspective the Committee also considers risk exposures; future risk strategy; the design and implementation of the framework into the business; and on solvency and capital matters, the ORSA and internal controls. Where appropriate, the Audit & Risk Committee makes recommendations to the Board.

In relation to the external audit process, the Committee monitors the nature and scope of work in the audit of the statutory financial statements and other external reporting requirements.

In the case of the Internal Audit function, the Committee's role involves agreeing and monitoring, in conjunction with the Group audit function, the nature and scope of work to be carried out by the Internal Audit team and the availability of sufficient resources.

The Committee provides assurance to the Board and Group management that the internal control systems, agreed by management as being appropriate for the prudent management of the business, are operating as designed.

At all times the Audit & Risk Committee is expected to challenge any aspect of these processes which it considers weak or poor practice.

The following regional committees support and report to the Audit & Risk Committee:

- EMEA Data Quality Governance Committee;
- Underwriting Risk Committee.

Routine Board Committee

The Routine Board Committee meets on an ad hoc basis between formal Board meetings to consider business issues of an administrative or routine nature where documentation of approval is required in between quarterly Board meetings. It has various duties and responsibilities including the approval of powers of attorney, authorisation of company signatories, and such other duties or responsibilities as may be delegated by the Board.

B.1.2 Roles and Responsibilities of Key Functions

Internal Audit Function

Internal Audit is a 'Third Line of defence' function, which operates independently of regional management, reporting to CEG's ultimate shareholding company via the Group Audit function. Its role is to carry out testing of financial and non-financial controls so as to identify control weaknesses and to recommend improvements, for i) the better protection of CEG's assets and ii) conformity to agreed policies, procedures and guidelines. It provides reports to the Management and Audit & Risk Committees and Board, which review and have oversight of its annual planning and resourcing.

Compliance Function

Compliance is a 'Second Line of defence' function which, via the provision of advice, training and monitoring of First Line activity, seeks to ensure that CEG's commercial business, wherever operated, is carried out in accordance with agreed policies, procedures and frameworks. It liaises with regulators, keeping them advised of key developments and informed of the company's compliance with regulatory standards. The function provides reports to the Management Committee and Audit & Risk Committee which reviews and has oversight of its annual activity plan and resourcing.

Risk Management Function

Risk Management is a 'Second Line of defence' function. Independent of business line management, the function is responsible for assisting the Board, Boards committees, general management and employees in developing, implementing and maintaining the Risk Management Framework ("RMF"). The RMF comprises the strategies used to identify, assess, manage, monitor and report on its significant risk exposures and the policies, processes and procedures in place that are designed to underpin continuous risk management and support the risk-based decision-making processes of the business.

Risk Management continuously measures business and functional activity against KPIs derived from agreed statements of risk appetite, conducts one-off reviews of specific issues and provides advice to the business on mitigation of risk. Capital Modelling is part of the Risk Management function.

The function provides reports to the Management and Audit & Risk Committees and Board, and undertakes reviews at the direction of the Audit & Risk Committee or Board.

Actuarial Function

The Actuarial function includes Catastrophe risk management and a separate Pricing team. The function seeks accurately to assess the reserves required to satisfy known and estimated claims and claim expenses, providing a view of reserves adequacy independent of business line management. The function contributes to portfolio assessment, provision of rating information, and business intelligence. It provides reports to the Audit & Risk Committee, to enable that Committee to have adequate insight into reserving activity, given reserves represent a significant element of the company's financial status.

B.1.3 Roles and Responsibilities of Other Important Functions

All function management heads are responsible for CEG's operations wherever geographically located. Risks, performance and controls are assessed centrally and functions' standards and procedures apply to branch operations in all countries of operation. Significant information is provided to the Management Committee.

Finance and Investment Function

The Finance function encompasses financial accounting and reporting, financial planning, analysis and communications, taxation, treasury and credit control. A shared operations centre in Glasgow carries out bulk and routine finance operations.

Investment management is outsourced to specialist external managers operating under detailed Chubb guidelines. The activity is overseen by the Treasury function and the Investment Committee, a part of the Finance department. The function ensures that assets representing regulatory and internal capital requirements are securely maintained under the management of external fund managers, and that asset currencies and liquidity follow agreed guidelines.

A high degree of liaison with the business and with other functions, including the Actuarial function and the Capital team within Risk Management, takes place, enabling the Finance function to maintain a current overview of the financial, capital and performance indicators required to manage the business prudently and effectively.

Claims Function

The Claims function is responsible for validating and processing directly received claims and overseeing the services provided by agents to whom claims processing is outsourced, in line with agreed standards. The function is managed separately from the business lines. It contributes to the analysis of the adequacy of reserves and advises the business on claims trends and customer treatment with respect to claims payment. The function incorporates a unit for the detection of claims-related fraud.

IT Function

IT advises on, purchases, maintains and supports operational, functional and administrative technical systems in support of business objectives and ongoing operational and functional needs. It acts in an advisory and support capacity in respect of external systems and IT asset management in line with agreed policy and procedures. IT governance operates via the IT Steering Committee, which includes senior management amongst its membership.

Information Security

The Information Security function has oversight of data security, including the identification and management of cyber incidents.

Operations Function

The Operations function supports business and functional objectives via the design and operation of underwriting, customer service, financial, business continuity and other operating systems throughout the region in which the company operates. The function incorporates a project management team. The operations function also has responsibility for managing business continuity and operational resilience arrangements.

Human Resources Function

Human Resources advises and supports the business in planning for, staffing, training, remunerating and retaining a high-quality employee base. The function contributes to the assessment of senior staff for fitness and propriety and has oversight of the implementation of personnel-related Policies.

Reinsurance

The Ceded Reinsurance team operates under Group management, and liaises with the business, negotiating shared and one-off treaty arrangements in line with agreed guidelines and business plans. The team provides advice on the cost-effectiveness and operation of reinsurance arrangements, and the suitability of external reinsurance providers.

B.1.4 Any Material Changes in the System of Governance during the Reporting Period

During 2024 the Data Governance Steering Committee was reorganised and renamed as the EMEA Data Quality Governance Committee. It provides oversight for all data related activity and data projects. It monitors and certifies data quality for Critical Data Elements and approves the action plans to address data quality issues. These meetings are held at least quarterly and report to the Audit & Risk Committee and to the EMEA Executive Leadership IT & Data Governance Committee.

Also during 2024:

Sara Mitchell resigned as Managing Director and was replaced by Peter Kelaher
As a result of internal promotion, Luca Braghieri replaced Robert Lamprey as Key Function Holder – Internal Audit.

B.1.5 Remuneration Policies and Practices

Principles of the Remuneration Policy

For the purpose of the following analysis "employees" includes both staff directly employed by CEG, staff employed by an affiliated service company, Chubb Services UK Limited ("CSUK") and other fellow Chubb undertakings.

CEG has a remuneration policy which is applicable to all employees including NEDs.

The policy requires the following principles to be applied to all remuneration decisions:

- Remuneration must be consistent with and promote sound and effective risk management in accordance with Chubb's Risk Management Framework and not encourage risk-taking that exceeds the level of tolerated risk of Chubb;
- Remuneration must be in line with the business strategy, objectives, values, long term interests and competitive strength of Chubb and the Chubb Group of Companies;
- Remuneration awards must not threaten Chubb's ability to maintain an adequate capital base;
- Remuneration must be sustainable according to the financial situation of Chubb as a whole, and justified on the basis of the performance of Chubb, the business unit and the individual concerned;
- Remuneration must avoid conflicts of interest in accordance with Chubb's conflict of interest policies;
- Remuneration decisions must not be made and/or approved by a beneficiary of that decision; and
- The remuneration of employees engaged in control functions must be in accordance with the achievement of objectives linked to their function, independent from the performance of the business areas they control.

Fixed Remuneration

The policy requires that fixed remuneration must be appropriate to the role performed, taking into account factors such as:

- Role, grade and complexity;
- Level of responsibility and seniority;
- Local market value of the role;
- Experience and expertise of the individual.

Variable Remuneration

Variable remuneration may comprise cash performance bonus and equity-based awards (options or restricted share awards).

Where an employee is eligible to receive variable remuneration, the assessment of variable remuneration must take into account the following factors:

- Remuneration schemes which include fixed and variable components shall be appropriately balanced so that the fixed (or guaranteed) component represents a sufficiently high proportion of the total remuneration;
- The payment of significant variable remuneration should vest over a period of time which will help prevent employees taking excessive risks that could have negative effect upon Chubb and/or customers. This period is to be decided during the approval process to consider all of the relevant factors and risks related to the specific situation;
- Variable remuneration arrangements must allow Chubb to apply downwards adjustments by the application of malus prior to any awards vesting, in order to take account of specific risk management failures;
- Performance-related variable remuneration should be based upon a combination of performance measures including, but not limited to, the following:
    - Financial benefit to the company;
    - Quality of employee performance (in terms of how things are achieved as well as what is achieved), Board adopted policies and procedures and protocols including adherence to Chubb's risk management arrangements.

Termination Payments

Termination payments are related to performance and designed in a way that does not reward failure.

Pensions

Employees may belong to one of a number of defined-benefit or defined-contribution pension schemes, to which the company contributes according to standardised formula.

B.1.5.1 Performance Criteria

The award of variable remuneration is discretionary and usually occurs on an annual cycle. Cash bonuses and equity-based awards, if any, are allocated to individuals according to targets linked to individuals' roles and as recommended by line management based on assessment of individual performance criteria. The pool of awards available for allocation is set by the Group's ultimate holding company, as determined by a Global Compensation Committee which comprises independent Group directors and takes account of the expected profitability of the Group.

The estimated value of equity awards at grant is generally composed 25% of options, which vest incrementally over a four-year period, and 75% of restricted share awards, which vest incrementally over three years.

Performance criteria are set and measured on an individual basis. The performance measurement plans ("PMPs") of all individuals in roles requiring regulatory approval or notification measure performance against criteria including 'Fit and Proper' behaviours, risk management and leadership.

B.1.5.2 Pension or Early Retirement Schemes

There are no supplementary pensions or early retirement schemes operated for the benefit of Board members or key function holders.

B.1.6 Material Transactions with Shareholders, Persons who Exercise a Significant Influence, and With Members of the AMSB

Shareholders

There were no transactions with shareholders who were not members of key management (Executive Committee, Executive Directors and NEDs) in 2024.

Key Management

Key management personnel comprise members of the Board of Directors. A number of directors received emoluments directly through CEG. However, the other directors received their emoluments through CSUKL or other fellow Chubb undertakings in respect of their services to all Chubb group companies. The cost of these emoluments is incorporated within the management recharges from CSUKL. For disclosure purposes, it is not practical to allocate these amounts to the underlying entities to which the directors provide services. Consequently, the following amounts represent the total emoluments paid by either CEG, CSUKL or other fellow Chubb undertakings to the directors of CEG:

Material transactions	**2024 €'000**	**2023 €'000**
Aggregate emoluments and benefits	6,577	6,006
Company pension contributions to money purchase pension schemes	46	42
Total	**6,623**	**6,048**

The aggregate emoluments above do not include share-based remuneration. All executive directors are entitled to receive shares in Chubb Limited under long-term incentive plans. During the year, 8 directors received shares in Chubb Limited under long-term incentive plans and 5 directors exercised options over the shares of Chubb Limited. The highest paid director exercised share options during the year.

B.2 Fit and Proper Requirements

B.2.1 Fit and Proper Policies and Processes

Persons who effectively run the firm or have other key functions are required to have the competency, capability and capacity to undertake the role, including relevant professional and formal qualifications, as well as knowledge and experience that is relevant to their specific duties.

In line with Article 42 of Solvency II Directive, CEG has a Fit and Proper Policy and supporting procedures which ensure that senior managers and individuals performing key functions are aware of their allocated duties and, by reference to their individual qualifications, knowledge and relevant experience, honesty and financial soundness, that they are fit and proper.

Collectively, the members of CEG's Board, Management Committee and its Key Function Holders possess appropriate qualification, experience and knowledge of:

a) insurance and financial markets;
b) business strategy and business model;
c) system of governance;
d) financial and actuarial analysis; and
e) regulatory framework and requirements.

B.2.2 Assessment Process

An individual's Fitness and Propriety is defined as equating to their competency and suitability to perform their regulated role (fitness) and their honesty, integrity and reputation (propriety). In determining a person's fitness and propriety, CEG has regard to all relevant matters, including, but not limited to:

- An individual's competence and capability to undertake the role, including professional and formal qualifications, as well as knowledge and relevant experience in the context of the respective duties allocated to that individual.
- Whether the person has sufficient qualifications and/or industry experience to carry out the intended functions; for example, the financial, accounting, actuarial and management qualifications and skills;
- Whether the person satisfies the relevant regulator's training and competence requirements;
- Whether the person has demonstrated, by experience and training, that they are suitable to perform the role and possess the necessary skills, knowledge, expertise, diligence and soundness of judgment to undertake and fulfil the particular duties and responsibilities of the role;
- Whether the person has demonstrated the appropriate competence and integrity in fulfilling occupational, managerial or professional responsibilities previously or in their current role;
- Whether an individual acts with honesty, integrity and is of good repute; has been convicted of, dismissed or suspended from employment for drug or alcohol abuses or other acts that would constitute a breach of regulatory expectations or Chubb's Code of Conduct, and whether this would impact a person's continuing ability to perform the particular role for which the person is or is to be employed.

The specific checks undertaken on individuals that are subject to fitness and propriety assessments may include, but are not limited to, the following:

<u>Pre-appointment:</u>

- Competency-based interviews;
- Qualification checks;
- CV reviews;

- Criminal records checks;
- Credit reference checks;
- Previous employment checks;
- Regulatory references (where permitted);
- Previous employment / qualification / gap investigations;
- Sanctions and Politically Exposed Person (PEP) checks;
- Directorship disqualification checks;
- Professional membership checks;
- Conflicts of interest checks; and
- Involvement in insolvency, bankruptcy or winding-up proceedings.

In addition to pre-appointment checks, the following are considered on an ongoing basis:

- Annual attestation to confirm fitness and propriety, as part of the annual performance management process;
- Role profile and responsibilities review;
- Event and breach monitoring;
- Learning and development training plan reviews; and
- Chubb Code of Conduct attestation.

B.3 Risk Management System including ORSA

The Chubb Group is a global underwriting franchise whose risk management obligation to stakeholders is simple: ensure sufficient financial strength over the long term in order to pay policyholder claims while simultaneously building and sustaining shareholder value.

The Chubb Enterprise Risk Management ("ERM") strategy helps achieve the goal of building shareholder value by systematically identifying, assessing and then monitoring and managing, the various risks to the achievement of corporate business objectives and thereby minimising potential disruptions that could otherwise diminish shareholder value or balance sheet strength.

B.3.1 Risk Management Framework at CEG

As an insurer, CEG manages risk for its policyholders and shareholders. Hence, risk management is intrinsic within its product offerings and fundamental to its business. ERM is not a separate service function but rather is embedded in critical decision-making. ERM does not strive to eliminate risk but rather manage and profit from risk where possible and prudent. ERM addresses the full spectrum of exposure categories:

- Insurance (e.g. reserving, pricing)
- Financial (e.g. credit, liquidity)
- Operational (e.g. IT, business continuity)
- Strategic (e.g. mergers & acquisitions)

Insurance is the company's primary risk category; the three other risk categories present the remaining exposures. These risk reporting categories cover all risk types to which the company is exposed.

To ensure that its ERM efforts are focused in terms of time horizon and business materiality, CEG adheres to the enterprise-wide ERM mission statement as follows:

"ERM is the process to identify, assess, and mitigate those risks that, if manifested mainly over the next 36 months, might impact CEG's exposure footprint (investments, operations and short / long-tail liabilities) such that the firm's ability to achieve its strategic business objectives might be impaired."

The achievement of CEG's overall high-level business goals requires adherence to a structured ERM programme and strategy. The above ERM mission statement outlines the goals which CEG seeks to accomplish through ERM; CEG's strategic risk management targets its key risk priorities to accomplish its high-level business goals.

Chubb's Global ERM framework has the following components:

- **Internal and External Risks**: identify, analyse, quantify, and where possible, mitigate significant internal and external risks that could materially hamper financial conditions and/or the achievement of corporate business objectives over the next 36 months.
- **Exposure Accumulations**: identify and quantify the accumulation of exposure to individual counterparties, products or industry sectors, particularly those that materially extend across or correlate between business units or divisions and/or the balance-sheet.
- **Risk Modelling**: develop and use various data-sets, analytical tools, metrics and processes (including economic capital models and advanced analytics) that help CEG make informed underwriting, portfolio management and risk management decisions within a consistent risk/reward framework.
- **Risk Mitigation**: internal controls operated at all levels of the business to mitigate risks within accepted levels, expressed through corporate policies, processes and procedures.
- **Governance**: establish and coordinate risk guidelines that reflect the corporate appetite for risk, monitor exposure accumulations relative to established guidelines, and ensure effective internal risk management communication up to management and the Board, down to the various business units and legal entities, and across the firm.
- **Disclosure and Reporting:** develop protocols and processes for risk-related disclosure and reporting internally as well as externally to rating agencies, regulators and shareholders.

The Risk & Control Register that is maintained on an on-going basis sets out the risks facing CEG, with details on the causes of the risks, consequences of the risks, risk owner, alongside the inherent and residual risk rating. Each risk included within the Risk & Control Register sets out the controls which are in place to mitigate the risk, including how the control is expected to impact the risk (i.e. reducing likelihood of the risk occurring, reducing the severity if the risk materialised or any combination) and the control owner, including a rating on the design and operational effectiveness of the control. Risk and control owners are required to conduct assessments on a regular basis.

B.3.2 Risk Culture

Chubb corporate culture, as adopted by CEG, is based on the values of transparency, trust, communication and dedication to provide Customer value, Employee value and Shareholder value.

Risk culture represents the shared understanding and behavioural attitudes of Chubb's employees towards risk taking. The five CEG's risk culture pillars are:

Training is provided to ensure employee skills are fit and proper and that controls and processes are understood.

Effective Governance through strong governance mechanisms organised by the three lines of defence model. See Section B.3.3.

Risk Aligned Performance and Compensation to guard against imprudent risk taking with material risk taker remuneration aligned to medium and long-term financial results.

Underwriting Best Practices are mandated to provide consistent, exceptional service fostered by effective relationships with brokers and clients. The best practices are largely common with consistent themes and practices although tailored for Property & Casualty and Accident & Health insurance.

Business Conduct customer-oriented standards and processes to maintain standards ensuring fair customer outcomes from the way in which CEG conducts its business. This aim is embedded both within the Code of Conduct and the Conduct Risk Framework.

Chubb recognises the importance of maintaining effective mechanisms for employees (and other persons) to whistle blow or report concerns about the conduct of other employees or about the firm itself, and of the need for such concerns to be properly investigated and addressed. Accordingly, the boards of entities and branches regulated in EMEA mandate that the standards set out in **Whistleblowing Policy** are adhered to at all times.

B.3.3 Risk Governance

Governance and oversight exercised by CEG covers three distinct forms: day-to-day risk management and controls, risk management oversight, and independent assurance. This approach, also known as the Three Lines of Defence Model, operates as follows within CEG:

1st Line: Management and staff in the first line of defence have direct responsibility for the management and control of risk.

2nd Line: Risk Management, Compliance and Actuarial functions have advisory, oversight and monitoring responsibilities over the risks and controls of the 1st line of defence and independent reporting obligations to the Board of Directors and / or Board Committees.

3rd Line: Independently assesses and reports on design and operational effectiveness of the CEG's systems and controls. The 3rd line of defence primarily entails internal audits, external audits, and external actuarial reviews.

Risk management is an active and continuous process within CEG. ERM is embraced by colleagues at all levels of management, starting with the Board of Directors through the business units. Management provides the "tone from the top" on risk management and establishes accountability (e.g., risk ownership) and sponsors key initiatives (e.g., underwriting best practices).

Board and Committees have responsibility for carrying out various aspects of risk governance. The main committees are:

The Board of Directors is responsible for ensuring that CEG operate within an established framework of effective systems of internal controls, risk management and compliance with policies, procedures, internal controls and applicable laws and regulations.

The Audit & Risk Committee is a Board sub-committee with the role of providing oversight of CEG's RMF, overseeing the integrity of CEG's financial accounts/reporting processes and the company's internal audit programme and compliance with internal systems and controls, law and regulation.

The Management Committee is a Board sub-committee with the role to oversee the day-to-day management of business operations and performance and to assist in the implementation and oversight of operational strategies and decisions determined by the Board.

Underlying committees and steering groups (e.g., Finance, Capital & Credit (FCCC), Underwriting Risk Committee (URC), Reserving, Investment and I.T. committees) support the Audit & Risk and Management Committees to fulfil their responsibilities.

One of the key mechanisms by which ERM is put into practice for CEG is through the role of executive and senior management. The associated collaboration and communication by senior executives ensure transparency and consistency in the application of ERM across the organisation while expediting the flow of relevant information necessary for effective risk management. In this structure, business unit and functional leaders are expected to manage risks, maintain effective controls and rapidly elevate to management where necessary with ERM providing the mechanism to analyse and aggregate risks across the business units and functions.

The Risk Management Key Function Holder reports to the Management Committee, Audit & Risk Committee and Board with sufficient oversight of the ERM framework and risk exposures, focusing on key risks which are evolving and those which are approaching risk appetite.

B.3.4 ORSA Process, Documentation and Review

Solvency II regulation defines the ORSA as 'the entirety of the processes and procedures employed to identify, assess, monitor, manage, and report the short and long term risks a firm faces or may face and to determine the own funds necessary to ensure that overall solvency needs are met'. In order to comply with Solvency II regulation, CEG has established a formal ORSA process which sets out the list of activities that CEG undertakes in order to conduct a risk and solvency assessment.

The ORSA is an integral part of the overall Risk Management Framework and is a process which is conducted throughout the year to support the normal running of business within CEG. An overview of the key elements which make up the ORSA is shown below:

Summary of the ORSA process

NTR: Net To Region i.e. excluding the effects of internal reinsurance programs.

LE/Stat.: Statutory Net i.e. including the effects of internal reinsurance

The Risk Management Function co-ordinates each element of the ORSA shown above with subject matter experts across the business. The results of the analysis are reported to the Management Committee, Audit & Risk Committee and Board throughout the year.

The outcomes of the ORSA process are documented within the ORSA report. An ORSA Report is produced at least annually and is approved by the Board. In addition to standard annual ORSA reports, additional ad-hoc ORSA related reports may be produced. Examples of ad-hoc ORSA reports that may be produced include but are not limited to: change in risk profile; substantial changes in business structure or strategy; request from the Board; and responses to external events.

Quarterly risk management activities also complement the annual ORSA Report through reporting of the risk profile, assessment of solvency, review of metrics against defined risk tolerances and exposure monitoring.

One of the key elements of the ORSA is determining an appropriate level of capital to hold the CEG's Capital Management that ensure there is sufficient capital to meet current and prospective strategic objectives, statutory and regulatory requirements; and appropriate consideration given to the potential for the distribution of capital, where CEG risk appetite for solvency coverage is expressed as a percentage of the Solvency Capital Requirement (SCR) is summarised as:

- 100% of the SCR excluding its offset to allow for expected profit, subject to a minimum of 120% of the SCR; and a maximum of 140% of the SCR
- Preferred Minimum Capital ("PMC"): greater than 110% of the SCR
- Regulatory Minimum Capital: greater than 100% of the SCR

B.3.5 Significant Risks captured in the ORSA Capital

Analysis as at 31 December 2023 had concluded that it was appropriate to set ORSA Capital of €1,846m based on the One-Year Internal Model SCR of €1,678m plus a 10% buffer, corresponding to the Preferred Minimum Capital.

Whilst analysis as at 31 December 2024 on ORSA Capital is ongoing at the time of writing this report, no deviation from the SCR amount is expected. Based on the analysis of risk coverage, other emerging and topical risks including international sanctions, economic and social inflation, deteriorating geopolitical environment, threats of cyber-crime on information security, Environmental, Social and Governance (ESG) regulatory requirements (including Climate Change) and third party oversight are already considered to be captured within the SCR.

B.4 Internal Control System

B.4.1 Internal Control System

CEG has an Internal Control Framework which sets out the responsibilities and standards required to facilitate an effective system of internal control and to monitor its effectiveness. There are five key components within CEG's Internal Control Framework:

1. **Control Environment** – Sets the tone of the organisation, influencing the control consciousness of its people.
2. **Risk Assessment** – The identification and analysis of relevant risks to the achievement of CEG's objectives.
3. **Control Activities** – Proper governance and documented Board approved policies help ensure management directives are carried out and necessary actions are taken to address CEG's risks.
4. **Information & Communication** – An efficient flow of information throughout the organisation is necessary for informed business decision making and external reporting.
5. **Monitoring & Assurance** – The assessment of the quality of the Internal Control system's performance over time.

Financial controls are designed to protect assets and identify liabilities, ensure accurate and timely reporting, support planning and analysis and meet the requirements of Group, statutory and regulatory reporting. They include controls designed to meet the Sarbanes Oxley reporting requirements.

Other controls include those contained within the Underwriting Framework, Risk Management Framework, Business Compliance Framework, Conduct Risk Framework, Information Security Framework, Third Party Risk Management Framework and Operational Resilience Framework. Where activities are outsourced to external agents, prior due diligence and ongoing audit processes are carried out to ensure that agents meet control standards.

Controls are designed to align with the standards and guidance produced by CEG's ultimate holding company as well as local requirements and good practice. Each business unit head and key function's head of management is responsible for the satisfactory design and operation of controls over risks applicable to that business unit or function. All employees have a role in maintaining the appropriate culture of internal control and are required to be knowledgeable of and comply with the Internal Control Framework and any related group or local Policies and Procedures.

Internal controls are tested by the Internal Audit function according to a cycle agreed by the Audit & Risk Committee, and by the External Auditor during the Auditor's reviews of statutory and other financial reporting. Weaknesses and misstatements are identified to the Audit & Risk Committee, together with a programme for remediation.

B.4.2 Compliance Function

The Compliance function is a second line of defence function (see section B.1.2 for details), operating separately from the commercial units of the business. The Regional Compliance Officer, with defined responsibilities as Key Function Holder, reports to the General Counsel, who oversees the Legal & Compliance function.

The function also has a reporting line to the Audit & Risk Committee, providing it with regular reports of activity, outcomes and progress against the annual Compliance Plan. The Committee has oversight of the resourcing of the Compliance function.

In 2024, the Compliance function comprised 41 FTE, who operate via a "hub and spoke" model supporting Chubb's activities across the Europe, the Middle East and Africa (EMEA) region. There are specialists in the regional team who have region-wide responsibilities. There are also dedicated local Compliance staff based in offices throughout EMEA who are responsible for compliance activities in a given territory. The local Compliance staff support the delivery of the Compliance Plan and perform core compliance activities such as transactional monitoring, providing advice, and delivering training to staff in their countries or country clusters.

The regional team is organised into the following groups:

- **Compliance Monitoring Team**, which is responsible for monitoring and assessing the adequacy and effectiveness of the measures and procedures in place to comply with regulatory obligations and internal policies at both local and regional levels.
- **Financial Crime Team**, which is responsible for assessing the financial crime risk to Chubb and maintaining a robust financial crime control framework across EMEA, in line with applicable legal and regulatory requirements and Chubb Group standards. Areas covered include sanctions, anti-money laundering & counter terrorist financing, anti-bribery & corruption, non-claims fraud and market abuse.
- **Compliance Policy team,** which is responsible for managing the review process for Compliance frameworks, policies and procedural guidelines. The Policy team monitors trends and developments in the legal and regulatory environment, undertakes impact assessments and communicates legal and regulatory changes to the business. It also co-ordinates the management of Breaches & Incidents across the region and manages specific regulatory change programmes and projects.
- **Compliance Training Team,** which is responsible for developing and overseeing regional compliance training solutions and works closely with the business and other staff to develop e-learning, topical face-to-face learning modules and briefing sessions.
- **Regulatory Services Team,** which oversees regulatory interactions across the region. It manages all applications and notifications required under fit and proper regimes. It is also responsible for regulatory reporting to UK and French regulators and for managing or overseeing licence applications.
- **Conduct and Product Governance,** which deliver Compliance's second line role in relation to product governance;

The Regional Compliance Officer develops and maintains an annual Compliance Plan, which is developed alongside the work of the other assurance functions and agreed by the Audit & Risk Committee. The Plan aligns Compliance function activities with the identified aims of the regulators of the insurance business in the areas in which CEG operates and seeks to ensure all significant activities and related risks are identified, managed and controlled in line with Board-approved compliance risk appetite and strategic intention. Resources are deployed according to the needs of the plan.

As a component of the Global Compliance function, the CEG Compliance team operates under the Global Compliance Charter, which sets out the fundamental principles, roles and responsibilities of the Compliance function (and its global, regional and local personnel) within the organisation as well as its relationship with executive management, the Board of Directors and the business and operational functions.

B.5 Internal Audit Function

B.5.1 Internal Audit Function

The Internal Audit function is a 'third line of defence' assurance function (see section B.1.2 for details) which is independent of commercial business units and other assurance functions. The Head of Internal Audit reports to the Chubb Group Chief Auditor and has a further reporting line to the Audit & Risk Committee.

The team is based principally in London but carries out audits throughout the geographical areas in which CEG operates. Operational and Information Technology teams perform audits and control walkthroughs of CEG's operations, identifying key risk exposures and assessing the design and effectiveness of risk management, controls, and governance processes. Audits encompass the reliability and integrity of management and financial information processes; compliance with significant policies, plans and regulations; governance processes and risk management.

In addition to the head office-based team described above, the function has access to the following Group resources:

- Global Financial Compliance Team, which coordinates global reporting of the status of internal controls over financial reporting including Sarbanes Oxley compliance. This team reports into the Chief Auditor of Chubb.
- Global Fraud Investigation Unit, which investigates potential frauds involving employees and business partners. The Unit also monitors anti-fraud programmes and increases fraud risk awareness among management and employees and performs proactive fraud audits. This team reports into the General Counsel of Chubb Limited.

Internal Audit is entitled to request and receive any information and/or explanations required to achieve its objectives. The function will have full access to all records, personnel or physical property and, without limitation, information and data held within any systems or databases.

An annual risk assessment is carried out in preparation of an Annual Audit Plan (aligning activity in conjunction with the external auditors and other assurance functions, where relevant) taking account of strategic objectives, risk exposures, and the Company's risk appetites. The Plan is reviewed by the Audit & Risk Committee and approved by the Board. The Audit & Risk Committee has oversight of the resources needed to complete the plan and regularly reviews progress against plan and management's implementation of Internal Audit's recommended remediations.

B.5.2 Independence and Objectivity

CEG's Internal Audit function performs work in accordance with International Standards for the Professional Practice of Internal Auditing, the code of ethics, and the definitions of internal auditing such as those mandated by the Institute of Internal Auditors. It also operates within the scope of a Group Internal Audit charter that mandates independence from management's responsibilities and includes a Group level process for review of standards. Internal Audit staff are subject to all ethical principles outlined in the Chubb Code of Conduct.

Internal Audit has unrestricted access to the Board and its committees and regularly meets with the Audit & Risk Committee without management being present.

CEG's executive management is held directly responsible for maintaining an effective system of governance, risk management, and internal controls, including proper accounting records and appropriate management information, for devising and implementing action plans required to improve governance, risk management, and controls. In addition, management is responsible for monitoring and reporting on outstanding management action plans agreed in response to Internal Audit reports.

Internal Audit is not responsible for managing the operations subject to audit and will not assume responsibility for the design, implementation, operation or control over any part of business processes or systems.

The Group Chief Auditor is responsible for periodically providing a self-assessment on internal audit activity consistent with the Audit Charter (including purpose, authority, responsibility, IIA Standards and performance relative to its plan. In addition, the Group Chief Auditor will communicate to senior management and the Audit & Risk Committee on Internal Audit quality assurance and improvement programme, including results of ongoing internal assessments and external assessments conducted at least every five years.

B.6 Actuarial Function

The Chief Actuary, as head of the Actuarial Function, is responsible to the Board, reports functionally and administratively to the Chief Financial Officer, and has an additional reporting line to the Audit & Risk Committee. The function does not make underwriting or reinsurance purchase decisions and is operationally independent from the Risk Management, Compliance and Internal Audit functions. It has unfettered access to information from any part of the business that impacts the risk profile of the Company.

The function supports the business in achieving its overall strategic and risk objectives, by carrying out a number of inter-related activities (Reserving, Pricing, Catastrophe Risk Management, Planning, Portfolio Management, Ceded Reinsurance Analysis, Business Intelligence and Regulatory Reporting) described below. Involvement in this wide range of activities enables the function to provide its required reports on technical provisions, overall underwriting policy, reinsurance adequacy and its contribution to risk management.

Risk Management: Given the skill set of the Actuarial Function and its knowledge of the business it is well positioned to work with and support the Risk Management function at Chubb. The Actuarial function plays a key role in contributing to the effective implementation of the risk management system, in particular with respect to the risk modelling underlying the calculation of the capital requirements.

Reserving: The reserving process is owned by the Actuarial function and conducted in accordance with agreed terms of reference. The reserves booked for the purposes of financial statements are the responsibility of the Board. The function provides information to the Reserve Committee, an Executive sub-committee, which meets quarterly and arrives at a view of reserves, which is then discussed with management, the Audit & Risk Committee and the Board.

The Actuarial function's role in reserving includes: coordinating the calculation of Technical Provisions as a whole; selecting appropriate methods and assumptions for each element of the reserve calculation; ensuring the appropriateness of the methodologies and underlying models used as well as the assumptions made in the calculation of technical provisions; assessing the sufficiency and quality of the data used in the calculation of technical provisions; comparing best estimate against experience; reviewing sufficiency of reserves; calculation of a range of reasonable estimates; arranging appropriately independent external review and peer review of assumptions and calculations.

Pricing: The role of pricing and planning is kept separate from reserving and supports underwriters in the management and segmentation of their portfolios and the implementation and maintenance of a pricing framework appropriate to each line of business.

Catastrophe Risk Management: The Catastrophe Risk Management function provides management with information and tools to empower them to understand, quantify and manage their catastrophe exposures. It monitors natural and man-made insurance risk concentration against benchmark risk appetite.

Portfolio Management: Members of the Actuarial Function work with the underwriters to understand the drivers of the performance of the book.

Ceded Reinsurance Analysis: The Actuarial Function supports the business by assisting with the analysis and pricing of ceded reinsurance.

Business Intelligence: The function supports a number of bespoke financial systems and develops systems for data management and reporting.

B.7 Outsourcing

CEG outsources certain internal administrative functions and the administration of a number of customer service operations . A formal policy has been adopted for control of the risks associated with outsourcing.

B.7.1 Outsourcing Policy

Outsourcing of all regulated activities is carried out in accordance with the Outsourcing policy. This policy identifies the executive accountable for each process connected with outsourcing arrangements, as set out in the policy. These are:

- The completion of a risk assessment that considers financial, operational, conduct and other regulatory risks.
- The completion of a business case which includes a clear rationale for outsourcing and evidence that appropriate oversight and safeguards are in place to enable a subsequent decision to be made.
- The notification to Compliance of any potential outsourcing arrangement assessed to be critical or important.
- The approval of all critical or important outsourcing arrangements by the Board.
- The conduct of a due diligence exercise prior to appointment of an outsourced service provider that establishes the performance capabilities of the service provider, and that a satisfactory control environment exists in that provider's operation.
- The signing of a legally binding contract, to include the activities to be performed, performance standards and information requirements.
- The systematic monitoring and oversight of the outsourced provider in accordance with the level of risk in the risk assessment, together with periodic reviews of the arrangement.
- The resolution of any identified adverse incidents and the reporting of material adverse incidents to the Management Committee with an accompanying remediation plan.
- The development of business continuity and exit plans before an outsourcing arrangement commences, and the regular testing and review of such plans.
- Compliance with all applicable laws and regulations.

The business lines and Claims functions carry out periodic risk-based performance audits of the services provided and manage any necessary remediation activity arising from those audits.

Compliance by the business with this policy is continuously monitored by the Compliance function.

Aggregated outsourcing risk is monitored by the Risk Management function.

The Internal Audit functions may include periodic assessments of outsourcing arrangements in its activities as part of its risk-based audit plans, as approved by the Audit & Risk Committee.

B.7.2 Outsourcing of Critical or Important Activities

The table below shows all critical or important outsourcing arrangements entered into by, or for the benefit of, CEG, including the jurisdiction in which the service provider is located:

Outsourced provider	Function	Service provided	Country of domicile
Ares Management Limited	Investments	Provision of investment management services	UK
Blackrock (Netherland) BV	Investments	Provision of investment management services	Netherlands
Bamboo	Claims	Claims Management activities	UK
Chubb Business Services EMEA	IT	IT Application Support & Development	Greece
Crawford & Company Adjusters Limited	Claims	Claims Handling	UK
Genpact UK Limited	Finance / Policy Management/ Claims	Business Process Outsourcer supporting back-office activities	UK
Goldman Sachs International	Investments	Provision of investment management services	UK
Siemens Industry Software Ltd "Mendix"	IT	IT Cloud Provider	UK
Media Maker	IT	IT Application Support & Development	UK
Microsoft Corporation	IT	Multiple IT Services including Cloud Provider	US
Oaktree Capital Management LP	Investments	Provision of investment management services	US
Pimco Europe GmbH	Investments	Provision of investment management services	Germany
Rackspace	IT	IT hosting service	Switzerland
Respond Group Limited	IT	Supplier of complaints management system	UK
Sedgwick International UK	Claims	Claims Management activities	UK
State Street Bank International GmbH Paris branch	Investments	Provision of investment custody services	Germany
Teleperformance Ltd	Claims / Policy Management	Claims and Complaints Handling	UK
Web Connectivity Limited	IT	Customer service and insurance distribution	UK
Webhelp SFIA / Webhelp Nederland BV	Policy Management, Claims	Customer Service & insurance distribution / Claims INCL policy administration and complaints handling	Netherlands
Wellington Management International Ltd (Germany)	Investments	Provision of investment management services	Germany

Adequacy of System of Governance

CEG has a documented corporate governance framework, the purpose of which is to exercise oversight and control over the management of the business in all its geographical locations and to disseminate key information effectively to the necessary recipients.

The Company has a number of formal committees and sub-committees, described in section B1.1 of this report, which provide oversight over the Company's diverse business units and functions. The heads of the functions and business units report to the Regional President (except for the Actuarial and Internal Audit functions, the former which report via the Regional Chief Financial Officer and the latter reporting to the Chubb Group Chief Auditor and the Audit & Risk Committee).

The Board has approved a number of policies that govern how certain key areas of the business, and the risks inherent to them, are controlled and reported.

Additional oversight and control is obtained via a "three lines of defence" model whereby the Compliance and Risk Management (Second Line) functions monitor key activities independently of the controls and indicators employed by the (First Line) business and functions. Internal Audit (Third Line) carries out further independent testing and reports outside of the First and Second Line structures.

The Board includes as members several non-executive directors to provide alternative experience and viewpoints and to challenge executive management decisions and the basis on which those decisions are made.

The Board believes these governance arrangements to be appropriate and effective for the operations that CEG carries out.

B.8 Any Other Information

All material information regarding CEG's system of governance has been described in sections B1 – B7 above.

C. Risk Profile

The Risk Management Framework classifies individual risk sources across its landscape into four major categories: insurance, financial, operational and strategic. Insurance is Chubb's primary risk category; the three other risk categories present an exposure primarily from that assumption of insurance risk. Other risks, including group risk and emerging risk are also considered.

There have been no other material changes in the quantification of risk.

C.1 Insurance Risk

C.1.1 Risk Description

The principal risks from the company's insurance and reinsurance businesses arise from its underwriting activities, both prospective and retrospective. Key risks include unexpected losses arising from inaccurate pricing, fluctuations in the timing, frequency and severity of claims compared to expectations, inadequate reinsurance protection and inadequate reserving.

Risk Category	**As at 31 December 2024 (€000s)**	**As at 31 December 2023 (€000s)**	**Movement (€000s)**
Insurance Risk	1,210,302	1,315,014	(104,711)
Market Risk	831,950	811,685	20,265
Credit Risk	203,193	215,811	(12,618)
Operational Risk (incl. Group Risk)	321,477	315,529	5,948
Other Risk (incl. Pension Risk, Liquidity Risk and Capital add-on)	57,374	61,699	(4,325)
Diversification	(1,038,669)	(1,041,529)	2,860
Total Solvency Capital Requirement including capital add-on	**1,585,628**	**1,678,209**	**(92,582)**

C.1.2 Risk Measures and Risk Mitigation Techniques

A number of measures are in place to measure, mitigate and monitor underwriting risk. Examples include, but are not limited to, the following:

- Underwriting risks and line sizes are continually monitored. Each underwriter is given an authority based on technical expertise and experience to bind risks that fall within specified classes of insurance and specified maximum limits.
- Formal price monitoring procedures are in place and form part of the standard management statistics. These procedures contribute to the quarterly actuarial review whereby the loss outcome of the underwriting activity is continually re-assessed and considered by the Reserve Committee.
- With such a large and diverse book, it is vital that the aggregate exposures be continually monitored, and adjustments made to the underwriting profile as appropriate. Chubb operates a dedicated catastrophe

management function independent of underwriting management, whose responsibility is to model aggregate risk and assist with the pricing of this risk, providing a key control to the underwriting process.
- Reserving risk is carefully managed through reserve reviews on long-tail and short-tail lines that are performed periodically through the year. Further mitigation techniques include actual versus expected monitoring, internal actuarial and independent reserve reviews.
- Reinsurance is used to help mitigate some of the above insurance risk. However, the possibility of reinsurance risk itself arises when reinsurance purchasing either proves inadequate in amount, fails to protect the underlying coverage, or falls short when the reinsurer fails to pay. Refer to section c.3.2.1 for intra group reinsurance credit risk mitigation technique.
- The Solvency Capital Requirement as calculated by the Internal Model includes an assessment and quantification of the underwriting risk exposure.
- Risk and control assessments are carried out throughout the year by management and staff which are subject to review and challenge by Risk Management for the on-going monitoring of the risk profile of the company.
- Specific targeted risk assessments are carried out throughout the year by Risk Management focused on particular areas as initiated by the Risk Management Function, the Audit & Risk Committee, the Underwriting Risk Committee, the Board or the business.

As at 31 December 2024, there are no material risk exposures or changes required to the risk mitigation techniques anticipated over the business planning period as those currently in place remain appropriate.

C.1.2.1 Reinsurance

As part of Chubb risk management strategy, the Company purchases internal and external reinsurance protection to mitigate its exposure to losses, to a level consistent with the risk appetite. Chubb maintains a strict authorised reinsurer list that stratifies authorised reinsurers by classes of business and acceptable limits. This list is maintained by our Global Reinsurance Security Committee. In addition, to the authorised list, there is a formal exception process that allows authorised reinsurance buyers to use reinsurers already on the authorised list for higher limits or other non-approved reinsurers for specific purposes.

CEG regularly review the appropriateness of its reinsurance protections. This may or may not lead to the purchase of additional reinsurance prior to a program's renewal date. In addition, prior to each renewal date, CEG considers how much, if any, coverage it intends to buy and may make material changes to the current structure considering various factors, including modelled probable maximum loss assessment at various return periods, reinsurance pricing, our risk tolerance and exposures and various other structuring considerations. CEG evaluates the financial condition of our reinsurers and potential reinsurers on a regular basis and monitors concentrations of credit risk with reinsurers.

C.1.2.2 Transfer of Risks to Special Purpose Vehicles ("SPVs") and Fully Funded Principle

The Global Catastrophe reinsurance programme accesses capacity from traditional reinsurers on an excess of loss basis as well as collateralized reinsurers. The collateralized reinsurers are subject to regulatory oversight from their local regulatory authority, being either the Bermuda Monetary Authority or Guernsey Financial Services Commission.

Each of the collateralized reinsurers are collateralised by a separate Trust Account with Chubb being the sole beneficiary.

C.1.3 Risk Concentration

The tables below outline the gross written premium based on Solvency II line of business and region, as at 31 December 2024. As the company writes a diverse book of business across a number of underwriting classes and regions, there continues to be no material concentrations of risk as at 31 December 2024.

Gross Written Premium based on SII Line of Business as at 31 December 2024 and 2023

SII Line of Business	Gross premiums written €'000	Percentage of total gross written premium	Gross premiums written €'000	Percentage of total gross written premium
	2024		2023	
Income protection	37,076	1%	40,435	1%
Motor vehicle liability	48,928	1%	43,832	1%
Other motor	66,727	1%	57,664	1%
Marine, aviation and transport	755,040	11%	762,813	12%
Fire and other damage to property	2,914,880	41%	2,530,337	39%
General liability	2,307,550	32%	2,154,240	33%
Credit and suretyship	282,510	4%	262,222	4%
Miscellaneous financial loss	651,766	9%	613,397	9%
Non-proportional casualty	304	0%	4,583	0%
Non-proportional marine, aviation and transport	8,625	0%	8,285	0%
Non-proportional property	42,303	1%	21,806	0%
Total	**7,115,707**	**100%**	**6,499,614**	**100%**

Gross Written Premium based on Geographical Regions as at 31 December 2024 and 2023

Region	Gross premiums written €'000	Percentage of total gross written premium	Gross premiums written €'000	Percentage of total gross written premium
	2024		2023	
United Kingdom	3,477,796	49%	3,180,944	49%
France	1,016,275	14%	900,485	14%
Germany	563,300	8%	477,661	7%
Italy	385,863	5%	364,023	6%
Netherlands	378,018	5%	361,404	6%
Spain	375,190	5%	341,822	5%
Other countries	919,265	13%	873,275	13%
Total	**7,115,707**	**100%**	**6,499,614**	**100%**

Gross Technical Provisions based on SII Line of Business as at 31 December 2024 and 2023

SII Line of Business	Gross technical provisions €'000	Percentage of total technical provisions	Gross technical provisions €'000	Percentage of total technical provisions
	2024		2023	
Income protection	30,855	0.3%	26,522	0.3%
Motor vehicle liability	144,394	1.6%	133,440	1.6%
Other motor	9,526	0.1%	1,955	0.0%
Marine, aviation and transport	882,083	9.8%	885,611	10.6%
Fire and other damage to property	1,746,935	19.4%	1,645,227	19.8%
General liability	5,461,907	60.8%	4,951,992	59.5%
Credit and suretyship	217,962	2.4%	242,276	2.9%
Miscellaneous financial loss	242,717	2.7%	214,468	2.6%
Non-proportional health	0	0.0%	2,257	0.0%
Non-proportional casualty	167,447	1.9%	194,537	2.3%
Non-proportional marine, aviation and transport	70,806	0.8%	22,891	0.3%
Non-proportional property	7,947	0.1%	(679)	0.0%
Total	**8,982,579**	**100%**	**8,320,497**	**100%**

C.1.4 Risk Sensitivity

There is inherent uncertainty in the ultimate cost of claims for which the company uses a variety of different actuarial techniques to estimate the provision for claims outstanding. If the net claims ratio for the year had been higher by 1%, then the profit for the financial year would have been lower by €39 million and the Solvency Capital Requirement would have been higher by €27 million.

C.2 Market Risk

C.2.1 Risk Description

Financial risk includes a wide range of risks associated with activities such as investments, credit, liquidity, and the impact of foreign exchange fluctuations. Market risk, a type of financial risk is the potential losses from adverse movements in market prices such as interest rates and foreign exchange rates. Other financial risks particularly, credit and liquidity risks are covered below in sections C.3 and C.4 respectively.

C.2.2 Risk Measures and Risk Mitigation Techniques

A number of measures are in place to measure, mitigate and monitor market risk. Examples include, but are not limited to, the following:

- The company's Investment Committee functions under terms of reference determined by the Management Committee of the Board and is charged with establishing and effecting an appropriate investment policy. In addition, the Committee has the responsibility for recommending the appointment and removal of investment managers, reviewing the managers' performance and reporting on all other material aspects of the investment function.

  The Investment Committee has established a broad asset allocation policy which defines the limits for different asset types. The asset allocation cites two major asset classes: investment grade fixed income securities and alternative assets. Alternative assets can include equities, high-yield and emerging market instruments.

- Investment management agreements have been established. The agreements include specific guidelines for each individual portfolio to limit risks arising from duration, currency, liquidity, credit and counterparty exposures. The managers provide quarterly affirmation of compliance with the guidelines. The investment guidelines include specific limits on exposure to individuals to minimise any concentration risk.
- The investment guidelines include restrictions relating to the maximum weighted average duration of the portfolio. The restriction is stated by reference to the permissible duration variance compared to the customised benchmark index by which the external investment managers' performance is assessed. The benchmarks have been established to provide comparable duration to the insurance liabilities.
- Additionally, investment guidelines allow managers to invest a portion of the individual portfolios in securities not denominated in the designated core currency of the portfolio. The investment management agreements stipulate that the majority of any exposure to non-core currencies must be hedged to reduce mismatching risk, and these allocations are reviewed by the Investment Committee.
- The company's exposure to equity price risk is moderated through the asset allocation policy, which limits this category of asset and the investment guidelines. The investment guidelines restrict individual equity holdings relative to the size of the portfolio and the benchmark constituents. No equities were held by the company during the year.
- The Solvency Capital Requirement as calculated by the Internal Model includes an assessment and quantification of the market risk exposure.
- Risk and control assessments are carried out throughout the year by management and staff which are subject to review and challenge by Risk Management for the on-going monitoring of the risk profile of the company.
- Specific targeted risk assessments are carried out throughout the year by Risk Management focused on particular areas as initiated by the Risk Management Function, the Audit & Risk Committee, the Board or the business.

As at 31 December 2024, there are no material risk exposures or changes required to the risk mitigation techniques anticipated over the business planning period as those currently in place remain appropriate.

C.2.3 Prudent Person Principle

The assets held by the company are compliant with the Solvency II Directive, specifically, the prudent person principle as applied to market risks. The assets held are appropriately understood and the associated risks have been identified, measured, and taken into account in the company's overall solvency needs assessment. The assets held to meet the MCR and SCR meet the required security, quality, liquidity, and availability. The duration of the assets is closely matched to the liabilities. The company invests in some derivative instruments. All other assets are held by counterparties through vehicles that are subject to a regulated financial market.

C.2.4 Risk Concentration

The table below outlines the Solvency II value of the financial investments as at 31 December 2024 and 2023.

Financial Investments	**Solvency II value €'000**	**Solvency II value €'000**
	2024	**2023**
Equities	22,484	16,292
Government bonds	686,125	720,962
Corporate bonds and other loans and mortgages	5,502,953	5,427,833
Collateralised securities	543,349	461,020
Collective investment undertakings	164,678	148,870
Derivatives	(4,185)	(9,596)
Deposits other than cash equivalents	69,635	39,025
Total investments	**6,985,039**	**6,804,406**

Future concentrations of risk anticipated over the business planning period are identified through Market and Liquidity Risk management information which includes information on asset allocations, the year-to-date performance of asset types and any concerns regarding the investment portfolio.

As the company remains in line with the asset allocation policy and investment guidelines, and no additional concerns have been raised through the Risk management information process, there are no material concentrations of risk anticipated over the business planning period.

C.2.5 Risk Sensitivity

Sensitivity analysis for interest rate risk illustrates how changes in the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates at the reporting date. To illustrate the downside risk within the fixed income portfolio to at external managers as at 31 December 2024, an increase of 100 basis points in interest yields across all portfolios consecutively (principally Sterling, Euro and US dollars) has been calculated. Such an increase would decrease the market value of the investment portfolio by €268 million and the Solvency Capital Requirement would have decreased by €45 million based on impact on investment reduction and technical provision reduction.

Equity holdings represent only a small proportion of the total investment portfolio. If the value of all equity markets in which the company invests decreased by 10%, with all other variables held constant, the total investment return would decrease by €1 million and the Solvency Capital Requirement would have marginally increased by less than €2 million.

Sensitivity analysis for currency risk illustrates how a change in the value of Euro against other currencies impacts the balance sheet and SCR. CEG balance sheet is dominated in Euro, GBP and USD major currencies. If Euro is weakened by 10% against other currencies and all other variables remained constant, the balance sheet would be strengthened by €231m which reflects the offsetting effect from both assets and liabilities. The Solvency Capital Requirement would have increased by €92 million.

C.3 Credit Risk

C.3.1 Risk Description

The company is exposed to credit risk, where material sources of this risk arise from investment in asset portfolios, use of reinsurance and involvement with other counterparties. The company relies on both external reinsurance providers and internal reinsurance providers within the Chubb group. Risks associated with internal reinsurance are discussed further within Section C.3.2.1.

C.3.2 Risk Measures and Risk Mitigation Techniques

A number of measures are in place to measure, mitigate and monitor credit risk. Examples include, but are not limited to, the following:

- The investment guidelines seek to limit the credit risk of each of the portfolios through specifying eligible/ineligible investments, setting maximum counterparty exposures and setting minimum weighted credit and individual issuer credit quality.
- Reinsurance guidelines are in place to seek to limit the credit risk associated with reinsurance through specifying approved / unapproved reinsurers, setting minimum individual issuer credit quality and setting maximum counterparty exposures by credit quality.
- The Solvency Capital Requirement as calculated by the Internal Model includes an assessment and quantification of the credit risk exposure within the market risk and counterparty default risk calculations.
- Risk and control assessments are carried out throughout the year by management and staff which are subject to review and challenge by Risk Management for the on-going monitoring of the risk profile of the company.
- Specific targeted risk assessments are carried out throughout the year by Risk Management focused on particular areas as initiated by the Risk Management Function, the Audit & Risk Committee, the Board or the business.

As at 31 December 2024, there are no material risk exposures or changes required to the risk mitigation techniques anticipated over the business planning period as those currently in place remain appropriate.

C.3.2.1 Intra Group Reinsurance Credit Risk Mitigation

The use of intra-group reinsurance, a risk mitigation technique used to mitigate its exposure to losses, is considered a Group risk. Internal reinsurance within Chubb in particular leads to the risk of reinsurance concentration and exhaustion. The main three internal reinsurers are Chubb Tempest Re (CTRe), and ACE INA Overseas Insurance Company Limited ("AIOIC"), and Chubb Bermuda Insurance Limited (CBIL). The latest exposure information is monitored quarterly within the Intra Group Credit Risk Management Information against the Intra Group Risk Appetite statement within Chubb.

A Trust Fund has been set up on behalf of CEG to mitigate the Intra group credit risk. The Trust Fund is in addition to the existing floating charge arrangement. In accordance with the Trust agreement, the Trust Fund amount can only be reduced either by CEG's capital going up or CEG's exposure to Chubb Group entities going down.

Whilst there is technically no current requirement to maintain an amount in the Trust Fund (due to the capital position of CEG), the Trust was valued at €683 m as per end of 2024.

C.3.3 Risk Concentration

The assets bearing credit risk are:

Asset category	Solvency II value €'000	Percentage of total Solvency II value	Solvency II value €'000	Percentage of total Solvency II value
	2024		2023	
Investments	6,985,039	54%	6,804,406	57%
Reinsurance recoverables	5,473,189	42%	4,549,017	38%
Insurance and intermediaries receivables	13,553	0%	55,844	0%
Reinsurance receivables	568,491	4%	512,668	4%
Receivables (trade, not insurance)	(148,907)	-1%	(51,065)	0%
Total assets bearing credit risk	**12,891,366**	**100%**	**11,870,869**	**100%**

The Standard and Poor's credit ratings for the investments net of accrued interest of €82,142k is shown below:

Asset Category	Investments €'000	Investments €'000
	2024	2023
AAA	228,071	260,227
AA	1,305,374	1,122,050
A	2,017,625	1,802,272
BBB	1,846,854	2,062,779
Below BBB or unrated	1,418,629	1,426,648
Total investments	**6,816,553**	**6,673,976**

The average credit quality of investment portfolios using Standard and Poor's ratings remained high throughout the year and at year end was "A". This is comparable to the previous year ("A"). CEG had €22 million equity holdings in 2024 year end (2023: €16 million).

Where appropriate the company seeks to obtain collateral from counterparties to mitigate the credit risk exposure from insurance and reinsurance receivables. On 31 December 2024 the collateral provided to the company totalled €207 million (2023: €365 million).

The maximum exposure of receivables to credit risk at the balance sheet date is the carrying value less any collateral obtained from counterparties. For the purpose of this disclosure 'receivables' comprises 'Reinsurers' share of technical provisions', 'Debtors arising out of direct insurance operations' and 'Debtors arising from reinsurance operations'. At the balance sheet date, the maximum exposure of receivables to credit risk was €5,849 million.

The company is exposed to credit risk concentration from internal reinsurance.

C.3.4 Collateral Arrangements

C.3.4.1 Collateral Provided

Details of collateral arrangements

Collateral Arrangement	Nature of Collateral	Value of Assets provided €'	Actual and Contingent Liabilities created by Collateral €'	Material Terms and Conditions
Citibank NA Letter of credit facility ("LOC")	Cash and investments	61.7m	Nil	LOCs to cover Trust Fund and US cedant liability requirements relating to Surplus Lines business written by CEG as an "Alien non-admitted insurer".

C.3.4.2 Collateral Held

As at 31 December 2024, collateral provided to the company comprised of:

Details of collateral arrangements

Collateral Arrangement	Value of collateral held €'000	Material Terms and Conditions
Letter of credit	170,193	Clean, irrevocable and evergreen
Trust fund	35,756	Ring-fenced for beneficial ownership of CEG
Cash	624	Held in separately identifiable Chubb bank account
Total	**206,573**	

CEG does not sell or re-pledge collaterals.

C.3.5 Risk Sensitivity

There are no sensitivity tests in respect to credit risk and this risk is predominantly impacted by concentrations of risk. Sensitivity in respect to credit spread risk is covered in section c.2.5 Risk Sensitivity.

C.4 Liquidity Risk

C.4.1 Risk Description

Liquidity risk is the potential that the company is unable to meet its payment obligations as they fall due.

C.4.2 Risk Measures and Risk Mitigation Techniques

A number of measures are in place to measure, mitigate, and monitor liquidity risk in addition to those described above for market risk. Examples include, but are not limited to, the following:

- The company maintains funds in the form of cash or cash equivalents to meet known cash flow needs.
- The asset allocation policy and the investment guidelines are structured in order to ensure that funds are predominantly held in readily realisable investments.
- The company also benefits from Chubb Limited Group letter of credit facilities which are available to meet certain funding needs if required, although no such facilities are currently utilised by the company.
- The company participates in a notional pooling programme with other Chubb Limited Group companies enabling the company to access immediate short-term liquidity.
- Risk and control assessments are carried out throughout the year by management and staff which are subject to review and challenge by Risk Management for the on-going monitoring of the risk profile of the company.
- Specific targeted risk assessments are carried out throughout the year by Risk Management focused on particular areas as initiated by the Risk Management Function, the Audit & Risk Committee, the Board or the business.

As at 31 December 2024, there are no material risk exposures or changes required to the risk mitigation techniques anticipated over the business planning period as those currently in place remain appropriate.

C.4.3 Risk Concentration

The bulk of CEG's investment portfolio is held in highly liquid instruments. As at 31 December 2024, a significant portion of the company's investment portfolio is held in cash, cash equivalent or highly rated sovereign and corporate fixed income securities which provides a material margin over and above planned operating cash flows.

Actual concentrations of risk anticipated over the business planning period are identified through the quarterly Market and Liquidity Risk management information which includes the following as at 31 December 2024:

Liquidity Risk Management Information	**2024**	**2023**
Available "free funds" €	6.9b	7.0b
Percentage of unencumbered assets within total investment portfolio	92.9%	92.8%
Liquidity concentration: percentage of alternatives within existing "free funds"	20.1%	9.8%

As the company remains in line with the asset allocation policy and investment guidelines, and no additional concerns have been raised through the Risk Management Information process, there are no material concentrations of risk anticipated over the business planning period.

C.4.4 Risk Sensitivity

Liquidity is assessed through the stress and scenario testing framework. The liquidity test measures the potential impact on liquidity in the aftermath of an event. The stress testing carried out throughout the year supports the adequacy of the liquidity positions adopted by the company.

C.4.5 Expected Profit Included in Future Premium ("EPIFP")

C.4.5.1 Main Methods and Assumptions

The calculation of EPIFP has been split into two parts, EPIFP on incepted business and EPIFP on un-incepted business.

- **For incepted business:** the calculation takes the future (gross of reinsurance) premium relating to incepted business (net of acquisition costs and reinsurance) and subtract the anticipated (net of reinsurance) claims and expenses, related to this future gross premium only. Claims and expenses are estimated using the same gross loss ratios, ceded-to-gross claim ratios and expense ratios as are used in the main technical provisions' calculation. Note that these anticipated net claims are not the same as the incepted net insurance losses since these net insurance losses include anticipated losses in respect of premiums already received. A similar point applies to expenses. Additionally, subtract future reinsurance premium (net of acquisition costs) relating to incepted business, including amounts of contractually obliged reinsurance premium relating to reinsurance minimum premiums.
- **For un-incepted business:** on the assumption that no premiums have been received for un-incepted business, take the (inwards) un-incepted premium (net of acquisition costs and reinsurance) within the premium provisions, and subtract the un-incepted net claims and expenses within the premium provisions. Assumptions are consistent with those used for un-incepted business in the main technical provisions' calculation.

Total EPIFP is then the total of the above two elements. Loss-making business or business with high amounts of legally obliged reinsurance premium relating to reinsurance minimum premiums is included with the calculation, so amounts may be negative for some classes, business units, or even legal entities.

C.4.5.2 EPIFP Result

The EPIFP as at 31 December 2024 is €773,282k.

C.5 Operational Risk

C.5.1 Risk Description

Operational risk is the possibility of loss resulting from inadequate or failed internal processes, people or systems, or from external events other than those falling within strategic risk as defined below. Significant operational risk sources include claims processing, IT security, outsourcing and vendor management, business continuity, fraud, and regulatory compliance (including conduct risk).

C.5.2 Risk Measures and Risk Mitigation Techniques

A number of measures are in place to measure, mitigate and monitor operational risk. Examples include, but are not limited to, the following:

- A number of company-wide frameworks have been established and implemented to identify, measure, mitigate, and monitor operational risks across the company. The frameworks range from information security risk and business continuity risk to conduct risk.
- Operating guidelines established for each business function across the company seek to minimise operational risks arising from internal processes or systems.
- Corporate policies established including the Code of Conduct, recruitment, learning and development, disciplinary and grievance, diversity and equal opportunities seek to minimise people-related operational risks. These policies are supported through a company-wide performance management process and on-going company-wide training.
- The Solvency Capital Requirement as calculated by the Internal Model includes an assessment and quantification of the operational risk exposure.
- Risk and control assessments are carried out throughout the year by management and staff which are subject to review and challenge by Risk Management for the on-going monitoring of the risk profile of the company.
- Specific targeted risk assessments are carried out throughout the year by Risk Management focused on particular areas as initiated by the Risk Management Function, the Audit & Risk Committee, the Board or the business.

As at 31 December 2024, there are no material risk exposures or changes required to the risk mitigation techniques anticipated over the business planning period as those currently in place remain appropriate.

C.5.3 Risk Concentration

There are no risk concentrations in respect of operational risk.

C.5.4 Risk Sensitivity

Operational risk is assessed through the stress and scenario testing framework. The stress testing carried, which includes a number of operational risk events, supports the adequacy of the current capital and liquidity positions adopted by the company in the event of adverse operational events.

C.6 Other Risks

The company's risk profile also considers strategic and group risks.

Strategic risk refers to the outcome from sub-optimal decisions that may be made or not made in respect of strategic planning, execution of strategy or responsiveness to changes in industry or competitive landscapes.

The Board is responsible for the management of strategic risks by approving the strategic and annual plans. The Board also receives updates on the execution of the plan with reports produced to monitor and track business performance against the approved plan.

Group risk is the potential impact on the company of risks arising in other parts of the Chubb Limited Group. This could include direct or indirect financial loss and operational, reputational or regulatory issues. As a strategically important member of the Chubb Limited Group, the company uses Group resources in a number of areas, including IT and asset management, as well as reinsurance and capital support.

Group risk is assessed, monitored and reported as part of the company's risk management processes. Additionally, contractual intra-group arrangements are governed in an appropriate arms-length manner. They involve formal contracts, equitable and transparent transfer pricing, and full respect for the integrity thereof, as well as all laws and regulations facing the legal entities in question.

C.7 Any Other Information on Risk Profile

No other risks over and above those discussed above have been identified for CEG.

C.8 Material Risk Exposures

Material risk exposures are monitored continuously by CEG. Exposures are reviewed in the following areas:

- Investment exposures, by sector, asset type, country and top 10 corporate investment holdings.
- Underwriting exposures, by product line, region, external reinsurers and top 10 intermediaries.
- Underwriting Catastrophe exposures.
- Reserve exposures.

As at 31 December 2024, there were no material risk exposures anticipated over the business planning horizon over and above the risks described in Sections B.3.5 and C.1 to C.7.

D. Valuation for Solvency Purposes

D.1 Assets

The valuation of the assets on the Solvency II balance sheet is as follows:

As at 31 December 2024	Solvency II €'000	FR GAAP €'000	Variance €'000
	2024	**2024**	**2024**
Deferred acquisition costs	0	471,171	(471,171)
Intangible asset – software	0	135,195	(135,195)
Deferred tax assets	21,931	0	21,931
Property, plant & equipment held for own use	69,621	69,621	0
Investments (other than assets held for index-linked and unit-linked contracts)	6,531,310	6,749,617	(218,307)
Loans and mortgages	458,114	475,674	(17,560)
Reinsurance recoverables	5,473,189	7,306,918	(1,833,728)
Insurance and intermediaries receivables	13,553	1,360,715	(1,347,163)
Reinsurance receivables	568,491	1,008,419	(439,927)
Receivables (trade, not insurance)	(148,907)	(148,907)	0
Cash and cash equivalents	871,380	316,740	554,640
Other assets	51,658	133,891	(82,232)
Total assets	**13,910,342**	**17,879,055**	**(3,968,713)**

D.1.1 Deferred Acquisition Costs ("DAC")

Acquisition costs are deferred under FR GAAP and expensed in line with the earning of the corresponding premiums. However, under SII, intangible insurance assets such as DAC are ascribed a value only when they can be sold separately and when there are quoted prices in an active market for the same or similar assets. The company has no intangible assets which meet these criteria and so all potential intangible assets (including DAC) are valued at nil.

D.1.2 Deferred Tax Assets and Liabilities

Under Solvency II, provision is made for deferred tax liabilities, or credit taken for deferred tax assets, using the liability method, on all material temporary differences between the tax bases of assets and liabilities and their carrying amounts at the reporting date. Under French GAAP, no allowances are made for deferred tax assets at all. The commentary below however is focussed on the deferred tax impact of Solvency II adjustments, since these are significant.

The rates enacted, or substantively enacted, at the reporting date are used to value the deferred tax assets ("DTAs") and liabilities. DTAs are recognised to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilised.

The principal temporary differences arise from valuation differences arising under the Solvency II regime for the technical provisions. As the company used French GAAP accounting principles in 2019, differences between Solvency II and French GAAP valuation bases are subject to deferred tax. Other temporary differences arise from the depreciation of property and equipment.

D.1.3 Intangible Assets - Software

Intangible assets are software costs that are amortised under French GAAP and written-off on a straight-line basis over their estimated useful lives. However, under Solvency II, intangible assets are ascribed a value only when they can be sold separately and when there are quoted prices in an active market for the same or similar assets. The company has no intangible assets which meet these criteria and so all intangible assets are valued at nil.

D.1.4 Property, Plant and Equipment held for Own Use

Under Solvency II basis, where it is found that an active market exists, amounts are presented at fair value, which is the independently assessed market value, or a suitable proxy. In the unlikely event that no market value or suitable proxy exists, a value of nil is ascribed. This differs from French GAAP which follows a depreciated cost model. Given the materiality of the amounts involved for land & buildings, a prudent basis option has been taken from the two options available under Solvency II, to assume a nil value for land & buildings.

Excluding land & buildings and software, the carrying value of the other fixed assets is not considered to be materially different to their fair value. No automated valuation model method for PPE needs to be disclosed.

D.1.5 Investments

Investments comprise the following:

As at 31 December 2024	Solvency II €'000	FR GAAP €'000	Variance €'000
	2024	**2024**	**2024**
Equities	22,484	16,288	6,196
Government bonds	727,118	754,989	(27,871)
Corporate bonds and other loans and mortgages	5,505,055	5,716,069	(211,015)
Collateralised securities	543,349	564,176	(20,827)
Collective investment undertakings	164,678	143,822	20,855
Derivatives	(4,185)	(2,338)	(1,847)
Total investments	**6,958,498**	**7,193,007**	**(234,509)**

Investments (excluding derivatives)

Investments are recognised at fair value with any transaction costs being expensed as incurred. The fair value is inclusive of any interest accrued thereon.

For quoted investments where there is an active market, the fair value is their quoted bid price at the balance sheet date. For quoted investments where there is no active market, the fair value is determined by reference to prices for similar assets in active markets.

In relation to investments for which pricing is unobservable, the fair value is obtained from models and / or third parties. Valuation models are approved prior to use by the Chubb Group's specialist asset management function and are reviewed on a quarterly basis for ongoing appropriateness.

Within this account line, assets such as Government Bonds have an active market and therefore the fair value is based on the quoted market prices.

For investments that trade in less active markets, including corporate securities, prices are sought from independent specialist third parties (e.g. IDC and Bloomberg). The significant inputs to pricing used by these third parties include, but are not limited to, yield curves, credit risks and spreads, measures of volatility, and prepayment speeds.

Deposits (non-cash equivalent) are deposits that cannot be used to make payments at any time without any kind of significant restriction or penalty. Deposits are valued using the effective interest rate method. These are typically deposits which are not redeemable on demand, but within a period of less than 3 months, with only an insignificant change in fair value.

In addition, certain parts of CEG's investment portfolio are restricted in that they can only be used to settle specific liabilities. An example of this is where CEG writes inwards assumed business and cedant requires some form of collateral as credit risk mitigation. This collateral is issued through facilities with partner banks. Where there are excess assets in these facilities which may not be immediately available back to CEG they are deducted from CEG's balance sheet. This amounted to € 33,102k on 31 December 2024 and is discussed within section E.1.5.

The difference between SII value and French GAAP value for investments is as a result of the following:

Variance	**2024** **€'000**
Accrued interest included in "Other Assets under FR GAAP (see section D.1.10)	82,232
Unrealised losses on investments – FRGAAP recorded at Book Value	(236,847)
Total	**(319,079)**

D.1.5.1 Derivatives

Derivative financial instruments are used to hedge the company's exposure to foreign exchange risk and interest rate risk arising from investing activities.

For both French GAAP and Solvency II purposes, derivative financial instruments are measured on initial recognition, and subsequently, at fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques as appropriate. Derivatives are presented as assets when the fair value is positive and as liabilities when the fair value is negative.

The fair value of interest rate swaps is the estimated amount that the company would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates and the creditworthiness of the swap counterparties.

The fair value of forward exchange contracts is their quoted market price at the balance sheet date.

D.1.6 Loans and mortgages

This balance classifies a bank loan portfolio measured at fair value.

D.1.7 Reinsurance Recoverable

For Solvency II, this balance includes the reinsurers' share of the claims provisions and the reinsurers' share of the premium provision.

The Solvency II basis for the valuation of technical provisions is fundamentally different to that for French GAAP purposes. Refer to section D.2 for further details on Technical Provisions.

D.1.8 Insurance, Reinsurance and Intermediaries Receivables

The French GAAP valuation basis recognises all receivables due under insurance contracts. However, for Solvency II, where receivables are considered to be not yet due, they are included within the technical provisions for Solvency II purposes. Refer to section D.2 for further details on Technical Provisions.

D.1.9 Receivables (Trade, not Insurance)

These balances largely represent amounts receivable from fellow group companies. The amounts presented are considered to be representative of fair value as these are the amounts which must be received in order to settle the obligation.

D.1.10 Cash and Cash Equivalents

Cash at bank and in hand are repayable on demand and as such their carrying values are equivalent to fair values. However, the difference of €554,640 k represents cash overdraft gross up as cash overdraft is not netted under Solvency II basis.

D.1.11 Any other assets, not elsewhere shown

These balances largely represent prepayments and are therefore representative of services paid for but not supplied. The valuation is considered to be representative of fair value. The difference between Solvency II value and French GAAP value is as a result of accrued interest on investments that were included in other assets under French GAAP. However, under Solvency II regime this is reclassified to investments (refer to section D.1.5.1).

D.1.12 Changes to Valuation of Assets in the Period

There have been no changes to CEG's methodology for recognition and valuation of assets during the reporting period.

D.1.13 Major Sources of Estimation Uncertainty

Major sources of estimation uncertainty are related to the recognition of deferred tax assets (refer to section D.1.2 for details) and reinsurance recoverable (refer to sections D.1.6 and D.2.4).

D.2 Technical Provisions

The value of technical provisions for solvency purposes, as at 31 December 2024, based on Solvency lines of business was as follows:

SII Line of Business	Gross premium provision	Gross claims provision	Gross best estimate	Ceded premium provision	Ceded claims provision	Net best estimate	Risk margin	Total Gross + Net Risk Margin	Total Net
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Income protection	(93)	30,948	30,855	377	11,712	18,766	451	31,306	19,217
Motor vehicle liability	18,355	126,039	144,394	2,752	81,046	60,595	11,177	155,571	71,772
Other motor	(1,027)	10,553	9,526	(502)	1,809	8,219	1,618	11,144	9,837
Marine, aviation and transport	8,575	873,508	882,083	(9,462)	396,452	495,093	34,891	916,974	529,984
Fire and other damage to property	(141,385)	1,888,320	1,746,935	(91,576)	1,456,345	382,166	75,119	1,822,054	457,284
General liability	(23,208)	5,485,116	5,461,907	50,822	2,855,509	2,555,576	217,283	5,679,190	2,772,858
Credit and suretyship	(10,998)	228,959	217,962	9,008	149,467	59,487	60,507	278,468	119,994
Miscellaneous financial loss	(58,007)	300,724	242,717	(5,626)	363,464	(115,121)	8,991	251,709	(106,130)
Non-proportional health	0	0	0	0	0	0	0	0	0
Non-proportional casualty	(0)	167,447	167,447	(0)	148,296	19,151	2,994	170,441	22,145
Non-proportional marine, aviation and transport	10,040	60,765	70,806	9,591	41,966	19,248	267	71,072	19,515
Non-proportional property	(390)	8,337	7,947	(1,351)	3,089	6,209	102	8,050	6,312
Total	**(198,137)**	**9,180,716**	**8,982,579**	**(35,966)**	**5,509,155**	**3,509,390**	**413,399**	**9,395,979**	**3,922,789**

D.2.1 Summary

The technical provisions are calculated as a best estimate and a risk margin. The best estimate is based on probability-weighted cashflows with consideration for the time value of money and considers all cash inflows and outflows. The risk margin is assumed to be the amount required for a commercial external party to take over and meet the (re)insurance obligations and represents the cost of providing eligible own funds equal to the SCR necessary to support these obligations.

The technical provisions are calculated gross of reinsurance with appropriate allowance for reinsurance recoveries.

- Consideration is given to the time delay between recoveries and direct payments.
- An allowance is made for potential default of counterparties.

The technical provisions calculations do not apply the matching adjustment, volatility adjustment, or transitional measures referred to in Articles 77b, d and 308c, d of Directive 2009/138/EC.

D.2.2 Best Estimate Liabilities ("BEL")

The technical provisions calculation considers all future cashflows relating to all in force polices as well as bound but not yet incepted policies, including:

- All expenses, inflation and claim payments in line with policy terms and conditions, including reported but not paid claims from the GAAP balance sheet.
- All premiums from policyholders and all premiums to reinsurers, including reported but not received or not yet due premiums from the GAAP balance sheet.
- Financial guarantees and contractual options; however, these are considered to be immaterial in the context of CEG's overall technical provisions and so no additional allowance is held in respect of this.

The claim payment estimates, including the cost of claims handling costs, which are used in the claims and premium provision calculations, are based on the latest Actuarial Central Estimates ("ActCE") of ultimate claim cost. ActCE are a core part of Chubb's GAAP reserving process. The intended purpose of the ActCE is to provide management with an actuarial assessment of liabilities. Management may book a different value to the ActCE liability for GAAP purposes, taking into account further information to supplement the ActCE in forming their best estimate view for the booked reserves.

ActCE are adjusted upwards for Solvency II technical provisions purposes in recognition that Events Not in Data may not be captured within the core ActCE actuarial analysis. This acknowledges that the best estimate of claim costs may be from a distribution of claim outcomes that is wider than allowed for in the ActCE calculation, particularly in respect of adverse outcomes. The statistical calculation of this adjustment is underpinned by the assumption that events beyond 1 in 100 return periods are not allowed for in the initial analysis.

The reinsurers' share of the Claims and Premium Provisions is based on the current and historic reinsurance programmes in place for each class of business. It reflects recoveries for reported loss events, either recorded on Chubb's systems or estimated, plus statistical recovery estimates for not yet reported loss events. The reinsurers' share further allows for the estimated irrecoverable amounts, estimated using a transition matrix between S&P ratings to project the closing rating of each reinsurer and associated probability of default at each future time point. This methodology is applied to reinsurance counterparty default risk only, as premium creditors are not considered to be material.

The cashflow projections take account of all cash inflows and outflows that comprise the claims and premium provisions. Where deemed appropriate the cashflows take account of delays in reinsurance cashflows relative to the outwards cashflows. Cashflow analyses are performed at a granular class of business level so that different cashflow timing characteristics for each class are recognised. The analyses are based on statistical methods applied to the past data for each item, or data for closely related items.

Discounting of the projected Solvency II cashflows is performed at a currency level using the European Insurance and Occupational Pensions Authority ("EIOPA") provided yield curves which represents a further difference to the GAAP reserves which are not discounted.

D.2.3 Risk Margin

The risk margin is calculated using the cost-of-capital approach. This means that the risk margin is calculated as the present value, at a risk-free rate of interest, of the expected cost incurred in raising capital to fund the SCR relating to the transferred liabilities until such time as they are fully run-off.

The SCR at time zero for use in the risk margin calculation is derived using the internal model consistent with a run-off scenario, excluding any allowance for future business not currently included within the Technical Provisions. Non-reinsurance counterparty default risk and all market risk are excluded as a matching asset portfolio is assumed. Future period SCRs are then calculated using a simplified proportional method applied to the SCR at time zero. Under this method the SCR reduces in line with the reduction in the technical provisions. Future SCRs are discounted at the prescribed EIOPA rate. The assumed cost of capital is 6% pa as prescribed by EIOPA.

D.2.4 Actuarial Methodologies and Assumptions

The methods and assumptions described below are consistent across all lines of business unless explicitly stated otherwise.

Gross Ultimate Claims

The gross ultimate claims are projected using a combination of:

- Paid and Reported Chain ladder ("CL")
- Initial Expected Loss Ratio "IELR"
- Reported Bornhuetter-Ferguson Method ("BF")
- Average Cost Per Claim
- Cape Cod Method
- Frequency/Severity Approach
- Expert Judgement.

The actual selected method may vary by origin year and line of business. For example, for long-tailed classes a lack of data in the most recent origin years may require significant weight to be given to the IELR. For the maturing origin years where loss experience has begun to emerge a BF approach may be taken. Mature origin years may be heavily weighted towards the experience and based on the CL. In addition, expert judgement is applied across these methods in the selection of assumptions, selection of the ultimate loss and the selection of the results based on one or more of these reserving methods.

The projection is carried out in converted US dollar across all reserving lines. The projection is undertaken by origin year cohort and carried out separately for attritional, large and catastrophe claims.

For each of the claims identified as Major Issues claims (typically claims/events with significant uncertainty in the gross loss amount), the claims department provides a best estimate view of the ultimate loss for booking purposes. Any costs of claims incurred but not reported reserve ("IBNR") generated as part of this process may be allowed for in addition to that generated by the methods listed above.

There may also be occasions where a large loss is not booked in time for the data capture of the analysis or it occurs during the period of the analysis. In this case consideration is given as to whether to include an explicit estimate for the loss as additional IBNR.

Net Ultimate Claims

This is covered in the 'Reinsurance' section below.

Salvage and Subrogation

The claims data used for estimating the gross ultimate claims are net of salvage and subrogation recoveries. There is therefore no explicit allowance for these recoveries in the estimation of gross ultimate claims for any claim type but there is an implicit allowance for salvage and subrogation recoveries in the projection methods used for estimating the gross reserves.

Premium Projection

For Chubb Europe the ultimate premium assessments are performed by the actuarial function typically using an actuarial method from the Gross Ultimate section above. The ultimate premium for the current year may alternatively be set by reference to the latest Financial Planning/Forecasting analysis.

For CGM the ultimate premium for the latest three underwriting years is obtained from the underwriters who set it by reference to the Expected Premium Income ("EPI"). For earlier underwriting years, EPI is taken to be the ultimate premium.

Expert judgement is applied across these methods in the selection of assumptions, selection of the ultimate premium and the selection of the results based on one or more of these projection methods.

Options and Guarantees

CEG consider the financial impact of options and guarantees to be immaterial. Hence no impact from options and guarantees has been allowed for in the technical provision valuation. Essentially, CEG is not aware of any policyholder options in the business written. The guarantees within the contracts written are mainly in respect of profit sharing via profit commission, return of premium and no claims bonuses upon renewal, the cost of which are implicitly included in the BEL.

Events Not in Data ("ENIDs")

A truncated distribution approach has been used to estimate the uplift factor for each reserving class to allow for ENIDs. The same factor is applied to the claims and premium provision. In some cases, additional explicit future potential loss amounts relating to specific exposures may be included as ENIDs. This is typically where the particular exposure has not been previously encountered and very material uncertainty in the eventual outcome of the exposure exists.

Expenses

CEG has identified and allowed for expenses in accordance with the EIOPA and other regulatory guidelines. These expenses are considered to be incurred in servicing existing policies during their lifetime. The main expense categories include:

- Administrative expenses including overhead costs
- Acquisition expenses
- Claims management expenses including claims handling expenses
- Investment management expenses.

Inflation is implicitly included in expense assumptions in so much as the premiums and claims to which the calculated expense ratios are applied contain an inflationary allowance.

Bad Debt

This is estimated using a methodology which takes the S&P rating as the starting point. A transition matrix between S&P ratings is used to project the closing rating of each reinsurer and associated probability of default at each future time point. Expected default rates are applied to the best estimate of ceded claims reserves to estimate the bad debt provision for inclusion in Solvency II technical provisions. This methodology is applied to reinsurance counterparty default risk only as premium creditors are not considered to be material.

Discounting

Discounting of cashflows is performed at a currency level using yield curves provided by EIOPA.

Contract Boundaries

The following are considered to be the main sources of inwards bound but not incepted (legally obliged) business:

- Pipeline business – relates to policies where there is a delay between the written date and the date of inception that crosses over the balance sheet valuation date.
- Quota Share reinsurance – relates to policies where the quota share treaty (typically for a 1-year term) has been written but the underlying policies to be written by the insured during the term have not yet either been written or incepted.
- Tacit renewals – annual policies that renew automatically unless the Insured or CEG have given notice of cancellation as required 2 or 3 months before the anniversary date.

There is also an allowance for contractual obligations relating to outwards reinsurance contracts. Where a reinsurance contract has a minimum premium (typically excess of loss) and is contractually bound (whether or not it has incepted) then the full contractual minimum premium cost to the legal entity is allowed for, even where this exceeds the reinsurance cost in relation to the corresponding inwards policies included within the technical provisions.

Risk Margin

Refer to section D.2.3 for details.

Reinsurance

Net ultimate claim and premium amounts are calculated using a deterministic approach, based on applying netting down factors to gross ultimates. This approach is justifiable since:

- It is commonly used by other participants in the market;
- The netting down factors are supported by detailed modelling of the reinsurance programme; and
- The reinsurance data is considered appropriate, complete and accurate.

Reinsurance recoverables are calculated as part of the core reserving and technical provisions calculation exercises. The core reserving exercise uses a netting down approach applied to the best estimate ultimate gross claim and premium amounts to determine the reinsurance amounts for each component. These calculated reinsurance components flow into the technical provisions alongside the gross components.

Reinsurance recoveries on specific individual claims are based on detailed review of the underlying reinsurance programmes. In respect of general reserves, the assessment of recoveries may be performed separately for each type of reinsurance (facultative, quota share, excess of loss risks attaching during basis, excess of losses occurring during basis, whole account) or else at an aggregate level for the granular reserve portfolio being considered. Reinsurance recoveries are assessed using a combination of expert judgment, emerging experience and initial expected recovery ratios from the pricing/planning team.

D.2.5 Level of Uncertainty associated with the Value of the Technical Provisions

The estimates of ultimate premiums and claims relate to an uncertain future process. The actual outcome could differ materially from the estimates presented in this report, in particular the ultimate claim amounts.

To project the ultimate level of claims, assumptions are made about the future, including claims events which have not yet occurred, future economic conditions and court awards yet to be made. One of the key assumptions underlying the standard actuarial techniques referred to in this report is that the past experience is stable and provides a good indication of future claims experience.

There are a variety of reasons why this may not hold, for example:

- Past changes in:
  - the nature of the business written within a class;
  - policy coverages; and
  - claims handling procedures, which have not been explicitly factored into our assumptions.
- Future changes in:
  - socio-economic conditions;
  - underlying claims frequency and/or severity;
  - underlying legislation;
  - court interpretation of policy wordings or coverages; and
  - claims payment and reporting patterns.

As at 2024 year end, the uncertainty around future socio-economic conditions is particularly relevant given the on-going Russia/Ukraine conflict and wider geo-political tensions. During 2022, the heightened inflationary environment was explicitly recognised in the earned claims reserves underlying the calculation of the technical provisions and within the selected future loss ratio assumptions used in estimating the unearned technical provisions. This explicit recognition of heightened inflation within the technical provisions has continued through 2023 and 2024, where this is still considered necessary, noting that current inflation rates have moved back to levels more aligned with the pre-spike years.

Notwithstanding the explicit allowance for some of the socio-economic impacts, the actual outcome of the ultimate claims or premiums could differ substantially from the assumptions made. The reserve risk charge provides a measure of the amount of uncertainty in relation to reserve, although given the diverse nature of the book and size of CEG's business, there is no notable uncertainty in the gross reserves beyond that expected for a large P&C insurer. Further, the extensive external and intra-group reinsurance protections in place reduce gross uncertainty materially.

Whilst claims reserves (earned and unearned) are the most significant element of SII technical provisions, there are other areas of uncertainty such as future expenses and risk margin.

The allowance for future administrative expenses (including overhead costs), acquisition expenses and claims management expenses (including claims handling expenses) on a SII basis introduces an element of uncertainty as there are many factors which could influence the size of each.

In addition, a key assumption in the calculation of the risk margin is the assumed run off of the SCR over future time periods. A change in this assumption could have a material impact on the quantum of the risk margin.

Sensitivity tests have been performed on a range of assumptions and expert judgements underlying the technical provision calculations to identify the key areas of risk and the material elements of the technical provisions. The tests and their resulting percentage change to the total technical provisions are summarised below:

Assumption Tested	Description of Test	Impact - % Increase/(Decrease) of CEGSE TPs
Yield Curve	Increase all spot rates by 2%	-5.1%
Yield Curve	Decrease all spot rates by 2%	5.8%
ENID	Assumed distribution truncation point of 1 in 40 for all classes	0.9%
Claim Reserve (CP & PP)	Booked reserves included instead of ActCE	12.1%
Claim Reserve (CP & PP)	Current Year Loss Ratio - realistic low alternatives (material classes only tested)	-12.1%
Claim Reserve (CP & PP)	Current Year Loss Ratio - realistic high alternatives (material classes only tested)	10.7%
Claim Reserve (CP)	10% additional Attritional Tail Development for Casualty and Financial Lines*	8.5%
Claim Reserve (CP)	12 month Attritional Development Pattern Lag for Casualty and Financial Lines*	3.1%
Claim Reserve (CP)	Reduction (-25% of difference between best and low estimate) in Major Issue IBNR*	-1.8%
Claim Reserve (CP)	Increase (+25% of difference between best and low estimate) in Major Issue IBNR*	2.3%
Admin Expense	Increase Admin Expense assumption by 20%*	1.0%
UCER	Increase UCER assumption by 20%*	1.1%
Commission Expense	Increase Gross Commission Expense assumption by 20%*	2.0%
Acquisition Expense	Increase Non Commission Acquisition Expense assumption by 20%*	0.0%
Legally Obliged	Double Legally Obliged Premium*	-2.0%
Legally Obliged	Assume 0 Legally Obliged Premium*	2.0%

*Test performed on partial portfolio

The tests show that the technical provisions are most sensitive to changes in assumptions relating to both the earned and unearned claims reserves. This is in line with expectations since these comprise the largest part of the technical provisions and are subject to considerable uncertainty with a large amount of expert judgement applied in their estimation.

D.2.6 Solvency II and GAAP Valuation Differences of the Technical Provisions by Material Line of Business

The table below shows a reconciliation of the French GAAP valuation of insurance contract liabilities to the Solvency II technical provisions, split by line of business, as at 31 December 2024:

SII Line of Business	Gross French GAAP TPs	Solvency II adjusts	Gross Best estimate	Add risk margin	Total Gross TPs	Reins. Recover.	Net TPs
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Income protection	11,522	(19,333)	30,855	451	31,306	12,089	19,217
Motor vehicle liability	77,082	(67,311)	144,394	11,177	155,571	83,798	71,772
Other motor	32,350	22,823	9,526	1,618	11,144	1,307	9,837
Marine, aviation and transport	765,841	(116,242)	882,083	34,891	916,974	386,990	529,984
Fire and other damage to property	1,292,823	(454,112)	1,746,935	75,119	1,822,054	1,364,769	457,284
General liability	3,807,066	(1,654,841)	5,461,907	217,283	5,679,190	2,906,331	2,772,858
Credit and suretyship	267,635	49,673	217,962	60,507	278,468	158,475	119,994
Miscellaneous financial loss	83,940	(158,777)	242,717	8,991	251,709	357,838	(106,130)
Non-proportional health	0	0	0	0	0	0	0
Non-proportional casualty	3,208	(164,239)	167,447	2,994	170,441	148,296	22,145
Non-proportional marine, aviation and transport	7,245	(63,561)	70,806	267	71,072	51,558	19,515
Non-proportional property	36,957	29,009	7,947	102	8,050	1,738	6,312
Total	**6,385,670**	**(2,596,910)**	**8,982,579**	**413,399**	**9,395,979**	**5,473,189**	**3,922,789**

The main differences between the Solvency II and French GAAP liabilities arise from:

- The Solvency II best estimate uses the Actuarial Central Estimate ("ActCE") for all line of business while the GAAP TPs use the Management Best Estimate of Ultimate Loss ("MBE"). Under French GAAP, the provision for claims outstanding is calculated using the Management Best Estimate of Ultimate Loss ("MBE") which is based on the estimated ultimate cost of all claims notified but not settled by the balance sheet date, together with the provision for related claims handling costs. The provision also includes the IBNR at the balance sheet date based on statistical methods. In addition, a separate unearned premium reserve ("UPR") is maintained for a portion of premiums written in the year that relates to unexpired terms of policies in force at the balance sheet date. The reinsurers' share of the provisions (reinsurance recoverables) is based on the amounts of outstanding claims and projection for claims incurred but not reported, net of estimated irrecoverable amounts.
- The technical provisions valued for Solvency II purposes are calculated as a best estimate and a risk margin. The best estimate is based on probability-weighted cashflows with consideration for the time value of money and considers all cash inflows and outflows including both claims and premium provisions. The risk margin is assumed to be the amount required for a third party to take over and meet the (re)insurance obligations and represents the cost of providing eligible own funds equal to the Solvency Capital Requirement ("SCR") necessary to support these obligations.

- Additionally, the SII best estimates uses a discounted cash flow basis with inclusion of events not in data (ENIDs), future expenses and legally obliged business
- Solvency II technical provisions include the risk margin.

D.2.7 Recoverables from Reinsurance Contracts and SPVs

Refer to "Reinsurance" in Section D.2.4 Methods and assumptions.

D.2.8 Material Changes to Methods and Assumptions from Previous Reporting Period

There have been no material changes to the methods, including simplified methods, used to calculate the technical provisions from those used in the previous reporting period.

While many assumptions included in the calculation of technical provisions will often change between reporting periods due to natural development of the data used, there have been no material changes to assumptions compared to the prior reporting period.

D.3 Other Liabilities

The valuation of liabilities in the Solvency II balance sheet is as follows:

As at 31 December 2024	Solvency II €'000	FR GAAP €'000	Variance €'000
	2024	2024	2024
Pension benefit obligations	(1,932)	0	(1,932)
Deposits from reinsurers	11,913	11,913	0
Deferred tax liabilities	139,980	0	139,980
Derivatives	4,386	5,744	(1,358)
Debts owed to credit institutions	0	0	0
Insurance & intermediaries payables	(48,922)	(19,487)	(29,435)
Reinsurance payables	116,141	627,008	(510,867)
Payables (trade, not insurance)	214,525	212,187	2,338
Other liabilities	118,074	265,518	(147,444)
Total other liabilities	**554,165**	**1,102,884**	**(548,718)**

D.3.1 Pension Benefit Obligations

Consistent with both FRS 17 and IAS 19, the defined benefit pension surplus / liability is the fair value of the scheme assets less the fair value of the scheme liabilities.

In the absence of an appropriate fair value for the scheme liabilities, the present value, based on discounted future cash flows, is considered to be a suitable proxy.

The present value of the scheme liabilities is calculated by independent actuaries using the projected unit credit method. The obligation is measured as the present value of future cash outflows, using a discount rate based on market yields for high-quality corporate bonds that are denominated in the same currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the relation pension liability.

If the fair value of the plan assets exceeds the present value of the pension liabilities, the resultant asset is limited to a ceiling defined as the present value of economic benefits available in the form of reductions in contributions to the plan or future refunds from the plan.

Pension Benefit Obligations are not recognised in the balance sheet under French GAAP

D.3.2 Deposits from Reinsurers

The French GAAP balance sheet value represents the amount that would be due back to the reinsurer 'on demand'. This is considered to be representative of the fair value of the liability and therefore the same value is attributed for Solvency II purposes.

D.3.3 Deferred Tax Liabilities

See 'deferred taxation' in section D.1.2 for details.

D.3.4 Derivatives

See 'Derivatives' in section D.1.5.2 for details.

D.3.5 Debts owed to Credit Institutions

The French GAAP balance sheet value represents the 'immediate' liability in relation to overdrawn balances. This is considered equivalent to a fair value i.e. Solvency II value. However, the difference between the French GAAP and SII value represents cash overdraft gross up of €554,640k (see section D.1.10 for details).

D.3.6 Insurance and Intermediaries Payables

The French GAAP valuation basis recognises all payables due under insurance contracts. However, for Solvency II, where payables are considered to be not yet due, they are included within the technical provisions for Solvency II purposes.

As at 31 December 2024, all insurance and intermediaries payables were deemed as not yet due and therefore included within technical provisions under the Solvency II valuation basis.

D.3.7 Reinsurance Payables

Similar to the above, reinsurance payables which are due or overdue continue to be presented separately on the SII balance sheet as a liability. Amounts not yet due are considered a future cash flow and are included as part of technical provisions.

D.3.8 Payables (Trade, not Insurance)

The balance predominantly relates to general accounts payable and current tax liabilities. As these are the amounts required to be paid to settle the obligations, they are considered consistent with a fair value.

D.3.9 Any Other Liabilities, not elsewhere shown

The balance predominantly relates to expense accruals. As this is the amount required to be paid to settle the obligations it is considered consistent with a fair value.

D.3.10 Changes to Valuation of Other Liabilities in the Reporting Period

There have been no changes to CEG's methodology for valuing other liabilities in the period.

D.3.11 Major Sources of Estimation Uncertainty Associated with the Value of Other Liabilities

Major sources of estimation uncertainty are related to the valuation of pension benefit obligations (refer to section D.3.1 for details) and reinsurance payables (refer to sections D.3.7 and D.2 for details).

D.4 Alternative Methods of Valuation

Certain financial investments are valued using alternative methods for valuation. Refer to section D.1.5 for details.

D.5 Any Other Information

All material information regarding the valuation of assets and liabilities for solvency purposes has been disclosed in sections D1-D3 above.

E. Capital Management

E.1 Own Funds

E.1.1 Capital Management Objectives (including Own Funds)

CEG assesses its capital needs on a risk management basis and maintains an efficient capital structure consistent with the company's risk profile and business requirements, and to meet regulatory requirements. The company seeks to maintain financial strength and capital adequacy to support business growth and meet the requirements of policyholders, rating agencies and regulators, whilst retaining financial flexibility by ensuring substantial levels of liquidity. Once the capital needs have been met, it is the practice of the company to consider the distribution of any surplus capital through dividends to its ultimate parent company.

From a prudential perspective, CEG is regulated by the ACPR and is subjected to insurance solvency regulations that specify the minimum amount and type of capital that must be held. Accordingly CEG's regulatory capital requirement will be set according to the Solvency II internal model validated by control authority (unless the ORSA capital is higher).

The primary objectives of the company in managing capital can be summarised as follows:

- to satisfy the requirements of its policyholders, regulators and rating agencies;
- to match the profile of its assets and liabilities, taking account of the risks inherent in the business;
- to manage exposures to key risks;
- to maintain financial strength to support new business growth;
- to generate a return to shareholders; and
- to retain financial flexibility by maintaining strong liquidity.

There has been no material change to the objectives for managing own funds over the reporting period.

E.1.2 Policies and Processes

The Company holds own funds in Tier 1 (except for DTA that is classified as Tier 3). The calculation process is therefore straightforward as own funds are valued based on the Solvency II valuation principles for assets and liabilities documented above. The Company will restrict any small amounts of own funds that are not available to policyholders generally. Larger amounts will be recognised as a ring-fenced fund.

There has been no material change to the policies and processes for managing own funds over the reporting period.

E.1.3 Summary of Own Funds

The company's own funds represent net assets valued on a Solvency II basis and comprised of:

Own funds category	**€'000**	**€'000**
	2024	**2023**
Ordinary share capital	896,177	896,177
Share premium	0	0
Reconciliation reserve	2,326,655	2,057,437
Other basic own fund	5,016	5,016
Total basic own funds	**3,222,832**	**2,953,614**

Ordinary share capital comprises allocated, called up and fully paid ordinary shares of as at 31 December 2024. Dividends on ordinary shares are cancellable at any time prior to payment and therefore are classified as Tier 1 under Solvency II regime.

The key elements of the reconciliation reserve are as follows:

Reconciliation reserve as at 31 December 2024	**€'000**	**€'000**
	2024	**2023**
Total assets (section D.1)	13,910,342	12,596,425
Less total liabilities (sections D2 and D3)	(10,654,409)	(9,596,522)
Excess of assets over liabilities	3,255,934	2,999,903
Share capital	(896,177)	(896,177)
Share premium	0	0
Other basic own fund items	0	0
Foreseeable dividend	0	0
Ring-fenced funds	(33,102)	(45,718)
Total basic own funds	**2,326,655**	**2,058,008**

The company's own funds are wholly eligible to meet the Solvency Capital Requirements and Minimum Capital Requirement. Other than € 33,102k in restricted assets, all Tier 1 capital is permanently available to cover losses.

E.1.4 Eligible Own Funds to cover SCR by Tier

The total Tier 1 own funds of €3,222,832k are eligible to cover the SCR. CEG has sufficient eligible own funds to cover SCR as the coverage ratio for the SCR is 203% (2023: 176%).

E.1.5 Eligible Own Funds to cover MCR by Tier

The total Tier 1 own funds of €3,222,832k are eligible to cover the MCR. CEG has sufficient eligible own funds to cover MCR as the coverage ratio for the MCR is 452% (2023: 391%).

E.1.6 Reconciliation of the French GAAP Equity to Solvency II eligible Own Funds

Solvency II own funds represent the excess of Solvency II assets over liabilities, adjusted for 'non-available' own funds (where applicable). The reconciliation of the French GAAP valuation of shareholders' equity to the Solvency II valuation of own funds is shown here:

Reconciliation of FR GAAP to Solvency II Own Funds	**2024** **€'000**
FR GAAP shareholders' funds	2,933,959
Revaluation of insurance contracts	892,366
Adjustments to intangible and fixed assets	(135,195)
Adjustments on the investments	(319,079)
Deferred tax adjustments	(118,049)
Other adjustments	1,932
SII Excess of assets over liabilities	3,255,933
Restricted assets	(33,102)
Foreseeable dividend	0
Total basic own funds	**3,222,831**

Revaluation of Insurance Contracts

The valuation basis for insurance contract assets and liabilities differs between French GAAP and Solvency II. The main individual drivers of the difference of the movement are the change from a management best estimate to an actuarial central estimate, the impact of discounting and the inclusion of a risk margin.

The changes to convert from French to Solvency II are as follows:

FR GAAP to Solvency II	2024 €'000	2023 €'000
Changed in earned reserves	(405,620)	(90,371)
Change in earned bad debts	(8,867)	(5,197)
Allowance for UPR and UANR, removal of DAC	(424,123)	(334,298)
RI Premium for contractual minimums	32,793	32,455
Profit on unincepted business	(92,583)	(69,706)
Total discounting credit	(407,737)	(391,942)
Risk Margin	413,399	369,927
Total basic own funds	**(892,738)**	**(489,132)**

For further details on the treatment of insurance contracts under Solvency II, refer to section D.2.

Adjustments to Intangible and Fixed Assets

Refer to sections D.1.3 and D.1.4 for details.

Deferred Tax Adjustment

On the Solvency II basis, provision is made for deferred tax liabilities, or credit taken for deferred tax assets, using the liability method, on all material temporary differences between the tax bases of assets and liabilities and their carrying amounts at the reporting date.

Restricted Assets

A total of € 33,102k within investment portfolio relates to restricted assets, deducted from total available own funds. Refer to section E.1.6 for details.

E.1.6 Restrictions Affecting Availability and Transferability of Owns Funds

Management has identified restrictions manifesting in two ways; assets which are only available to settle a discrete population of liabilities and assets which are supporting the underwriting of a particular block of business. Such assets are identified through an established process as part of current GAAP reporting by the treasury team.

Management has identified restricted assets relate to collateral placed explicitly or to back letters of credit which are required by certain reinsurance cedants to mitigate credit risk. Such assets can be recognised within Own Funds to the extent that they are matching liabilities.

Management has also identified that in certain jurisdictions that CEG operates in there is a local requirement to hold or 'tie' assets either for the benefit of a particular group of policyholders or to meet local regulatory requirements (and therefore be for the benefit of all policyholders (re)insured through a local operation). Such restrictions have been identified as relating to operations in Switzerland and Turkey. These assets have been classified as being ring-fenced funds and, on the grounds of materiality, have been excluded from the determination of Own Funds. These amounts total €33,102k and represent investment assets that are pledged to the local regulatory body as a fund against liabilities. This must be held to allow business to transact in that country.

In addition, an amount of €6,407k relating to collateral issued through partner banks are restricted as they can only be used to settle specific liabilities. Further details can be found in section D.1.5.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

E.2.1 Solvency Capital Requirement

On 04 November 2020, CEG received approval from the ACPR to calculate its Solvency Capital Requirement ("SCR") using the internal Model in place of the standard formula.

The CEG's SCR on 31 December 2024 was €1,585,628k. The table below shows a breakdown of the SCR by risk category and diversification benefit:

Risk Category	**€'000**
Insurance Risk	1,210,302
Market Risk	831,950
Credit Risk	203,193
Operational Risk (incl. Group Risk)	321,477
Other Risk (incl. Pension Risk, Liquidity Risk and Capital add-on)	57,374
Diversification	(1,038,669)
Total Solvency Capital Requirement including capital add-on	**1,585,628**

The capital add-on (SCR loadings) of €40,879k have been included in respect of control exceptions related to known model limitations. These loadings, which are individually assessed and included on a standalone basis, are included to ensure no limitation results in model imprudence.

E.2.2 Minimum Capital Requirement

The table below shows the input information to the minimum capital requirement ("MCR"). The figures are the net best estimate TPs and net written premiums in the last 12 months, split by Solvency II lines of business.

As at 31 December 2024	**Net (of reinsurance/ SP) best estimate and TP calculated as a whole**	**Net (of reinsurance) written premiums in the last 12 months**
	€'000	**€'000**
Medical expense	0	0
Income protection	18,766	22,151
Motor vehicle liability	60,595	27,906
Other motor	8,219	60,300
Marine, aviation and transport	495,093	453,903
Fire and other damage to property	382,166	1,417,847
General liability	2,555,576	1,296,939
Credit and suretyship	59,487	84,754
Miscellaneous financial loss	0	462,143
Non-proportional health	0	0
Non-proportional casualty	19,151	31
Non-proportional marine, aviation and transport	19,248	6,159
Non-proportional property	6,209	31,970

The MCR is based on factors applied to the net premiums written amounts in the previous 12 months and the net best estimate technical provisions both split by Solvency II class of business. The charge for premium and technical provision elements are then summed to derive a total charge.

The following table shows the MCR calculation:

Overall MCR calculation	2024 €'000	2023 €'000
Linear MCR	**798,033**	**814,300**
SCR	1,585,628	1,678,209
MCR cap	713,532	755,194
MCR floor	396,407	419,552
Combined MCR	713,532	755,194
Absolute floor of the MCR	4,000	4,000
Minimum Capital Requirement	**713,532**	**755,194**

CEG uses the Internal Model to calculate its MCR. The resulting MCR based on the above inputs is €713,532k.

E.2.3 Material changes over the reporting period

As at 31 December 2024, the CEG SCR is measured at €1,585,628k, which is around a 9% decrease from the SCR as at 31 December 2023, which was measured at €1,678,209k.

The SCR decreased predominately due to decreased Insurance Risk, driven by a reduction in Cat premium risk and a reduced mean net loss ratio.

Comparisons at the risk category level on the Internal Model basis are listed below.

- Insurance Risk: There has been a reduction in Premium Risk, primarily driven by a reduction in Cat premium risk due to the inclusion of the new CGM CEG internal reinsurance cession and a reduced mean net loss ratio.
- Market Risk: Market Risk increased, driven by a reduction in the forecasted investment profit at the mean level.
- Credit Risk: Credit Risk decreased slightly with no notable movement.
- Operational Risk (incl. Group Risk): Operational risk has remained stable over the past year, exhibiting minimal fluctuations. . .
- Other Risk (incl. Pension Risk, Liquidity Risk and Capital add-on): Other Risk also remained stable, with only minor movement mainly attributed to a modest reduction in control loading.
- Diversification: Diversification has remained consistent, showing only slight fluctuations.

Risk Category	As at 31 December 2024 (€000s)	As at 31 December 2023 (€000s)	Movement (€000s)
Insurance Risk	1,210,302	1,315,014	(104,711)
Market Risk	831,950	811,685	20,265
Credit Risk	203,193	215,811	(12,618)
Operational Risk (incl. Group Risk)	321,477	315,529	5,948
Other Risk (incl. Pension Risk, Liquidity Risk and Capital add-on)	57,374	61,699	(4,325)
Diversification	(1,038,669)	(1,041,529)	2,860
Total Solvency Capital Requirement including capital add-on	**1,585,628**	**1,678,209**	**(92,581)**

E.3 Use of Duration-based Equity Risk Sub-module in the Calculation of the SCR

The duration-based equity risk sub-module option set out in Article 304 of Directive is not used in the CEGSE internal model SCR calculation.

E.4 Differences between the Standard Formula and the Internal Model

CEG applies the internal model approach to the Solvency Capital Requirement (SCR). The internal model SCR is the capital requirement that is in force for CEG under Solvency II from 31 December 2020 following the approval from the ACPR on 04 November 2020.

E.4.1 Purposes for which the internal model is used

The primary purpose of the internal model is to calculate the Solvency Capital Requirement (SCR) under Solvency II. The internal model is also used to support the regulatory reporting requirements, where the use of output of the model is used to satisfy Solvency II Pillar 3 requirements (supervisory reporting and disclosure).

In addition, the internal model in its current form (with the aim of complying with Solvency II tests and standards) has been in place since 2012. In that period, it has seen extensive business uses across the organisation. We have drawn out some key uses below as an illustration.

- **Setting of "hurdle combined ratios**". Individual underwriters are cascaded a long-term expectation of the target level of combined ratio they should meet. The underwriting strategy is determined around the ability to meet these ratios. The ratios are derived directly from model output, based on allocation of model capital. This process demonstrates our willingness to run our business based on the internal model. It also has provided us with dispersed and highly challenging feedback at a detailed level over many years' worth of cycle, allowing us to identify areas of continuous improvement.

- **Treasury uses, including setting of currency and asset allocation policies, investment decisions and use of notional pool**. A key stakeholder of the model over the last few years has been the Treasury function. New currency and asset allocation policies were written as a result of the modelled currency breakdown at different risk levels and probabilities of capital strain as a result of market value losses. Investment decisions, including those regarding corporate bond credit ratings and the possible investment in different types of equity, have been made after considering the impact on risk predicted by the model. Limits on the use of the notional pool (which allows us to avoid the need to immediately rebalance currencies on a daily basis) have been set with reference to modelled risk. As well as demonstrating our faith in our model output, repeated real-world use in this way has meant scrutiny of the output (and the reason for that output) at a very detailed level.
- **Setting and monitoring risk appetite statements**. A number of risk appetite statements have been formed that directly use the model. These work by noting the probability that a given threshold is breached assuming the business plan has been followed. If the actual probability is greater than the risk appetite, such a breach is therefore escalated. The use of the model in this way has led to close scrutiny around the output for the metrics used and encouraged wider business feedback. The use demonstrates our faith that the model produces realistic assessments of the risks associated with the plan.
- **Strategic developments.** Where new strategies are considered, the model is consulted to understand the impact on both risk and capital. One example was during the acquisition of Chubb by ACE. During this time, extensive analysis was performed to understand the impact on risk profile derived from combining CICE and AEGL. Another example was the establishment and use by CEG of the joint venture reinsurance entity with BlackRock. Before deciding on the form that reinsurance transformation would take, a number of scenarios were run through the internal model to understand the impact. A further example was the company's response to the British referendum of 23 June 2016 that resulted in a decision to leave the EU. In the immediate aftermath, the model was used to interrogate the impact of economic scenarios and understand any constraints on capital that might arise. These uses show that we have sufficient faith in the model to only make major strategic decisions once we have included consideration of its output.

E.4.2 Business units and risk categories within the internal model scope

The Chubb internal model allows for all calculable risk. In particular, this includes:

- Insurance risk
  - Reserve risk
  - Non-Cat premium risk
  - Catastrophe risk
- Market risk
  - Interest rate risk
  - Equity risk
  - Spread risk
  - Currency risk
  - Transition and default risk
- Credit risk
  - RI credit risk
  - Broker credit risk
- Operational/group risk
- Other risks
  - Pension risk
  - Liquidity risk

CEG is a large and well-diversified insurance undertaking, covering a large range of Property & Casualty business. The Chubb regional management cluster headquartered in London, which comprises business units, product lines and specialised corporate functions.

Chubb comprises the operations of the following business units:

- **Property and Casualty** (P&C): this business unit specialises in client-focused solutions for a diverse range of UK and European commercial clients. Its product range includes property, primary and excess casualty, financial lines (D&O and crime), surety, marine cargo and construction-related risks.
- **Speciality Personal Lines** (SPL): this business unit is focussed on Chubb Mobilassurance solutions i.e. partnerships that encompass multi-line and multi-distribution initiatives with Mobile Network Operators.
- **Personal Risk Services** (PRS): this business unit offers insurance solutions to High Net Worth individuals by predominantly providing cover for their property and valuable possessions.
- **Accident and Health** (A&H): this business unit primarily offers personal accident and supplemental medical coverages including accidental death, business/holiday travel, specified disease, disability, medical and hospital indemnity, and income protection.
- **Chubb Global Markets** (CGM): CGM is the Chubb Group's specialty international underwriting business with a product range including aviation, energy, financial lines, marine, property, political risks and Excess and Surplus business.
- **Chubb Tempest Re (Europe)** (Tempest Europe): Tempest Europe is Chubb's European reinsurance arm, underwriting a wide-ranging portfolio of property and liability reinsurance classes, including casualty, property, marine and aviation.
- **Chubb Bermuda International Insurance (CBII)** provides commercial insurance products to a global client base targeting large companies and covering exposures that are generally low in frequency and high in severity. CBII writes Excess Liability, Excess Property and Professional Lines (including D&O) business.
- **Combined Insurance**: Combined Insurance provides a wide range of personal accident and sickness insurance products including short-term disability, critical condition and hospitalisation/recovery.

All business units are in scope of the internal model. The internal model is sufficiently granular so as to be able to maintain a distinction between and report on risk segmented by business units.

E.4.3 Methods used in the internal model for the calculation of the probability distribution forecast and the SCR

CEG internal model is a fully integrated Monte-Carlo simulation based stochastic model. The model is run with 100,000 simulations to ensure stability of results. It covers all material quantifiable risk types that CEG is exposed to. The modelling of those risks use suitably calibrated inputs and aggregate them to compute the SCR. The internal model produces an aggregate distribution of the change in basic own funds over a one year time horizon from which the SCR can be directly derived (i.e. the SCR is the 99.5th percentile) in line with Article 101 of Directive 2009/138/EC.

E.4.4 Main differences between the standard formula and the internal model

As at 31 December 2024, the internal model (IM) SCR was calculated as €1,585,628k, while the standard formula (SF) SCR was calculated as €2,616,444k. The difference in figures reflects the differences in underlying methodologies and calibration data.

The breakdown of results by main risk category is as follows:

Risk Category	**IM as at 31 December 2024 (€000s)**	**SF as at 31 December 2024 (€000s)**	**Difference (€000s)**
Insurance Risk (IM)/Health Underwriting Risk + Non-Life Underwriting Risk (SF)	1,210,302	1,653,908	(443,605)
Market Risk	831,950	1,078,073	(246,122)
Credit Risk	203,193	302,243	(99,051)
Operational Risk (incl. group risk for IM)	321,477	269,342	52,135
Other Risk (incl. pension risk, liquidity risk and capital add-on)	57,374	0	57,374
Diversification	(1,038,669)	(687,121)	(351,547)
Total Solvency Capital Requirement including capital add-on	**1,585,628**	**2,616,444**	**(1,030,817)**

The two methods for calculating capital have some important differences to note which can lead to variations in capital when looking at both the individual risk category capital and the aggregated results:

- <u>Risk coverage</u>: The IM and SF both cover the following risk categories: insurance risk (reserving and underwriting risks), market risk, credit risk (counterparty default risk) and operational risk. In addition, the IM also covers additional risks such as liquidity risk, group risk and pension risk associated with UK pension schemes which don't sit on the CEG balance sheet directly.

- <u>Risk Factor Calibration</u>: The SF calibration of risk is performed on data that covers a wide selection of insurers across the market, each with different portfolios of business and different reinsurance arrangements. The IM is calibrated using CEG specific data that reflects the underlying risks written by CEG and therefore the calibration is more aligned with the risk profile.

- <u>Expected Profit/Loss</u>: The SF has no allowance for the expected profit / loss generated by business written in the next 12 months from the valuation date. The IM generates an expected profit / loss in line with the business plan that underpins the projection as well as the projected investment returns generated by the investment portfolio. This expected profit / loss amount would act to offset the risk capital - an expected profit would reduce the capital requirement whereas an expected loss would increase the capital requirement.

- Risk Margin: There is no calculation of risk margin in the SF. The IM does allow for risk margin to change across a one-year time horizon and this will change the capital requirement in line with the movement in risk margin.

- Capital add-on: There is no capital add-on in the SF. The IM capital add-on is the SCR loadings that have been included in respect of control exceptions related to known model limitations. These loadings, which are individually assessed and included on a standalone basis, are included to ensure no limitation results in model imprudence.

- Aggregation Techniques: The SF uses a straightforward Gaussian approach to correlations applied to a tiered risk structure, whereas the IM uses heavy tail dependencies, which create a much larger impact at the 99.5th percentile (1 in 200 year return period).

E.4.5 Risk measure and time period used in the internal model

As set out in Article 101(3) of Directive 2009/138/EC, the SCR calculated using the internal model corresponds to the 99.5th Value-at-Risk over a one-year period.

E.4.6 Nature and appropriateness of the data used in the internal model

The internal model uses various sources of data. This data is both internal and external. All datasets used in the model are listed within a data directory, which includes details of data vintage and ownership. Each dataset has an assigned owner who is charged with delivering the data to the model with appropriate governance to ensure it is accurate, appropriate and complete. The data directory is periodically updated to match model changes or governance changes.

Balance sheet data is subject to an annual audit of all controls and any associated risks arising from its use.

E.5 Non-compliance with the SCR and MCR

CEG has sufficient eligible own funds to cover both the SCR and MCR. The coverage ratios for the SCR and MCR are 203% and 452% respectively.

As at 31 December 2024	SCR	MCR
Eligible Own Funds (€'000)	3,222,832	3,222,832
Solvency Capital Requirement SCR (€'000)	1,585,628	713,532
Coverage ratio %	203%	452%

The coverage ratios for the SCR & MCR are monitored on an ongoing basis with final reporting on solvency positions included in the quarterly ORSAs.

E.6 Undertaking-Specific-Parameters ("USP") and Matching Adjustments

Not applicable as USP and matching adjustments are not applied to the CEG SCR calculation.

LEGAL NAME : Chubb European Group SE, Closing date: 31/12/2024
DISPLAYED CURRENCY: k EUR

SE.02.01.16
Balance sheet

		Solvency II value
		C0010
Assets		
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	
Deferred tax assets	R0040	21,931
Pension benefit surplus	R0050	
Property, plant & equipment held for own use	R0060	69,621
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	6,531,310
Property (other than for own use)	R0080	
Holdings in related undertakings, including participations	R0090	
Equities	R0100	22,484
Equities - listed	R0110	
Equities - unlisted	R0120	22,484
Bonds	R0130	6,317,407
Government Bonds	R0140	727,118
Corporate Bonds	R0150	5,046,940
Structured notes	R0160	
Collateralised securities	R0170	543,349
Collective Investments Undertakings	R0180	164,678
Derivatives	R0190	201
Deposits other than cash equivalents	R0200	26,540
Other investments	R0210	
Assets held for index-linked and unit-linked contracts	R0220	
Loans and mortgages	R0230	458,114
Loans on policies	R0240	
Loans and mortgages to individuals	R0250	
Other loans and mortgages	R0260	458,114
Reinsurance recoverables from:	R0270	5,473,189
Non-life and health similar to non-life	R0280	5,473,189
Non-life excluding health	R0290	5,461,100
Health similar to non-life	R0300	12,089
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	
Health similar to life	R0320	
Life excluding health and index-linked and unit-linked	R0330	
Life index-linked and unit-linked	R0340	
Deposits to cedants	R0350	
Insurance and intermediaries receivables	R0360	13,553
Reinsurance receivables	R0370	568,491
Receivables (trade, not insurance)	R0380	- 148,907
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	871,380
Any other assets, not elsewhere shown	R0420	51,658
Total assets	R0500	13,910,342
Liabilities		
Technical provisions – non-life	R0510	9,395,979
Technical provisions – non-life (excluding health)	R0520	9,364,672
Technical provisions calculated as a whole	R0530	
Best Estimate	R0540	8,951,724
Risk margin	R0550	412,949
Technical provisions - health (similar to non-life)	R0560	31,306
Technical provisions calculated as a whole	R0570	
Best Estimate	R0580	30,855
Risk margin	R0590	451
Technical provisions - life (excluding index-linked and unit-linked)	R0600	
Technical provisions - health (similar to life)	R0610	
Technical provisions calculated as a whole	R0620	
Best Estimate	R0630	
Risk margin	R0640	
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	
Technical provisions calculated as a whole	R0660	
Best Estimate	R0670	
Risk margin	R0680	
Technical provisions – index-linked and unit-linked	R0690	
Technical provisions calculated as a whole	R0700	
Best Estimate	R0710	
Risk margin	R0720	
Other technical provisions	R0730	
Contingent liabilities	R0740	
Provisions other than technical provisions	R0750	
Pension benefit obligations	R0760	- 1,932
Deposits from reinsurers	R0770	11,913
Deferred tax liabilities	R0780	139,980
Derivatives	R0790	4,386
Debts owed to credit institutions	R0800	
Debts owed to credit institutions resident domestically	ER0801	
Debts owed to credit institutions resident in the euro area other than domestic	ER0802	
Debts owed to credit institutions resident in rest of the world	ER0803	
Financial liabilities other than debts owed to credit institutions	R0810	704,264
Debts owed to non-credit institutions	ER0811	704,264
Debts owed to non-credit institutions resident domestically	ER0812	
Debts owed to non-credit institutions resident in the euro area other than domestic	ER0813	704,264
Debts owed to non-credit institutions resident in rest of the world	ER0814	
Other financial liabilities (debt securities issued)	ER0815	
Insurance & intermediaries payables	R0820	- 48,922
Reinsurance payables	R0830	116,141
Payables (trade, not insurance)	R0840	214,525
Subordinated liabilities	R0850	
Non-negotiable instruments held by credit institutions resident domestically	ER0851	
Non-negotiable instruments held by credit institutions resident in the euro area other than domestic	ER0852	
Non-negotiable instruments held by credit institutions resident in rest of the world	ER0853	
Non-negotiable instruments held by non-credit institutions resident domestically	ER0854	
Non-negotiable instruments held by non-credit institutions resident in the euro area other than domestic	ER0855	
Non-negotiable instruments held by non-credit institutions resident in rest of the world	ER0856	
Subordinated liabilities not in Basic Own Funds	R0860	
Subordinated liabilities in Basic Own Funds	R0870	
Any other liabilities, not elsewhere shown	R0880	118,074
Total liabilities	R0900	10,654,409
Excess of assets over liabilities	R1000	3,255,934

LEGAL NAME : Chubb European Group SE, Closing date: 31/12/2024
DISPLAYED CURRENCY: k EUR

S.05.01.01.01
Premiums, claims and expenses by line of business

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of business for: accepted non-proportional reinsurance				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written																		
Gross - Direct Business	R0110		37,076		47,689	66,664	505,277	2,275,980	1,930,613	217,209			626,441					5,706,948
Gross - Proportional reinsurance accepted	R0120				1,240	63	249,763	638,900	376,937	65,300			25,325					1,357,527
Gross - Non-proportional reinsurance accepted	R0130														304	8,625	42,303	51,232
Reinsurers' share	R0140		14,925		21,023	6,427	301,137	1,497,032	1,010,611	197,756			189,623		273	2,465	10,333	3,251,605
Net	R0200		22,151		27,906	60,300	453,903	1,417,847	1,296,939	84,754			462,143		31	6,159	31,970	3,864,103
Premiums earned																		
Gross - Direct Business	R0210		37,088		47,958	62,941	492,957	2,164,940	1,894,449	176,841			622,083					5,499,257
Gross - Proportional reinsurance accepted	R0220				1,033	63	256,637	616,393	362,901	61,854			25,076					1,323,957
Gross - Non-proportional reinsurance accepted	R0230														441	9,028	33,588	43,057
Reinsurers' share	R0240		14,925		24,018	6,481	321,245	1,456,400	992,967	172,228			184,284		388	2,824	10,337	3,186,099
Net	R0300		22,163		24,973	56,522	428,349	1,324,933	1,264,383	66,468			462,875		53	6,204	23,250	3,680,173
Claims incurred																		
Gross - Direct Business	R0310		14,106		15,946	35,933	457,419	689,928	1,134,324	70,983			225,368					2,644,007
Gross - Proportional reinsurance accepted	R0320		26		9,558	289	126,144	264,483	242,122	-741			3,686					645,568
Gross - Non-proportional reinsurance accepted	R0330														-1,597	3,914	19,257	21,574
Reinsurers' share	R0340		2,132		3,219	213	426,295	539,799	847,371	49,244			129,014		-1,381	2,503	5,800	2,004,209
Net	R0400		12,001		22,284	36,009	157,268	414,612	529,076	20,998			100,040		-216	1,411	13,457	1,306,940
Expenses incurred	R0550		7,566		16,089,460	12,542,589	278,343,256	674,812,903	512,226,877	8,643,945			268,074,318		64	474	16,691	1,795,528
Administrative expenses																		
Gross - Direct Business	R0610		3,548		2,078	21	10,566	46,520	29,363	3,994			17,186					113,277
Gross - Proportional reinsurance accepted	R0620																	
Gross - Non-proportional reinsurance accepted	R0630														7	34	2,226	2,267
Reinsurers' share	R0640																	
Net	R0700		3,548		2,078	21	10,566	46,520	29,363	3,994			17,186		7	34	2,226	115,545
Investment management expenses																		
Gross - Direct Business	R0710		139		180	236	1,851	8,128	7,113	664			2,336					20,647
Gross - Proportional reinsurance accepted	R0720				4		964	2,314	1,363	232			94					4,971
Gross - Non-proportional reinsurance accepted	R0730														2	34	126	162
Reinsurers' share	R0740																	
Net	R0800		139		184	237	2,814	10,443	8,475	896			2,430		2	34	126	25,780
Claims management expenses																		
Gross - Direct Business	R0810		4,038		4,495	229	119,440	117,756	177,938	3,948			41,765					469,609
Gross - Proportional reinsurance accepted	R0820				323	7	11,490	7,866	12,709	209			36					32,639
Gross - Non-proportional reinsurance accepted	R0830														40	21	169	229
Reinsurers' share	R0840		-20		1,246	10	1,218	14,637	20,746	94			2,501					40,432
Net	R0900		4,058		3,572	226	129,712	110,985	169,900	4,063			39,299		40	21	169	462,046
Acquisition expenses																		
Gross - Direct Business	R0910		5,441		8,772	11,782	113,794	552,677	212,642	46,185			218,885					1,170,176
Gross - Proportional reinsurance accepted	R0920				278	22	39,697	96,365	53,051	11,277			10,926					211,617
Gross - Non-proportional reinsurance accepted	R0930														47	642	13,506	14,195
Reinsurers' share	R0940		8,341		388	-238	26,343	177,849	-16,279	60,834			33,830		36	283	1,044	292,432
Net	R1000		-2,901		8,662	12,042	127,148	471,192	281,972	-3,372			195,980		10	359	12,462	1,103,556
Overhead expenses																		
Gross - Direct Business	R1010		2,721		1,593	16	8,103	35,673	22,516	3,063			13,179					86,863
Gross - Proportional reinsurance accepted	R1020																	
Gross - Non-proportional reinsurance accepted	R1030														5	26	1,707	1,739
Reinsurers' share	R1040																	
Net	R1100		2,721		1,593	16	8,103	35,673	22,516	3,063			13,179		5	26	1,707	88,602
Balance - other technical expenses/income	R1210																	
Total technical expenses	R1300																	1,795,528

LEGAL NAME : Chubb European Group SE , Closing date: 31/12/2024
DISPLAYED CURRENCY: k EUR

S.17.01.01
Non-Life Technical Provisions

		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	Total Non-Life obligation
		Segmentation for:																
		Direct business and accepted proportional reinsurance												accepted non-proportional reinsurance:				
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	R0010																	
Direct business	R0020																	
Accepted proportional reinsurance business	R0030																	
Accepted non-proportional reinsurance	R0040																	
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050																	
Technical provisions calculated as a sum of BE and RM																		
Best estimate																		
Premium provisions																		
Gross - Total	R0060		-93		18,355	-1,027	8,575	-141,385	-23,208	-10,998			-58,007			10,040	-390	-198,137
Gross - direct business	R0070		-93		16,918	-1,027	965	-136,313	-890	-6,941			-55,540					-182,920
Gross - accepted proportional reinsurance business	R0080				1,437		7,610	-5,072	-22,318	-4,057			-2,467					-24,867
Gross - accepted non-proportional reinsurance business	R0090															10,040	-390	9,651
Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	R0100				2,794	-501	-9,269	-90,838	51,916	9,125			-5,530			9,595	-1,351	-34,059
Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses	R0110				2,794	-501	-9,269	-90,838	51,916	9,125			-5,530			9,595	-1,351	-34,059
Recoverables from SPV before adjustment for expected losses	R0120																	
Recoverables from Finite Reinsurance before adjustment for expected losses	R0130																	
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140		377		2,752	-502	-9,462	-91,576	50,822	9,008			-5,626			9,591	-1,351	-35,966
Net Best Estimate of Premium Provisions	R0150		-470		15,603	-525	18,037	-49,809	-74,031	-20,006			-52,381			449	961	-162,172
Claims provisions																		
Gross - Total	R0160		30,948		126,039	10,553	873,508	1,888,320	5,485,116	228,959			300,724	-	167,447	60,765	8,337	9,180,716
Gross - direct business	R0170		30,117		117,681	10,437	531,139	1,323,087	4,695,525	163,196			293,479					7,164,661
Gross - accepted proportional reinsurance business	R0180		831		8,358	116	342,369	565,233	789,591	65,763			7,245					1,779,506
Gross - accepted non-proportional reinsurance business	R0190														167,447	60,765	8,337	236,549
Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	R0200		802		81,500	1,814	400,515	1,459,610	2,866,813	149,904			364,511		148,774	42,398	3,089	5,519,731
Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses	R0210		802		81,500	1,814	400,515	1,459,610	2,866,813	149,904			364,511		148,774	42,398	3,089	5,519,731
Recoverables from SPV before adjustment for expected losses	R0220																	
Recoverables from Finite Reinsurance before adjustment for expected losses	R0230																	
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240		11,712		81,046	1,809	396,452	1,456,345	2,855,509	149,467			363,464		148,296	41,966	3,089	5,509,155
Net Best Estimate of Claims Provisions	R0250		19,236		44,993	8,744	477,056	431,975	2,629,606	79,493			-62,740		19,151	18,799	5,248	3,671,561
Total Best estimate - gross	R0260		30,855		144,394	9,526	882,083	1,746,935	5,461,907	217,962			242,717		167,447	70,806	7,947	8,982,579
Total Best estimate - net	R0270		18,766		60,595	8,219	495,093	382,166	2,555,576	59,487			-115,121		19,151	19,248	6,209	3,509,390
Risk margin	R0280		451		11,177	1,618	34,891	75,119	217,283	60,507			8,991		2,994	267	102	413,399
Amount of the transitional on Technical Provisions																		
TP as a whole	R0290																	
Best estimate	R0300																	
Risk margin	R0310																	
Technical provisions - total																		
Technical provisions - total	R0320		31,306		155,571	11,144	916,974	1,822,054	5,679,190	278,468			251,709		170,441	71,072	8,050	9,395,979
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330		12,089		83,798	1,307	386,990	1,364,769	2,906,331	158,475			357,838		148,296	51,558	1,738	5,473,189
Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total	R0340		19,217		71,772	9,837	529,984	457,284	2,772,858	119,994			-106,130		22,145	19,515	6,312	3,922,789
Line of Business: further segmentation (Homogeneous Risk Groups)																		
Premium provisions - Total number of homogeneous risk groups	R0350																	
Claims provisions - Total number of homogeneous risk groups	R0360																	
Cash-flows of the Best estimate of Premium Provisions (Gross)																		
Cash out-flows																		
Future benefits and claims	R0370		2		37,612	9,332	233,300	811,162	607,500	92,253			123,595			10,044	2,838	1,927,638
Future expenses and other cash-out flows	R0380		133		13,578	5,799	76,528	316,116	225,204	29,733			114,598			251	774	782,714
Cash in-flows											**Cash in-flows**							
Future premiums	R0390		250		32,835	16,157	301,253	1,250,579	851,832	121,506			296,200			255	4,002	2,874,869
Other cash-in flows (incl. Recoverable from salvages and subrogations)	R0400							18,084	4,080	11,478								33,642
Cash-flows of the Best estimate of Claims Provisions (Gross)																		
Cash out-flows																		
Future benefits and claims	R0410		3,173		128,006	10,420	967,216	1,971,014	5,455,062	287,797			303,252		165,756	61,023	9,468	9,362,188
Future expenses and other cash-out flows	R0420		54		-1,920	133	37,890	59,738	170,193	16,254			20,469		1,796	1,071	142	305,818
Cash in-flows																		
Future premiums	R0430		-92		47		131,598	142,432	140,139	75,092			22,996		105	1,329	1,273	514,918
Other cash-in flows (incl. Recoverable from salvages and subrogations)	R0440																	
Percentage of gross Best Estimate calculated using approximations	R0450																	
Best estimate subject to transitional of the interest rate	R0460																	
Technical provisions without transitional on interest rate	R0470																	
Best estimate subject to volatility adjustment	R0480																	
Technical provisions without volatility adjustment and without others transitional measures	R0490																	
Expected profits included in future premiums (EPIFP)	R0500		6		6,160	2,523	41,213	325,721	219,508	5,781	85,809		83,175		48	1,289	2,049	773,282

LEGAL NAME : Chubb European Group SE, Closing date: 31/12/2024
DISPLAYED CURRENCY: k EUR

S.23.01.01
Own funds

		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 2015/35						
Ordinary share capital (gross of own shares)	R0010	896,177	896,177			
Share premium account related to ordinary share capital	R0030					
Initial 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	2,326,655	2,326,655			
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	3,222,832	3,222,832			
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					
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	3,222,832	3,222,832			
Total available own funds to meet the MCR	R0510	3,222,832	3,222,832			
Total eligible own funds to meet the SCR	R0540	3,222,832	3,222,832			
Total eligible own funds to meet the MCR	R0550	3,222,832	3,222,832			
SCR	R0580	1,585,628				
MCR	R0600	713,532				
Ratio of Eligible own funds to SCR	R0620	0				
Ratio of Eligible own funds to MCR	R0640	0				

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S.23.01.01
Reconciliation reserve

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	3,255,934
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	896,177
Adjustment for restricted own fund items in respect of ring fenced funds due to ring fencing	R0740	33,102
Reconciliation reserve	R0760	2,326,655
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	773,282
Total Expected profits included in future premiums (EPIFP)	R0790	773,282

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S.25.05.01.01 - S.25.05.01.05
Solvency Capital Requirement - for undertakings using an internal model (partial or full)

		Solvency Capital Requirement	Allocation from adjustments due to RFF and Matching adjustments portfolios	Consideration of the future management actions regarding technical provisions and/or deferred taxes	Amount modelled
		C0010	C0050	C0060	C0070
Risk type					
Total diversification	R0020	-932,357			
Total diversified risk before tax	R0030	1,585,628			
Total diversified risk after tax	R0040				
Total market & credit risk	R0070	2,312,636			
Market & Credit risk - diversified	R0080	902,299			
Credit event risk not covered in market & credit risk	R0190				
Credit event risk not covered in market & credit risk - diversified	R0200				
Total Business risk	R0270				
Total Business risk - diversified	R0280				
Total Net Non-life underwriting risk	R0310	1,628,114			
Total Net Non-life underwriting risk - diversified	R0320	1,210,302			
Total Life & Health underwriting risk	R0400				
Total Life & Health underwriting risk - diversified	R0410				
Total Operational risk	R0480	321,477			
Total Operational risk - diversified	R0490	321,477			
Other risk	R0500	56,362			

Calculation of Solvency Capital Requirement

		C0100
Total undiversified components	R0110	2,490,440
Diversification	R0060	-904,813
Adjustment due to RFF/MAP nSCR aggregation	R0120	
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency capital requirement, excluding capital add-ons	R0200	1,585,628
Capital add-ons 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	1,585,628
Other information on SCR		
Amount/estimate of the overall loss-absorbing capacity of technical provisions	R0300	
Amount/estimate of the loss absorbing capacity for deferred taxes	R0310	
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring-fenced funds	R0420	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	
Method used to calculate the adjustment due to RFF nSCR aggregation	R0450	
Net future discretionary benefits	R0460	

Approach to tax rate

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

Calculation of loss absorbing capacity of deferred taxes

		Before the shock	After the shock
		C0110	C0120
DTA	R0600		
DTA carry forward	R0610		
DTA due to deductible temporary differences	R0620		
DTL	R0630		

Calculation of loss absorbing capacity of deferred taxes

		LAC DT
		C0130
Amount/estimate of LAC DT	R0640	
Amount/estimate of LAC DT justified by reversion of deferred tax liabilities	R0650	
Amount/estimate of LAC DT justified by reference to probable future taxable economic profit	R0660	
Amount/estimate of LAC DT justified by carry back, current year	R0670	
Amount/estimate of LAC DT justified by carry back, future years	R0680	
Amount/estimate of Maximum LAC DT	R0690	

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S.28.01.01 - 01

Minimum Capital Requirement (Only life or only non-life insurance or reinurance activity)

Linear formula component for non-life insurance and reinsurance obligations

		MCR components
		C0010
MCRNL Result	R0010	798,033

Linear formula component for non-life insurance and reinsurance obligations

		Background information	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020		
Income protection insurance and proportional reinsurance	R0030	18,766	22,151
Workers' compensation insurance and proportional reinsurance	R0040		
Motor vehicle liability insurance and proportional reinsurance	R0050	60,595	27,906
Other motor insurance and proportional reinsurance	R0060	8,219	60,300
Marine, aviation and transport insurance and proportional reinsurance	R0070	495,093	453,903
Fire and other damage to property insurance and proportional reinsurance	R0080	382,166	1,417,847
General liability insurance and proportional reinsurance	R0090	2,555,576	1,296,939
Credit and suretyship insurance and proportional reinsurance	R0100	59,487	84,754
Legal expenses insurance and proportional reinsurance	R0110		
Assistance and proportional reinsurance	R0120		
Miscellaneous financial loss insurance and proportional reinsurance	R0130		462,143
Non-proportional health reinsurance	R0140		
Non-proportional casualty reinsurance	R0150	19,151	31
Non-proportional marine, aviation and transport reinsurance	R0160	19,248	6,159
Non-proportional property reinsurance	R0170	6,209	31,970

Linear formula component for life insurance and reinsurance obligations

		C0040
MCRL 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		
Obligations with profit participation - future discretionary benefits	R0220		
Index-linked and unit-linked insurance obligations	R0230		
Other life (re)insurance and health (re)insurance obligations	R0240		
Total capital at risk for all life (re)insurance obligations	R0250		

Overall MCR calculation

		C0070
Linear MCR	R0300	798,033
SCR	R0310	1,585,628
MCR cap	R0320	713,532
MCR floor	R0330	396,407
Combined MCR	R0340	713,532
Absolute floor of the MCR	R0350	4,000
Minimum Capital Requirement	R0400	713,532