SOLVENCY AND
FINANCIAL CONDITION
REPORT (SFCR)

2024

Fortegra Europe Insurance Company SE

Table of Contents

INTRODUCTION

This report is the Solvency and Financial Condition Report (SFCR) of Fortegra Europe Insurance Company SE, for the reporting period ended December 31, 2024, pursuant to Articles 51, 53, 54, 256 and 256a of the Solvency II Directive 2009/138/EC, as amended and Articles 290 to 298 and 359 to 364 of Delegated Regulation (EU) 2015/35, as amended. The report has been prepared in accordance with the Solvency II Regulations governing insurance company reporting, and is solely intended to fulfil the requirements thereof.

Pursuant to Article 51 of the Directive, certain information provided in this report is incorporated by reference to the Annual Report. There are, however, certain specific SFCR requirements which are not already reported publicly elsewhere, and those are specifically included in this report. In particular, this report includes reporting of the Solvency II valuation undertaken at December 31, 2024. Those results are also presented in the Quantitative Reporting Templates (QRTs).

Cautionary statement regarding forward looking statements

This report may include statements with respect to future events, trends, plans, expectations or objectives and other forward-looking statements relating to the Company's future business, financial condition, results of operations, performance, and strategy. Forward-looking statements are not statements of historical fact and may contain the terms "may", "will", "should", "continue", "aims", "estimates", "projects", or words of similar meaning. Such statements are based on Management's current views and assumptions and, by nature, involve known and unknown risks and uncertainties' therefore undue reliance should not be placed on them.

Actual financial condition, results of operations, performance or events may differ materially from those expressed or implied in such forward-looking statements, due to a number of factors, including, but not limited to, general economic and political conditions and competitive situation, future financial market performance and conditions, including fluctuations in exchange and interest rates, frequency and severity of insured loss events, and increases in loss expenses, changes in laws, regulations and standards, the impact of acquisitions and disposals, including related integration issues, and reorganisation measures, and general competitive factors, in each case on a local and/ or global basis.

Many of these factors may be more likely to occur, or more pronounced, as a result of catastrophic events, or terrorist-related incidents.

FORTEGRA

EXECUTIVE SUMMARY

Pursuant to the Solvency II Regulations, the following is a summary overview of each of the sections required in the report. Please refer to each of those sections in their entirety, including in each case the materials incorporated by reference therein.

A. Business and performance

Fortegra Europe Insurance Company was formed at the beginning of 2018 with primary activities being underwriting of non-life insurance. It was then authorised by the Malta Financial Services Authority to carry on business of insurance on 29 March 2018, and accepts risks on the following Solvency II lines of business:

- Other Motor insurance;
- Fire and other damage to property insurance;
- Miscellaneous financial loss;
- Assistance

The Company transacted the first insurance business in November 2018. For the year ended 31 December 2024, insurance revenue amounted to EUR 141.7 million (2023: EUR 104.6 million). The Company registered a profit before tax of EUR 2.5 million (2023: profit EUR 12.4 million) and total comprehensive income of EUR 4.8 m (2023: 14.5m)

The reduction in profit before tax is due to an increase of EUR 17.3m in the expected cash outflows relating to incurred claims from previous years (2023 : EUR nil)

Recognized as a quality market for Managing General Agents (MGAs) and underwriters, Fortegra Group excels through its rigorous program business underwriting, advanced AI and data science applications, and a steadfast commitment to consistent claims management.

Fortegra's underwriting approach ensures that the company effectively meets the evolving needs of agent partners and policyholders, cementing its market leadership.

Reading this report along with the quantitative reporting templates is recommended. The table below shows the standard formula solvency position as at December 31, 2024:

€'000	2024	2023
Eligible own funds	64,378	76,002
Solvency capital requirement (SCR)	48,199	34,424
Solvency II Surplus	16,179	41,578
Solvency ratio	133.6%	220.8%

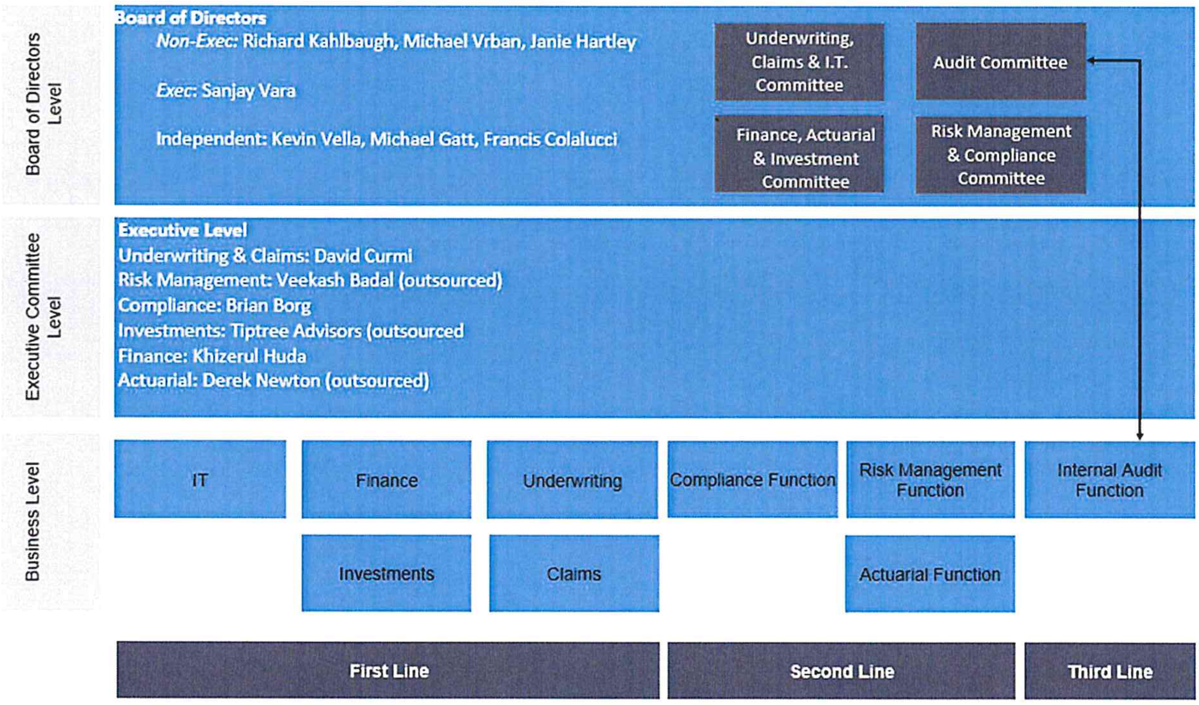
FORTEGRA

About Fortegra Group
For more than 45 years, Fortegra, via its subsidiaries, has underwritten risk management solutions that help people and businesses succeed in the face of uncertainty. As a multinational specialty insurer whose insurance subsidiaries have at least an A.M. Best Financial Strength Rating of A- (Excellent).

B. System of governance

The Company has established a strong governance system that ensures sound and prudent management appropriate to its nature, scale, and complexity. This governance structure assures that the Board, its Committees, key function holders, and senior executives are collectively fit and proper, knowledgeable, and experienced in managing insurance business and all related areas for which an insurance undertaking is responsible.

The Company operates via a Board of Directors and separate Board Committees:



As at December 31, 2024

C. Risk profile

The Board of Directors and the Risk Management Function review the risk profile of the Company periodically. The main risk types to which the Company is exposed to are:

- Underwriting Risk
- Market Risk
- Asset Liability Management Risk
- Counterparty Default Risk

- Credit Risk
- Liquidity Risk
- Operational Risk

The nature of such risks and their impact on the Company's risk profile under various scenarios are, in each case, set forth in Section C hereof, including by reference to the documents incorporated therein.

D. Valuation for solvency purposes

The Company's value for solvency assessment is derived from its IFRS accounts, which are adjusted in accordance with Solvency II regulations.

In the forthcoming years, the most notable differences between the balance sheet reported in the financial statements and the solvency valuation will primarily result from two factors: the revaluation of technical reserves to comply with the Solvency II technical provisions and the removal of deferred acquisition costs.

These costs will be replaced by projected future cash flows incorporated into the Solvency II technical provisions.

E. Capital management

The Company has two main capital objectives: to maintain sufficient capital to ensure that it can continue its operations and support new business growth and to meet the requirements of its policyholders and regulators. To achieve these objectives, the Company aims to hold capital more than its regulatory capital requirement, known as the SCR, and to maintain a solvency ratio above 120%.

To ensure it meets its future solvency needs, the Company analyses its capital requirements for each projected year and continuously assesses whether its eligible capital would comply with Solvency II regulations within the Own Risk and Solvency Assessment ("ORSA").

As at 31st December 2024, the coverage ratio was 133.6%, with eligible own funds of EUR 64,378k and an SCR of EUR 48,199k. The company's MCR was EUR 13,404k.

The Company has continuously complied with both the MCR and the SCR since gaining regulatory approval, as confirmed by regulatory reporting.

The Company's Board regularly reviews the ratio of eligible own funds over the SCR and MCR. It prepares solvency projections over a multi-year period as part of the business planning process.

FORTEGRA

A. BUSINESS AND PERFORMANCE

A.1 Business

Name of the undertaking:	Fortegra Europe Insurance Company SE
Company number:	SE 17
Date of original incorporation:	29th March 2018
LEI code:	9845007440E61NE6D195
Registered office address:	Office 13, SOHO Office, The Strand, Fawwara Building Triq l-Imsida, Gzira, GZR 1401 Malta
Regulatory bodies:	Malta Financial Services Authority ("MFSA")
Name of external auditor:	Deloitte

The Company was originally formed at the in 2018 and is authorised and supervised by the Malta Financial Services Authority located in Malta to transact insurance business.

The Company is a wholly-owned subsidiary of Fortegra Europe Holdings SE, with Fortegra Financial Corporation ("Fortegra Group") being its ultimate parent company.

Supervisory authorities
The Company is authorised under the Insurance Business Act 1998 of the laws of Malta to carry out general business of insurance, and is regulated by the Malta Financial Services Authority of Triq l-Imdina, Zone 1, Central Business District, Birkirkara, CBD 1010, Malta.

This authorization enables the Company to engage in a range of insurance activities classified under Solvency II, which establishes a comprehensive framework for the financial stability and risk management of insurance businesses.

The Company is committed to adhering to the stringent regulatory standards set forth by the MFSA to ensure the protection of policyholders and the overall integrity of the insurance market.

Classes of Business

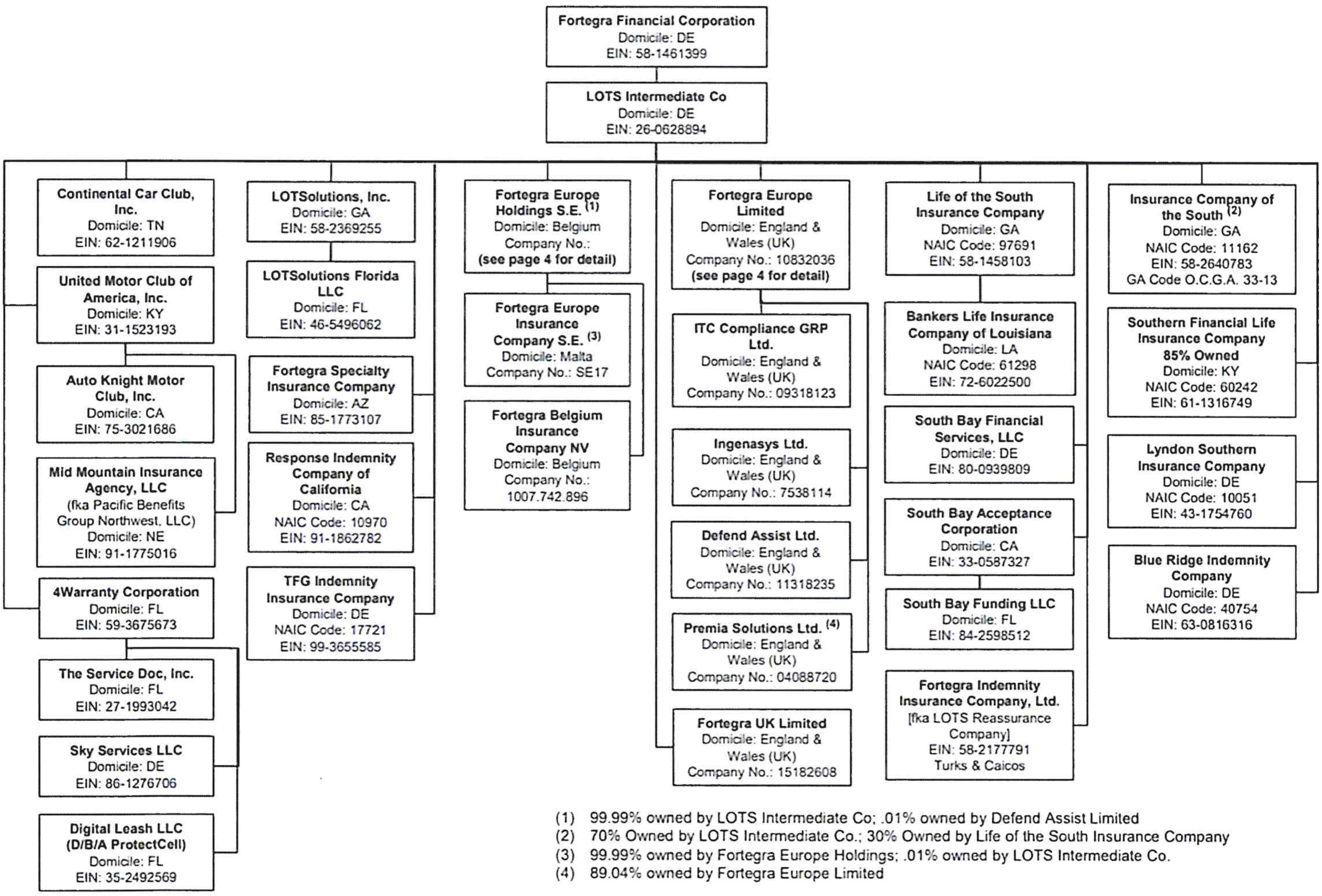
The Company is authorised by the MFSA to carry on the business of insurance.

The following are the main product and policy types that the Company wrote during the year:

- Other Motor insurance;
- Fire and other damage to property insurance;
- Miscellaneous financial loss;
- Assistance

Group structure

The following chart presents an overview of the legal structure of the Fortegra Group:



(1) 99.99% owned by LOTS Intermediate Co; .01% owned by Defend Assist Limited
(2) 70% Owned by LOTS Intermediate Co.; 30% Owned by Life of the South Insurance Company
(3) 99.99% owned by Fortegra Europe Holdings; .01% owned by LOTS Intermediate Co.
(4) 89.04% owned by Fortegra Europe Limited

A.2 Underwriting performance

The Company saw continued growth during the year with increased volumes across the majority of its business lines: Guaranteed Asset Protection, Other Motor Insurance products (Tyre & Wheel insurance, SMART insurance (dents & scratches), Auto Extended Warranty, Car Hire Excess insurance, Roadside Assistance) and Household Insurance products (Mobile Phone & Gadget cover, Furniture Insurance).

	2024 €'000	2023 €'000
Insurance revenue	141,687	104,617
Insurance service expenses	(134,628)	(80,710)
Net expenses from reinsurance contracts held	(5,339)	(11,390)
Insurance service result	1,720	12,517
Reinsurance contract assets	66,470	58,989
Insurance contract liabilities	154,609	129,121

A.3 Investment performance

The Board has approved an investment strategy that focuses on minimising risks, in line with the Investment Management Policy, the Company only invests in assets whose risks can be properly identified, measured, monitored, controlled, and reported.

Moreover, such assets shall meet the specific risk profile, approved risk tolerance limits and the business strategy of the Company. It is the Company's policy that the funds are invested in a range of instruments and credit institutions to provide for their safety, liquidity, and return.

	2024 €'000	2023 €'000
Net investment income	2,601	2,294

A.4 Performance of other activities

The Company's income is solely generated from the underwriting performance of its policies and the performance of its investments. Similarly, expenses are solely derived from the Company's technical and operational costs.

A.5 Any other information

There is no additional information that has not been included in the preceding sections.

B. SYSTEM OF GOVERNANCE

B.1 General information on the system of governance

The company has a governance structure in place to ensure the proper business management commensurate with its nature, scale, and complexity. This structure ensures that the Board, its Committees, key function holders, and senior executives are fit and proper, knowledgeable, and experienced in managing the insurance business.

The governance structure also covers all interconnected areas for which an insurance undertaking should be responsible.

The Board and its committees are responsible for ensuring that governance and risk management policies and procedures are in place and that they are being implemented effectively. They also oversee the performance of key function holders and senior executives.

The Risk Management Framework is designed to identify, assess, and manage organisational risks. It is regularly reviewed and updated to remain effective and relevant.

Overview of the Board and its Committees
The Board is responsible and accountable for the Company's performance and strategy while ensuring that the organisation complies with all legal, statutory, regulatory, and administrative requirements.

Moreover, the Board drives and monitors the system of governance to ensure that the Company's established functions, controls and systems are effective and in line with the Company's policies and regulatory requirements. This is achieved through established policies, processes, key function holders, committee meetings and board meetings.

Board of Directors
The Board is responsible for setting out the general direction of the Company, the goal being of achieving sound and prudent management. Sound and prudent management entails an effective risk management function and the implementation of adequate internal control practices in a consistent manner throughout the organisational structure.

The Board has established various policies to encompass all controls and processes. To this effect the Board has the following written policies:

- Business Continuity Policy	- Capital Management Policy
- Complaints Handling Policy	- Compliance Policy
- Conduct Risk Policy	- Corporate Governance Policy

- Data Privacy Policy	- Fit and Proper Policy
- Internal Audit Policy	- Investment Management Policy
- Own Risk and Solvency (ORSA) Policy	- Outsourcing Policy
- Underwriting, Pricing and Risk Appetite Policy	- Product Oversight and Governance Policy
- Disclosure Policy	- Reserving Policy
- Risk Management Policy	- Cloud Policy
- Business Continuity Policy	- Digital Operational Resilience Policy
- Complaints Handling Policy	- Remuneration Policy
- Vulnerable Customer Policy	

All policies are reviewed at least annually or when there are material changes to the business structure or changes in any process or processes to ensure that they are up to date and that they reflect the controls intended to be put and kept in place by the Board.

The Board meets at least four times every year or more frequently if required by the business, or if any circumstance material arises at any point in time.

The Board possesses the required diversity of knowledge, skills and experience to perform their role effectively and fulfil the Solvency II criteria to collectively possess the appropriate qualification, experience and knowledge about at least:

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

The Company has established a fit and proper policy. The purpose of this policy is to ensure that no individual is appointed to or confirmed in a relevant role unless they have been appropriately assessed by the Company and deemed fit and proper according to regulatory requirements.

When evaluating the suitability of relevant individuals for their roles within the Company, the following criteria are considered.

Board of Directors & Committee Responsibilities

The Board appointed various committees to assist it in its governance role. However, it still retains the ultimate responsibility for these delegated functions. Each committee has its own terms of reference and the reporting of each of the established committees is directly to the Board of the Insurance Company.

Management Body	Risk Management Roles and Responsibilities
Board of Directors	- Set and agree Company's strategic direction - Maintain the Risk Management Framework, including any major or significant changes - Agree risk strategy - Agree risk appetite - Review and approve risk register - Oversee information systems and data appropriateness - Ensure adequate and appropriate communication between Directors and with all other parties - Ensure that members of the Board, Committees and other parties, including those performing significant outsourced functions, possess the relevant knowledge and experience and fully understand what is required of them - Oversee the calculation of the SCR and continuous compliance therewith - Ensure any conflicts are appropriately managed and do not hinder the proper performance of any individual's duties - Oversee and challenge the ORSA and ensure that this forms an integral part of the decision-making process - Approve the ORSA - Ensure that all sub-committees and other functions perform their required duties adequately and promptly and, where required, report to the Board in a timely and appropriate manner - Set and agree an appropriate remuneration policy - Oversee processes and procedures to enable relevant reporting information to be obtained - Oversee QRT reporting disclosures - Oversee and approve the annual Solvency and Financial Condition Report (SFCR) - Oversee and approve the annual Regular Supervisory Report (RSR) •
Risk Management and Compliance Committee	- Propose and oversee Risk Management Framework, including any major or significant changes - Propose and oversee risk strategy - Propose and oversee risk appetite - Determine risk register and keep up-to-date - Oversee fair outcomes for consumers - Ensure that information systems are adequate and appropriate to the Company's requirements, that the data produced is appropriate for the intended use and that the systems enable the identification and management of all risks

	- Oversee the calculation of the SCR and continuous compliance therewith - Assist in the ORSA process and ensure that this forms an integral part of the decision-making process - Ensure that appropriate processes and procedures are in place to enable relevant reporting information to be obtained - Recommend and approve QRT reporting disclosures - Oversee and recommend the annual SFCR - Oversee and recommend the annual RSR - Ensure the internal audit requirements are met in an appropriate and proportional manner - Liaise with internal audit - Report to the Board the results of internal audits - Ensure any weaknesses/ issues arising from the internal audit are appropriately dealt with - Liaise with in-house/ outsourced actuarial function providers - Report to the Board on the actuarial function - Ensure all required Pillar III disclosures are met
Underwriting and Claims and IT Committee	- Assist Board in setting insurance risk strategy and appetite - Ensure insurance risk strategy is adhered to - Propose to the Board insurance risk appetite limits and tolerances - Monitor insurance risk against limits and ensure this is appropriately reported to the Board - Provide appropriate input into the calculation of the SCR and technical provisions - Provide appropriate input into the ORSA process - Provide any required input into the QRT reporting and the SFCR
Audit Committee	- Informing the Board of Directors of the outcome of the statutory audit and explaining how the statutory audit contributed to the integrity of financial reporting and what the role of the Committee was in that process - Review and approval of the internal audit plan - Monitoring the financial reporting process and the submission of recommendations or proposals to ensure its integrity - Providing recommendations to the Board of Directors as respects filing of all required interim and annual financial reports, including audited financial statements and such other statutory reports including ORSA, SFCR and RSR that require Board approval - Establishing procedures for the receipt and treatment of complaints or concerns coming from employees, contractors or the external auditors regarding accounting, internal controls or auditing matters

- Ensuring that significant findings and recommendations made by internal audit are received and discussed on a timely basis and ensuring that management responds to recommendations by internal audit
- Monitoring the statutory audit of the annual and consolidated financial statements, in particular, its performance, taking into account any findings and conclusions by the Accountancy Board established by article 6 of the Accountancy Profession Act (Cap. 281), pursuant to Article 26 (6) of Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC, ("Statutory Audit Regulation")
- Reviewing the additional report prepared by the approved auditor submitted to the Committee in terms of Article 11 of the Statutory Audit Regulation
- Reviewing and monitoring the independence of the approved auditor in accordance with Articles 22 (2), 22 (4) (a), 22 (4) (b) and 24 of Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC ("Statutory Audit Directive") and Article 6 of the Statutory Audit Regulation, and in particular the suitability of the provision of non-audit services to the Company in accordance with Article 5 of the said Regulation;
- Selection of the approved auditor and recommending the approved auditor to be appointed in accordance with Article 16 of the Statutory Audit Regulation.

B.2 Fit and proper requirements

The Company is committed to ensuring all staff have the skills, knowledge, and experience needed for their roles. This is outlined in the company's operating documentation, policies, and procedures.

Assessment of fitness and propriety

During the hiring process, the Company evaluates whether a candidate is fit and proper to undertake the required role. This applies to all staff members, including Committee members, senior management, and other certification functions. To determine the fitness and propriety of a candidate, the Company considers their honesty, integrity, reputation, competence, capability, and financial soundness.

Additionally, staff members should have the necessary qualifications to perform their duties effectively. In significant areas of responsibility, senior management and certification functionaries should have the qualifications required to provide sound and prudent company management. The Company has established appropriate policies and processes to assess and ensure ongoing compliance with fitness and propriety requirements.

Technical and professional development
All employees' training needs are assessed regularly thereafter (including if their role changes). Appropriate training and support are provided to satisfy any relevant training needs, and the quality and effectiveness of such training is reviewed regularly.

All employees' competence is reviewed regularly and frequently, and appropriate action is taken to ensure they remain competent. Maintaining competence will consider, where relevant, such matters as technical knowledge and its application;

- Skills and expertise; and
- Changes in the market to products, legislation, and regulation.

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

Governance structure

The Board is responsible for ensuring the Risk Management System's effectiveness and for determining the Company's Risk profile and tolerance limits. Further to this, the Board is also responsible for approving the Risk Management Strategies and policies within the Risk Management Framework.

The risk management function facilitates the application of the Risk Management System. Its functions include the coordination of the strategies, processes and procedures that are necessary to continually identify, measure, monitor, manage and report all the risks to which the Company is exposed to, or may be exposed to.

Risk management objectives, policies, and processes

The main components of the Board's approach to Risk Management are as follows:

Risk appetite
The Board sets risk appetite for the various risk categories and appropriate measures and controls are selected and agreed for each of the risk categories. This enables regular reporting and assists in monitoring the Company's risks. The risks and controls will be refined as the

business grows. Risk appetite is measured in terms of:

- Those activities and associated risk exposures within a given period of time that the Company is prepared to accept, those it will avoid, those to be transferred via insurance/ reinsurance or other contracts and those requiring mitigation through control;

- The ranking of risks within the risk register, i.e. management's view as to whether the risk is adequately controlled or if further work is required to mitigate the risk to improve the resultant risk score;

- Internal Capital Assessment

Internal Capital Assessment
A key component of the Risk Management Framework is the ICA. This assessment is used to calculate the capital required for each category of the risk. Capital requirements are modelled at the 99.5% confidence level with a 1-year horizon, i.e. to represent a worst-case scenario of a 1 in 200-year event. The capital analysis of the risks contained within the risk register is completed at least annually during the ORSA.

Strategic planning
The strategic planning process is an annual process when the strategy is reviewed and operating plans for future years are formulated. This process considers the risk profile as recorded within the risk register, together with the current risk policies and ICA requirements.

The business objectives are determined, key challenges identified and core assumptions agreed. Scenario analysis is used to help shape strategic options at an early stage, stress tests are applied to challenge key assumptions behind strategic objectives and the plan, and operating plan objectives are analysed in detail to identify and assess associated risks.

Risk Register
Risk register details are retained indefinitely and include details of risk identification and assessment, risk appetite, key controls and remedial actions proposed and implemented. The following records are of particular importance:
- Risk register
- Risk Management Framework Policy, including approval of changes
- Strategic Planning documents
- Compliance exceptional reports
- Internal audit plans and reports
- Board reports and minutes

The Company aims to:
- Identify the risks and what could affect the business and processes going forward;
- Communicate risks that crystallise to the members of the Board;
- Ensure that controls are identified for each operational risk.

Monitoring and controlling risk

Key monitoring and control activities are undertaken. The Risk Management function has the following objectives:

- To explain the underlying approach to risk management, whilst giving key aspects of the risk management process, and identifying the main reporting procedures;
- To embed a culture of risk awareness;
- To make all relevant stakeholders accountable for managing risk in line with their roles and responsibilities;
- To identify, prioritise, measure, manage, monitor and treat all critical risks in a consistent and effective manner;
- To report using appropriate and reliable risk management tools (including key risk indicators, risk and control self-assessments) to support risk-based decision making and capital assessment;
- To comply with all relevant legislation, regulatory requirements, guidance and codes of practice;
- To provide senior management and the Board with timely and dependable assurance that the organisation is managing the significant risks to its business; and
- To enable the Board to review, refresh and approve the Risk Management Strategy annually, as well as to follow any significant change to the business' operating model environment.

Capital is generally estimated in line with the budget for the following year, and is reviewed throughout the year according to risk development, to ensure compliance with the established Risk Appetite limits.

Own Risk and Solvency Assessment (ORSA)

The Own Risk and Solvency Assessment (ORSA) is crucial to the risk management system. The Company must evaluate its short- and long-term risks as an insurance company and determine the funds needed to cover them. The ORSA process assesses the company's overall solvency needs, considering its risk profile, risk tolerance, and business plan. It allows the Company to identify, quantify, monitor, manage, and report any risks they may face.

The ORSA considers all key risks facing the business, including those not in the SCR, such as liquidity, reputation, and regulatory risks, as well as those in the SCR. Both internal and external risks are evaluated.

The company performs the full Own Risk and Solvency Assessment (ORSA) process at least once a year. The Risk Management department produces a report based on the Capital Model output and considers the future business plan. Although some structures and analysis supporting the ORSA process are ongoing parts of the risk management framework, management believes an annual review cycle is appropriate, given the nature and scale of the company's risks. If there is a significant change in risk profile, a full ORSA process is conducted, and a report is generated as soon as possible.

These changes may impact the risk environment both internally and externally. Such changes can include significant events that can potentially modify the company's overall risk profile.

Internal Triggers

- any significant changes in our overall business strategy or material deviations from our planned course of action.
- setting up new product lines or discontinuing existing products may impact our business.
- significant investment strategy or asset allocation changes may affect our financial standing.
- any significant changes to our reinsurance program may impact our risk exposure.
- any portfolio transfers that may impact our customers or stakeholders.
- any change in mandate that may affect our business operations.

External Triggers

- any significant legal or regulatory changes affecting our operations.
- changes in credit ratings.
- significant global or market-changing events could affect operations, risks, and solvency profile.
- any significant event in the financial market could result in a major decline in the value of our investment portfolio.

If a fundamental change occurs, we may initiate a complete ORSA process. The Risk Management team will evaluate the impact of the change in the risk profile, advise management whether a full ORSA process is required, and produce a complete set of documentation.

The Board can request the Risk Management team to initiate the full ORSA process, even if the Risk Management team decides it is unnecessary.

The board reviews the Own Risk and Solvency Assessment (ORSA) report to guide critical business decisions, including:

- Setting the company's strategy and determining its risk appetite.
- Approving the business plan for the company.
- Implementing necessary risk mitigation actions.
- Identifying and assessing potential material risks related to the business strategy or business plan.
- Challenging the results of the standard formula Solvency Capital Requirement (SCR) calculation.
- Evaluating the company's short- and long-term capital position.

The Company prepares a multi-year projection of its SCR position, which is recorded in the ORSA report and shared with the regulator as required.

B.4 Internal control system

The company is equipped with a comprehensive and effective internal control system encompassing all activities, including those carried out by third party service providers, to ensure well-ordered and efficient operations.

Due to its nature, Internal Control involves all people, irrespective of their hierarchical level within the organization, who collectively contribute to providing reasonable assurance on the achievement of the objectives mainly regarding:

- Operations objectives: effectiveness and efficiency of operations, differentiating the insurance operations (mainly underwriting, claims, reinsurance and investment) as support operations and functions (human resources, administration, commercial, legal, IT, etc.).
- Information objectives: trustworthiness of information (financial and non-financial, both internal and external) regarding its reliability, timeliness or transparency, among others.
- Compliance objectives: compliance with applicable laws and regulations.

The Company adopts a Three Lines of Defence Model as part of its control environment and risk management system. The main elements of the Three Lines of Defence Model as it pertains to the Company may be summarised as follows:

- First line: the first level of the control environment is the business operations which perform day- to-day risk management activity.
- Second line: these are the oversight functions of the Company, such as Risk and Compliance, and include financial controls. These functions set direction, define policy, and provide assurance.
- Third line: Internal Audit is the third line of defence. Internal Audit offers an independent challenge to the levels of assurance provided by business operations and oversight functions.

There is a regular flow of information across the three lines of defence and from the three lines to the governing Committees. Likewise, executive decisions and directions flow opposite from the governing Committees.

B.5 Internal Audit function

The Board has established an Internal Audit function, which serves as the third line of defence for the company. The Internal Audit operates independently of all operational activities.

The primary role of Internal Audit is to assist the Board and Executive Management in safeguarding the organization's assets, reputation, and sustainability. It achieves this by evaluating whether all significant risks are identified and accurately reported by management and the Risk function to the Board and Executive Management. Additionally, it assesses whether these risks are adequately controlled and challenges Executive Management to improve the effectiveness of governance, risk management, and internal controls.

The Audit Committee oversees the Internal Audit function. It is responsible for approving an annual audit activity program, supervising the execution of internal audits, and ensuring that all significant issues reported by Internal Audit are satisfactorily addressed.

The Company utilizes specialised resources from the broader Fortegra Group to conduct Internal Audit activities, supplemented by external specialists when necessary. This approach helps maintain the independence of the function and provides the business with a wider range of skills for conducting audits than what is typically available from internal staff.

B.6 Actuarial function

The Actuarial function ensures that the Company applies sound actuarial techniques consistently to manage its assumed risks. This enables the Company to understand, monitor, report on, and manage its insurance underwriting risk profile, assess its capital needs and deployment strategies, and fulfil its obligations to shareholders, policyholders, and regulators.

The Company has established a practical actuarial function that is appropriate to the nature, scale, complexity, and profile of its exposed risks. It ensures that the actuary meets the necessary criteria for fitness and propriety in performing the actuarial function.

The Actuarial function operates independently and is free from undue influence by other parties. It establishes and maintains the necessary procedures, processes, and systems that allow the Company to accurately estimate its policyholder obligations, assess potential insurance and reinsurance exposures, and evaluate its capital requirements in accordance with applicable laws and recognized industry standards.

Additionally, the Actuarial Function is responsible for coordinating the calculation of technical provisions, reviewing the appropriateness of the methods, models, and assumptions used in these calculations, and evaluating the sufficiency and quality of the data utilized to determine the technical provisions.

B.7 Outsourcing

The Outsourcing Policy establishes the general principles, tasks, processes and responsibilities in the event of outsourcing of a critical and/ or important business function. The scope of this Policy is to establish the standards for implementing outsourcing arrangements for any key, critical, important operational function, in full compliance with legislative and regulatory requirements.

Any outsourced key function or critical function must be notified to the regulators.

The Board retains ultimate responsibility for the discharging of any obligations related to the outsourced activity or function and must exercise due care in the selection of the service providers, ensuring that they are fit and proper and that any risk generated by the outsourced activity is managed effectively. The Board also remain fully responsible for any sub-outsourcing by the service provider. Furthermore, the Board must ensure that any sub-outsourcing would be notified prior to becoming effective.

The existing governance structure ensures that sufficient control over the critical functions and/or activities that have been outsourced, in the terms established in the Solvency II Directive and the enabling local legislation.

B.8 Any other information

None.

C. RISK PROFILE

The company calculates its Solvency Capital Requirement (SCR) using the standard formula. For the main risk categories, the standard formula is considered an appropriate risk measurement tool for determining risk exposure, as it recognises the capital charge corresponding to key risks (such as underwriting, market, counterparty and operational risk).

The exposure to other risks not included in the Standard Formula SCR is not considered significant, as effective measures are in place for the management and mitigation of such risks.

C.1 Underwriting risk

The Company has identified several insurance risks that fall under the responsibility of the Chief Underwriting Officer. These risks include Underwriting Concentration, Reserve Risk, Underwriting Fraud or Error, Lack of Underwriting Expertise, Data Quality Risk, Delay Risk, Unintentional Coverage Risk due to Policy Wording, and Catastrophe Risk.

While some of these risks are standard for any insurance company, others arise from the Company's strategy to focus on insurance business underwritten through MGAs. To manage these risks, the Company has implemented several mitigations and controls, including but not limited to:

- Limitations: line size limits
- Monthly meetings with MGAs and Third-Party Administrators (TPAs) to discuss ongoing matters and address any issues
- Periodic specialized audits of MGAs and TPAs
- Quota Share reinsurance coverage along with Excess of Loss reinsurance to address specific risks and catastrophic events
- Binder control checks
- Investigation of unexpected deviations
- Reserve reviews
- Treaty and Facultative Reinsurance in place

C.2 Market risks

Market Risk
Market risk refers to the possibility of the investment manager underperforming investments under their management, which can negatively affect the Company's capital and liquidity. This may lead to inadequate funds available for the payment of claims. Another risk is fluctuations in the level and volatility of market prices of assets, liabilities, and financial instruments, such as

Foreign Exchange (FX) rates or interest rates, which may result in realised losses on the investment portfolio.

The Company has established Service Level Agreements and outsourcing contracts with the investment manager to manage this risk.

These agreements are monitored by the Finance Department and reported to management, the Board, and relevant Board Committees. Additionally, the Board and Management oversee the Investment Manager and investments by receiving regular reports on investment performance.

Internal auditors and external regulators also oversee the investment function by conducting audits and S2 reporting.

Asset Liability Management Risk
Asset Liability Management (ALM) risk occurs when the amount, currency, timing or duration of the Company's assets and liabilities do not match, resulting in a mismatch. To ensure adequate liquidity and solvency, it is essential to match the relevant assets to its liabilities by duration and currency.

The Company faces various investment risks that affect its ability to meet its liabilities. These risks include liquidity, concentration, counterparty credit, and market risks such as interest and exchange rates. To manage these risks, the Company maintains a high-quality liquid portfolio that includes cash for daily operational needs. The liquid position is managed through risk appetite tolerances, including parameters for internal cash management and investments managed externally by investment managers.

All these risks are assessed half-yearly or annually as part of the capital modelling process, including stress and scenario testing. The Company monitor the duration of the matching of assets to liabilities and present it to the relevant Committee annually as part of the Own Risk and Solvency Assessment (ORSA) document.

C.3 Counterparty Default Risk

Credit risk refers to the possibility that counterparties may not be able to pay the total amount due on time. The Company faces credit risk in several areas, including corporate bonds, potential failures of bank counterparties, the reinsurers' share of insurance liabilities, amounts due from reinsurers for claims that have already been paid, and amounts owed by insurance contract holders and intermediaries.

In some cases, counterparties may not have credit ratings, which raises the likelihood of default. However, the risk is mitigated due to the diverse nature of the Company's policyholders and intermediaries.

To manage credit risk, the Company has established a risk appetite that specifies the minimum credit rating required for engaging in business with a counterparty. If a counterparty's credit rating changes after a debt has been accrued, the Company assesses an appropriate response on a case-by-case basis. In the event of a downgrade, the Company minimizes the outstanding balances and may prohibit further debt accrual with that counterparty.

It's important to note that the existence of reinsurance arrangements does not relieve the Company of its obligations as a primary insurer. If a reinsurer fails to pay a claim, the Company is still responsible for making the payment to the policyholder.

The creditworthiness of reinsurers is regularly evaluated by reviewing their financial strength before finalizing any contracts. Moreover, the reinsurance purchasing strategy is updated based on the reinsurers' recent payment history.

C.4 Liquidity risk

Liquidity risk refers to the possibility that insurance and reinsurance undertakings may be unable to realise investments and other assets to meet their financial obligations as they become due.

Liquidity risk is not factored into the SCR Standard Formula calculation. The exposure to liquidity risk is deemed to be low, given the conservative investment policy, which includes holding investments in cash and cash equivalent assets. Consequently, investment risk is relatively limited.

Management and mitigation techniques

Key controls in place are:

- Cash flow monitoring and reporting
- Claim movements reports
- Claim settlement statements from business partners using in cash flow planning

C.5 Operational risk

Operational risk poses a significant concern for the Company and encompasses multiple dimensions. These risks include challenges related to human resources, internal fraud, reliance on third parties, IT operations, and distribution.

Moreover, risks exist due to dependence on third parties for regulatory reporting and development.

The primary sources of operational risk include internal and external fraud, legal actions, unexpected cost inflation, changes in employment laws, improper market practices, non-compliance with regulations, project overruns or failures, subpar performance or failure of outsourced providers, business disruptions and system failures, loss of key personnel, and pandemics.

The Company maintains risk registers for each major business function to effectively manage these risks. It also employs comprehensive procedure manuals and a structured programme to test its processes and systems.

Furthermore, all key functions are required to contribute to the maintenance of a risk register, which is regularly reviewed and scrutinised by the Risk Function. Significant issues are escalated to the Board and the relevant Committee.

Management and mitigation techniques

Key controls in place are:

- Data back-up and recovery
- Emerging risk process
- Business continuity plan
- Training and development programme
- Conduct risk controls
- Sanction process
- Business change management

C.6 Other material risks

Non-compliance risk
Non-compliance risk refers to the potential for incurring losses due to legal or regulatory penalties, or damage to reputation resulting from failure to comply with laws, regulations, rules, internal and external standards, or administrative requirements applicable to its activities.

This risk is mainly mitigated by the compliance function, which provides guidance on adherence to laws and regulations. It also includes an evaluation of how potential changes in the legal environment may affect the Company's operations, along with the identification and assessment of compliance risks.

Legal risk
Legal risk is defined as the event arising from changes in regulations, laws, or administrative procedures that may adversely affect the Company.

In recent years, the regulatory framework governing the insurance industry has been extended with new regulations at both international and local levels. Furthermore, it should be noted that the Company operates in a complex environment under increasing regulatory pressures, not only within the insurance sector but also across the fields of technology, corporate governance, and criminal corporate responsibility, among others.

This risk is primarily mitigated through the efforts of the compliance function and the support of legal counsel.

Cybersecurity risk
Cyber risks refer to threats associated with security in the use of information and communication technologies, cyberspace, and the transfer, processing, and storage of electronic data. Such cyber risks can compromise:

- The confidentiality, integrity, and availability of both the information managed and the systems that store, process, and/or transmit it;
- The continuity of business operations and the services provided to clients;
- In extreme instances, the physical security of both the facilities and personnel.

The Company depends on the Fortegra Group IT infrastructure and the various IT systems employed by its key service providers. Fortegra Financial Corporation is tasked with ensuring IT compliance with PCI, SOX, and regulatory requirements, while implementing policies and procedures designed to safeguard the Company against IT risks, including unauthorised access to information, data integrity concerns, and emerging cybersecurity threats.

Group risk
The Company has not assumed any additional capital requirements for group risk, due to the simplicity of the Group structure and the risk mitigations in place. The Company considers the operational risk capital requirement to be sufficient to adequately cover group risk. Given the Group's structure and the current state of the business, group risk is deemed immaterial.

Strategic risk
The Company aims to establish an appropriate framework to limit the potential for strategic risk arising from unsuitable business decisions, their implementation, or a lack of consideration for the broader markets in which the Company operates. The Company sets a high-level business strategy, which is translated into a three-year financial business plan, a volume plan by distribution channel, and a detailed one-year budget. Performance against both the budget and volume plan is reviewed quarterly.

C.7 Any other information

None.

D. VALUATION FOR SOLVENCY PURPOSES

In Solvency II, assets and liabilities are valued using a market-consistent approach. The Company also prepares a complete set of accounting figures according to IFRS.

Balance Sheet (€'000)	IFRS	Solvency 2
Investments	115,968	115,968
Cash and cash equivalents	28,616	28,616
Deferred acquisition costs	3,126	-
Insurance receivables	8,569	25,271
Deferred tax	-	-
Receivables (trade, not insurance)	-	8,057
Reinsurance recoverables	66,471	61,397
Total Assets	*222,750*	*239,309*
Technical provisions	(154,609)	(127,702)
Insurance and reinsurance payables	(3,379)	(41,854)
Other liabilities	(126)	(5,377)
Total Liabilities	*(158,114)*	*(174,931)*
Net Assets / Own Fund	*64,635*	*64,378*

D.1 Assets

Below are the explanations of the key asset valuation differences in the table above:

Deferred acquisition costs
This comprises assets for insurance acquisition cashflows related to advance commissions whereas under Solvency II, reserving expenses are not deferred but are taken into account fully in the technical provisions.

Insurance and intermediaries receivables
Insurance and intermediaries receivables represent the amounts past due for payments by insurers and other insurance-linked business. These payments are not included in the cash inflows of technical provisions. The equivalent items are not presented under insurance and intermediary receivables, but are instead included within Insurance contract liabilities under IFR17.

Reinsurance best estimates
The "best estimate" for reinsurance is based on the following principles:

- It relates to future claims recoverable, or those which take place subsequent to the

valuation date, within the remaining claim coverage period;
- It is calculated as the present value of expected cash flows associated with the current portfolio, in accordance with contract boundaries;
- Projected cash flows will include payments for benefits and related expenses:
- administration, acquisition, claim management, and investment management;
- The best estimate takes into account the time value of money based on an analysis of claim inflows and outflows.

Bonds
Bonds represents amounts held in rated government bonds and corporate bonds - these are shown at Fair Value Through Profit or loss (FVTPL).

Cash and cash equivalents
Cash includes cash in hand. For the purposes of the Solvency II balance sheet, cash and cash equivalents have been valued in accordance with IFRS.

D.2 Technical provisions

The below are the main differences between the valuation of technical provisions under Solvency II and IFRS, and a breakdown of Solvency II technical provisions by class of business.

€'000	Solvency II Value	IFRS Accounting Value
Technical provisions non-life	-	154,609
Best estimate (BE)	124,232	-
Risk margin	3,470	-
Total technical provisions	127,702	154,609

€'000	Best estimate	Risk margin	Total
Other motor insurance	57,555	1,643	59,198
Fire and other damage to property insurance	28,139	835	28,974
Miscellaneous financial loss	38,538	922	39,460
Total non-life obligations	124,232	3,470	127,702

The Solvency II Directive 2009/138/EC stipulates that the value of technical provisions shall be equal to the sum of a best estimate and a risk margin.

To calculate the solvency ratio, the Company does not make use of matching and volatility adjustments, or transitional measures for technical provisions.

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Best estimate of the provision for claims outstanding

The "best estimate" for the provision for claims outstanding is based on the following principles:

- Taking into account all claims which have been incurred prior to the valuation date, regardless of whether they have been reported or not;
- It is calculated as the present value of expected future cash flows associated with the incurred claim. Projected cash flows will include payments for benefits and related expenses;
- Should there be any liabilities transferred to a counterparty, the recoverable amounts are adjusted to factor in the expected losses due to default of the counterparty;
- The best estimate considers the time value of money based on the consideration of the claim inflows and outflows.

The claim provisions in the financial statements include the provision for outstanding claims reported. The claim provisions calculated based on Solvency II criteria present the following differences with respect to those calculated based on financial statement requirements:

- The consideration of all cash flow sources;
- The counterparty default risk adjustment to reinsurance recoverable amounts; The financial discount of cash flows.

Best estimate of the provision for premiums

The "best estimate" for the premium provision is based on the following principles:

- It relates to future claims, or those which take place subsequent to the valuation date, within the remaining claim coverage period;
- It is calculated as the present value of expected cash flows associated with the current portfolio, in accordance with contract boundaries;
- Projected cash flows will include payments for benefits and related expenses: administration, acquisition, claim management, and investment management;
- Should there be any liabilities transferred to a counterparty, the recoverable amounts are adjusted to consider the expected losses due to default of the counterparty.
- The best estimate takes into account the time value of money based on an analysis of claim inflows and outflows.

As indicated previously, the calculation of this provision is comprised of the cash flows corresponding to two portfolios:

Current portfolio which includes the following:

- Expected claims. Two different methods may be used to calculate the present value of

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benefit payments:

  - The frequency and average cost method: claims are calculated as the result of exposure based on frequency assumptions and final average costs;
  - Loss ratio method: the expected claims arising from applying the ultimate loss ratio to Unearned Premium Reserve (UPR), gross of acquisition expenses.

- Expenses attributable to the current portfolio: acquisition (no commissions), administration, chargeable to benefits, investment expenses, as well as other technical expenses.

Future business which includes the following:

- Premiums for policies, which have not yet been renewed but include company commitments to renew. This calculation includes the future behaviour of the policyholders based on the application of an estimated lapse ratio;
- Expected loss ratio relating to future premiums. The same methods indicated for the current portfolio may be used;
- Expenses attributable to future premiums (charged expense-to-premium ratio applied to future premiums): acquisition expenses (including commissions), administration, chargeable to benefits, investment expenses, as well as other technical expenses.

Under IFRS, this provision is recognised under the insurance contract liabilities. Insurance contract liabilities consist of three components under the general measurement model which is often referenced as the Building Blocks Approach (BBA) - probability-weighted mean present value of future cash flows (expected PV of cash flows), Risk Adjustment (RA) for non-financial risk and Contractual Service Margin {CSM).

The contractual service margin is a component of the carrying amount of the asset or liability for a group of insurance contracts representing the unearned profit that will be recognised as services are provided in the future. The contractual service margin is measured on initial recognition of a group of insurance contracts at an amount that, unless the group of insurance contracts is onerous.

Risk margin

The risk margin is the cost of providing the capital to cover the SCR over the lifetime of the liabilities. It is intended to ensure that the value of the technical provisions is equivalent to the amount that an insurer would be expected to require in order to take over and meet the insurance obligations. The calculation of the risk margin complies with the technical specifications set in Articles 37 to 39 of the Delegated Acts.

Degree of uncertainty associated with the amount of technical provisions

The value of technical provisions is directly linked to estimates and projections for future cash flows, which might be subject to a number of factors of uncertainly, which are mainly the following:

- The probability that the obligation will materialise with regard to future cash flows;
- The timing of the claim;
- Potential amount of the future cash flows;
- The risk-free interest rate.

These factors are generally estimated based on expert opinions within the area, or using market data.

D.3 Other liabilities

Insurance and intermediaries payables
For the purpose of the Solvency II balance sheet, the valuation is the amount at which these payables may be transferred or settled between duly-informed interested parties carrying out transactions under mutually-independent conditions. The difference between the IFRS value and the Solvency II value relates to reclassification of insurance related payables within insurance contract liabilities and reinsurance contracts assets held under IFRS 17.

Reinsurance payables
For the purpose of the Solvency II balance sheet, the valuation is the amount at which these payables may be transferred or settled between duly-informed interested parties carrying out transactions under mutually-independent conditions. The difference between the IFRS value and the Solvency II value relates to reclassification of insurance related payables within insurance contract liabilities and reinsurance contracts assets held under IFRS 17.

Payables (trade, not insurance)
This section includes other payables unrelated to the insurance business. For the purposes of the Solvency II balance sheet, the valuation is considered consistent with that under IFRS, valued at the amount at which they may be transferred or settled between duly-informed interested parties carrying out transactions under mutually-independent conditions.

Deferred tax liabilities
Deferred taxes are measured under Solvency II as the amounts reported in the audited financial statements as adjusted by the tax impact (at different applicable rates) on the difference between the values assigned to assets and liabilities for solvency purposes and their carrying values as recognised in the financial statements and valued for tax purposes. Under IFRS, deferred taxes are calculated on all temporary differences using a principal tax rate

The differences between the Solvency II and IFRS value of the deferred tax liabilities arose due to Solvency 2 own funds being greater than the IFRS own funds, so there are extra own funds on a Solvency 2 basis. Therefore, a Solvency 2 deferred tax liability exists at year end.

D.4 Alternative methods for valuation

No alternative valuation methods have been used.

D.5 Any other information

There is no other significant information regarding the valuation of assets and liabilities that has not been included in the preceding sections.

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E. CAPITAL MANAGEMENT

E.1 Own funds

The Company's objective for capital management is to ensure it has sufficient own funds to meet the Solvency Capital Requirement (SCR) and the Minimum Capital Requirement (MCR), while also maintaining a buffer that supports its growth ambitions as outlined in the business plan.

The Board reviews the ratio of eligible own funds to the SCR and MCR at least quarterly. Additionally, the Company prepares solvency projections for the next three years as part of its business planning process. The Company primarily invests its eligible own funds in high-quality fixed-income securities and cash held in bank accounts.

Currently, the Company has no plans to change its investment policy or to modify how it manages its own fund items. Its capital management principle is to maintain a cover rate of 120% of the Solvency Capital Requirement. The required regulatory capital is calculated quarterly, and both the CFO and CRO ensure regular, timely, and effective monitoring of the capital positions.

Internal Reporting of Capital Positions:
The CFO and CRO provide regular and effective internal reports on capital positions to the Board and senior management.

External Reporting of Capital Positions:
The Company produces the following in accordance with Solvency II requirements:

- Quantitative Reporting Template ("QRT");
- Solvency and Financial Condition Report ("SFCR");
- ORSA Report.

Structure, amount and quality of own funds

As of 31 December 2024, the unrestricted basic own funds of the Company consist of ordinary share capital, additional capital contributions, and a reconciliation reserve.

€'000	2024	Change in the year	2023
Ordinary share capital	6,055	-	6,055
Reconciliation reserve	23,054	11,624	34,678
Other own funds – capital contributions	35,269	-	35,269
Total available own funds	*64,378*	11,624	76,002

As of December 31, 2024, the Company did not have any Tier 2 or Tier 3 own funds.

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Difference between the equity in the financial statements and Own Funds for Solvency II purposes

The main adjustments resulting from the reconciliation of equity in the financial statements and own funds under Solvency II are as follows:

(€'000)	2024
Net Assets (IFRS)	65,161
Deferred acquisition costs	-3,126
Insurance receivables	16,702
Other assets	8,057
Reinsurance recoverables	-5,074
Technical provisions	26,907
Insurance and reinsurance payables	-39,183
Other assets / liabilities	-5,066
Own Funds	64,378

The quantitative and qualitative explanations are provided in Section D.

E.2 Solvency Capital Requirement & Minimum Capital Requirement

A breakdown of the SCR and Minimum Capital Requirements ("MCR") and the eligible capital are displayed in the following tables:

€'000	2024	2023
Eligible own funds	64,378	76,002
Solvency capital requirement (SCR)	48,199	34,424
Solvency II Surplus	16,179	41,578
Solvency ratio	133.6%	220.8%
Minimum capital requirement (MCR)	13,405	11,848

According to the Solvency II Directive, all unrestricted basic Tier 1 own funds are eligible to cover the SCR. To calculate the SCR, the Company did not use any simplifications for any of its risk modules.

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The standard formula is used to calculate the SCR; the table below shows the components of the SCR:

€'000	2024	Change in the year	2023
Underwriting risk	33,597	8,630	24,967
Premium & reserving risk	28,490	6,195	22,295
Catastrophe risk	11,835	5,670	6,165
Lapse risk	2,909	(1,516)	4,425
Diversification credit	(9,637)	(1,719)	(7,918)
Market Risk	12,320	4,771	7,549
Counterparty risk	8,291	1,166	7,125
Operational risk	4,771	1,092	3,679
Diversification credit	(10,780)	(1,884)	(8,896)
Solvency capital requirement	48,199	13,775	34,424
Minimum capital requirement	13,405	1,557	11,848

The MCR represents the lowest level of security that must be maintained to ensure that financial resources do not fall below a critical threshold. If the amount of eligible basic own funds drops below the MCR it exposes policyholders and beneficiaries to unacceptable levels of risk, raising concerns about the company's ability to continue operations.

The MCR has been calculated in accordance with the Regulation. The MCR must be no less than 25% of SCR and no more than 45% of SCR.

The QRT's containing information on the SCR and MCR have been attached to this document (refer to S.28.1 in the Templates)

All basic unrestricted Tier 1 own funds are eligible to cover the MCR.

The ratio of eligible own funds to MCR is 480.3%

E.3 Material changes to the SCR and MCR over the reporting period

The primary contributor to the capital requirements is Non-Life Insurance Risk, which accounts for EUR 33.6 million before diversification. This figure is mainly due to the EUR 28.5 million charge for Premium and Reserve Risk, primarily stemming from unearned premiums and anticipated future business within FEIC's business plan. Non-Life Insurance Risk has risen by 35% in 2023, reflecting expected increases in business volumes.

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Market risk increased by 63% in 2024 as the company invested more in corporate bonds, resulting in higher spread and concentration risks.

The MCR is EUR 13.4m, reflecting a 13.1% increase from 2023, attributed to higher Solvency II technical provisions.

E.4 Any other information

The Company has continuously complied with the MCR and the SCR throughout the reporting period.

No other information.

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F. Templates

The following reporting templates are provided as appendices to this document, as required by the regulations:

Template Code	Template name
SE.02.01.16.01	Balance sheet
S.05.01.01.01	Non-Life (direct business/accepted proportional reinsurance and accepted non-proportional reinsurance)
S.17.01.01.01	Non-Life Technical Provisions
S.23.01.01.01	Own Funds
S.25.01.01.01	Basic Solvency Capital Requirement
S.25.01.01.02	Calculation of Solvency Capital Requirement
S.28.01.01.01	Linear formula component for non-life insurance and reinsurance obligations
S.28.01.01.02	Background information
S.28.01.01.05	Overall MCR calculation

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SE.02.01.16.01 - Balance sheet

		Solvency II value	Statutory accounts value
		C0010	C0020
Rows			
Assets	AR0009		
Goodwill	R0010		
Deferred acquisition costs	R0020		3,125,567
Intangible assets	R0030		
Deferred tax assets	R0040	0	0
Pension benefit surplus	R0050		
Property, plant & equipment held for own use	R0060		
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	115,967,915	115,967,915
Property (other than for own use)	R0080		
Holdings in related undertakings, including participations	R0090		
Equities	R0100		
Equities - listed	R0110		
Equities - unlisted	R0120		
Bonds	R0130	115,967,915	115,967,915
Government Bonds	R0140	19,485,546	19,485,546
Corporate Bonds	R0150	96,482,369	96,482,369
Structured notes	R0160		
Collateralised securities	R0170		
Collective Investments Undertakings	R0180		
Derivatives	R0190		
Deposits other than cash equivalents	R0200		
Other investments	R0210		
Assets held for index-linked and unit-linked contracts	R0220		
Loans and mortgages	R0230		
Loans on policies	R0240		
Loans and mortgages to individuals	R0250		
Other loans and mortgages	R0260		
Reinsurance recoverables from:	R0270	61,397,410	66,470,703
Non-life and health similar to non-life	R0280	61,397,410	66,470,703
Non-life excluding health	R0290	61,397,410	66,470,703
Health similar to non-life	R0300		
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	25,270,538	8,569,153
Reinsurance receivables	R0370		
Receivables (trade, not insurance)	R0380	8,057,480	
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	28,616,301	28,616,301
Any other assets, not elsewhere shown	R0420		0
Total assets	R0500	239,309,643	222,749,639
Liabilities	AR0509		
Technical provisions - non-life	R0510	127,701,836	154,609,292
Technical provisions - non-life (excluding health)	R0520	127,701,836	154,609,292
Technical provisions calculated as a whole	R0530		
Best Estimate	R0540	124,231,739	
Risk margin	R0550	3,470,097	
Technical provisions - health (similar to non-life)	R0560		
Technical provisions calculated as a whole	R0570		
Best Estimate	R0580		
Risk margin	R0590		
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		
Deposits from reinsurers	R0770		
Deferred tax liabilities	R0780	0	126,409
Derivatives	R0790		
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		
Debts owed to non-credit institutions	ER0811		
Debts owed to non-credit institutions resident domestically	ER0812		
Debts owed to non-credit institutions resident in the euro area other than domestic	ER0813		
Debts owed to non-credit institutions resident in rest of the world	ER0814		
Other financial liabilities (debt securities issued)	ER0815		
Insurance & intermediaries payables	R0820	33,132,273	3,378,593
Reinsurance payables	R0830	8,720,448	
Payables (trade, not insurance)	R0840	5,377,004	
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		
Total liabilities	R0900	174,931,561	158,114,294
Excess of assets over liabilities	R1000	64,378,082	64,635,345

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S.05.01.01.01 - Non-Life (direct business/accepted proportional reinsurance anc

		Line of Business for: non-life insurance and			Total
		Other motor insurance	Fire and other damage to	Miscellaneous financial loss	
		C0050	C0070	C0120	C0200
Rows					
Premiums written	AR0109				
Gross - Direct Business	R0110	84,461,522.60	18,390,618.16	45,722,022.72	148,574,163.48
Gross - Proportional reinsurance accepted	R0120				
Gross - Non-proportional reinsurance accepted	R0130				
Reinsurers' share	R0140	42,232,652.66	9,195,273.34	25,336,869.11	76,764,795.11
Net	R0200	42,228,869.94	9,195,344.82	20,385,153.61	71,809,368.38
Premiums earned	AR0209				
Gross - Direct Business	R0210	52,699,621.23	16,789,258.94	27,872,251.98	97,361,132.15
Gross - Proportional reinsurance accepted	R0220				
Gross - Non-proportional reinsurance accepted	R0230				
Reinsurers' share	R0240	26,320,679.51	7,382,600.21	13,871,117.66	47,574,397.38
Net	R0300	26,378,941.71	9,406,658.73	14,001,134.32	49,786,734.77
Claims incurred	AR0309				
Gross - Direct Business	R0310	29,517,809.69	14,365,341.32	27,744,437.18	71,627,588.19
Gross - Proportional reinsurance accepted	R0320				
Gross - Non-proportional reinsurance accepted	R0330				
Reinsurers' share	R0340	14,184,202.67	5,849,385.43	13,812,037.61	33,845,625.72
Net	R0400	15,333,607.01	8,515,955.89	13,932,399.56	37,781,962.47
Expenses incurred	R0550	15,009,660.42	4,181,062.16	8,705,754.81	27,896,477.39
Administrative expenses	AR0609				
Gross - Direct Business	R0610				
Gross - Proportional reinsurance accepted	R0620				
Gross - Non-proportional reinsurance accepted	R0630				
Reinsurers' share	R0640				
Net	R0700				
Investment management expenses	AR0709				
Gross - Direct Business	R0710				
Gross - Proportional reinsurance accepted	R0720				
Gross - Non-proportional reinsurance accepted	R0730				
Reinsurers' share	R0740				
Net	R0800				
Claims management expenses	AR0809				
Gross - Direct Business	R0810				
Gross - Proportional reinsurance accepted	R0820				
Gross - Non-proportional reinsurance accepted	R0830				
Reinsurers' share	R0840				
Net	R0900				
Acquisition expenses	AR0909				
Gross - Direct Business	R0910	30,005,083.86	6,156,718.78	12,413,785.38	48,575,588.02
Gross - Proportional reinsurance accepted	R0920				
Gross - Non-proportional reinsurance accepted	R0930				
Reinsurers' share	R0940	16,434,269.80	2,288,950.45	4,486,929.23	23,210,149.48
Net	R1000	13,570,814.06	3,867,768.33	7,926,856.16	25,365,438.55
Overhead expenses	AR1009				
Gross - Direct Business	R1010	1,438,846.36	313,293.83	778,898.65	2,531,038.84
Gross - Proportional reinsurance accepted	R1020				
Gross - Non-proportional reinsurance accepted	R1030				
Reinsurers' share	R1040				
Net	R1100	1,438,846.36	313,293.83	778,898.65	2,531,038.84
Balance - other technical expenses/income	R1210				
Total technical expenses	R1300				27,896,477.39

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S.17.01.01.01 - Non-Life Technical Provisions

		Direct business and accepted proportional			Total Non-Life obligation
		Other motor insurance	Fire and other damage to property insurance	Miscellaneous financial loss	
		C0060	C0080	C0130	C0180
Rows					
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	AR0057				
Best estimate	AR0058				
Premium provisions	AR0059				
Gross - Total	R0060	49,605,883.58	25,215,338.67	29,955,577.02	104,776,799.27
Gross - direct business	R0070	49,605,883.58	25,215,338.67	29,955,577.02	104,776,799.27
Gross - accepted proportional reinsurance business	R0080				
Gross - accepted non-proportional reinsurance business	R0090				
Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	R0100	24,040,291.05	11,637,141.21	14,454,277.77	50,131,710.03
Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses	R0110	24,040,291.05	11,637,141.21	14,454,277.77	50,131,710.03
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	24,034,004.97	11,633,514.99	14,450,506.18	50,118,026.13
Net Best Estimate of Premium Provisions	R0150	25,571,878.62	13,581,823.68	15,505,070.84	54,658,773.14
Claims provisions	AR0159				
Gross - Total	R0160	7,949,470.04	2,923,355.36	8,582,114.38	19,454,939.79
Gross - direct business	R0170	7,949,470.04	2,923,355.36	8,582,114.38	19,454,939.79
Gross - accepted proportional reinsurance business	R0180				
Gross - accepted non-proportional reinsurance business	R0190				
Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	R0200	4,235,558.58	1,557,593.29	5,488,663.48	11,281,815.34
Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses	R0210	4,235,558.58	1,557,593.29	5,488,663.48	11,281,815.34
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	4,234,564.96	1,557,227.70	5,487,591.46	11,279,384.13
Net Best Estimate of Claims Provisions	R0250	3,714,905.08	1,366,127.65	3,094,522.92	8,175,555.66
Total Best estimate - gross	R0260	57,555,353.63	28,138,694.03	38,537,691.40	124,231,739.06
Total Best estimate - net	R0270	29,286,783.70	14,947,951.34	18,599,593.76	62,834,328.80
Risk margin	R0280	1,642,894.47	835,105.39	992,097.07	3,470,096.93
Amount of the transitional on Technical Provisions	AR0289				
TP as a whole	R0290				
Best estimate	R0300				
Risk margin	R0310				
Technical provisions - total	AR0319				
Technical provisions - total	R0320	59,198,248.10	28,973,799.41	39,529,788.47	127,701,835.99
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	28,268,569.93	13,190,742.69	19,938,097.64	61,397,410.26
Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total	R0340	30,929,678.17	15,783,056.72	19,591,690.84	66,304,425.73
Line of Business: further segmentation (Homogeneous Risk Groups)	AR0349				
Premium provisions - Total number of homogeneous risk groups	R0350	16	13	16	
Claims provisions - Total number of homogeneous risk groups	R0360	16	13	16	
Cash-flows of the Best estimate of Premium Provisions (Gross)	AR0368				
Cash out-flows	AR0369				
Future benefits and claims	R0370	41,822,896.29	24,296,960.08	28,524,557.82	94,644,414.19
Future expenses and other cash-out flows	R0380	7,782,987.30	918,378.59	1,431,019.19	10,132,385.08
Cash in-flows	AR0389				
Future premiums	R0390	3,522,751.73	93,549.82	3,413,101.53	7,029,403.08
Other cash-in flows (incl. Recoverable from salvages and subrogations)	R0400				
Cash-flows of the Best estimate of Claims Provisions (Gross)	AR0408				
Cash out-flows	AR0409				
Future benefits and claims	R0410	7,949,470.04	2,923,355.36	8,582,114.38	19,454,939.79
Future expenses and other cash-out flows	R0420				
Cash in-flows	AR0429				
Future premiums	R0430				
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				

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S.23.01.01.01 - Own funds

Rows		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	AR0009					
Ordinary share capital (gross of own shares)	R0010	6,055,455	6,055,455			
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	23,053,994	23,053,994			
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	35,268,633	35,268,633			
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	AR0219					
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	AR0229					
Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions	R0290	64,378,082	64,378,082			
Ancillary own funds	AR0299					
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	AR0499					
Total available own funds to meet the SCR	R0500	64,378,081.94	64,378,081.94			
Total available own funds to meet the MCR	R0510	64,378,081.94	64,378,081.94			
Total eligible own funds to meet the SCR	R0540	64,378,081.94	64,378,081.94			
Total eligible own funds to meet the MCR	R0550	64,378,081.94	64,378,081.94			
SCR	R0580	48,199,072.72				
MCR	R0600	13,404,945.49				
Ratio of Eligible own funds to SCR	R0620	1.3357				
Ratio of Eligible own funds to MCR	R0640	4.8026				

Rows		C0060
Reconciliation reserve	AR0699	
Excess of assets over liabilities	R0700	64,378,081.94
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	43,631,629.36
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	20,746,452.59
Expected profits	AR0769	
Expected profits included in future premiums (EPIFP) - Life business	R0770	
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	
Total Expected profits included in future premiums (EPIFP)	R0790	

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S.25.01.01.01 - Basic Solvency Capital Requirement

		Net solvency capital requirement	Gross solvency capital requirement	Allocation from adjustments due to RFF and Matching adjustments portfolios
		C0030	C0040	C0050
Rows				
Market risk	R0010	12,320,301.77	12,320,301.77	
Counterparty default risk	R0020	8,291,675.55	8,291,675.55	
Life underwriting risk	R0030			
Health underwriting risk	R0040			
Non-life underwriting risk	R0050	33,597,711.91	33,597,711.91	
Diversification	R0060	-10,781,884.33	-10,781,884.33	
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	43,427,804.90	43,427,804.90	

S.25.01.01.02 - Calculation of Solvency Capital Requirement

		Value
		C0100
Rows		
Adjustment due to RFF/MAP nSCR aggregation	R0120	
Operational risk	R0130	4,771,267.83
Loss-absorbing capacity of technical provisions	R0140	
Loss-absorbing capacity of deferred taxes	R0150	0.00
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency Capital Requirement excluding capital add-on	R0200	48,199,072.72
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	48,199,072.72
Other information on SCR	AR0399	
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/MAP nSCR aggregation	R0450	
Net future discretionary benefits	R0460	

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S.28.01.01.01 - Linear formula component for non-life insurance and reinsurance obligations

		MCR components
		C0010
Rows		
MCRNL Result	R0010	13,404,945.49

S.28.01.01.02 - Background information

		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
Rows			
Medical expense insurance and proportional reinsurance	R0020		
Income protection insurance and proportional reinsurance	R0030		
Workers' compensation insurance and proportional reinsurance	R0040		
Motor vehicle liability insurance and proportional reinsurance	R0050		
Other motor insurance and proportional reinsurance	R0060	29,286,783.70	42,228,869.94
Marine, aviation and transport insurance and proportional reinsurance	R0070		
Fire and other damage to property insurance and proportional reinsurance	R0080	14,947,951.34	9,195,344.82
General liability insurance and proportional reinsurance	R0090		
Credit and suretyship insurance and proportional reinsurance	R0100		
Legal expenses insurance and proportional reinsurance	R0110		
Assistance and proportional reinsurance	R0120		
Miscellaneous financial loss insurance and proportional reinsurance	R0130	18,599,593.76	20,385,153.61
Non-proportional health reinsurance	R0140		
Non-proportional casualty reinsurance	R0150		
Non-proportional marine, aviation and transport reinsurance	R0160		
Non-proportional property reinsurance	R0170		

S.28.01.01.05 - Overall MCR calculation

		Value
		C0070
Rows		
Linear MCR	R0300	13,404,945.49
SCR	R0310	48,199,072.72
MCR cap	R0320	21,689,582.73
MCR floor	R0330	12,049,768.18
Combined MCR	R0340	13,404,945.49
Absolute floor of the MCR	R0350	2,700,000.00
Minimum Capital Requirement	R0400	13,404,945.49

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Exemption number: EXO2155

Independent auditor's report

to the directors of
Fortegra Europe Insurance Company SE

Opinion

We have audited the following relevant elements of the Solvency and Financial Condition Report ("SFCR") prepared by Fortegra Europe Insurance Company SE (the Company) as at 31 December 2024:

- the 'Valuation for solvency purposes' and 'Capital Management' sections of the SFCR of the Company as at 31 December 2024, ('the Narrative Disclosures subject to audit'); and
- Company templates SE.02.01.16, S.17.01.01, S.23.01.01, S.25.01.01, S28.01.01 ('the Templates subject to audit').

The Narrative Disclosures subject to audit and the Templates subject to audit are collectively referred to as the 'relevant elements of the SFCR'.

We are not required to audit, nor have we audited, and as a consequence do not express an opinion on the Other Information which comprises:

- the 'Executive summary', 'Business and performance', 'System of governance' and 'Risk profile' elements of the SFCR; and
- Company's templates S.05.01.01,

In our opinion, the information subject to audit in the relevant elements of the SFCR of the Company as at 31 December 2024 is prepared, in all material respects, in accordance with the Insurance Business Act (Cap. 403) and the Insurance Rules issued thereunder, the Commission Delegated Regulation (EU) 2015/35 and the Commission Implementing Regulation (EU) 2023/895 (hereafter referred to as "the relevant legislation").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the relevant elements of the Solvency and Financial Condition Report* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants including International Independence Standards* (IESBA Code) together with the *Accountancy Profession (Code of Ethics for Warrant Holders) Directive* (Maltese Code) that are relevant to our audit of the relevant elements of the SFCR in Malta, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Maltese Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Independent auditor's report (continued)

to the directors of
Fortegra Europe Insurance Company SE

Emphasis of Matter – Basis of Accounting
We draw attention to the 'Valuation for solvency purposes' and 'Capital Management' sections of the SFCR, which describe the basis of accounting. The SFCR is prepared in compliance with the financial reporting provisions of the Solvency II regulations, and therefore in accordance with a special purpose financial reporting framework. As a result, the SFCR may not be suitable for another purpose. Our opinion is not modified in respect of these matters.

Other Information
The Directors are responsible for the Other Information.

Our opinion on the relevant elements of the SFCR does not cover the Other Information and, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the SFCR, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the relevant elements of the SFCR, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the relevant elements of the SFCR or a material misstatement of the Other Information. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact.

We have nothing to report in relation to these matters.

Responsibilities of the Directors for the Solvency and Financial Condition Report
The Directors are responsible for the preparation of the SFCR in accordance with the financial reporting provisions contained in the relevant legislation referred to above. In accordance with section 8.9 of Chapter 8 of the Insurance Rules, the Directors are responsible for having in place appropriate systems and structures to meet the Company's public disclosure requirements in relation to the SFCR and for the approval of the SFCR.

The Directors are also responsible to have the necessary internal controls to enable the preparation of the SFCR which is free from material misstatement, whether due to fraud or error. The Directors are responsible for overseeing the Company's financial reporting process.

The Directors satisfy themselves that, throughout the financial year in question, the Company has complied in all material respects with the requirements of the relevant legislation as applicable to the Company. The Directors are also required to sign a Declaration Form, in accordance with paragraph 8.6.2 of Chapter 8 of the Insurance Rules and Annex IV to the said Chapter, for submission with the SFCR to the competent authority.

Auditor's Responsibilities for the Audit of the relevant elements of the Solvency and Financial Condition Report
It is our responsibility to form an independent opinion on the Narrative Disclosures subject to audit that the Company shall disclose and on the Templates subject to audit, in accordance with paragraph 8.10.2 of Chapter 8 of the Insurance Rules and Annex V to the said Chapter, confirming that the said relevant elements of the SFCR have been prepared in all material respects in accordance with the relevant legislation. Such audit is to be made in accordance with paragraph 8.10.2 and Annex V of Chapter 8 of the Insurance Rules and with International Standards on Auditing.

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Independent auditor's report (continued)

to the directors of
Fortegra Europe Insurance Company SE

Auditor's Responsibilities for the Audit of the relevant elements of the Solvency and Financial Condition Report (continued)

Our objectives are to obtain reasonable assurance about whether the relevant elements of the SFCR are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decision making or the judgement of the users taken on the basis of the SFCR.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the relevant elements of the SFCR, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the relevant elements of the SFCR or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the relevant elements of the SFCR, including the disclosures, and whether the relevant elements of the SFCR represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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Independent auditor's report (continued)

to the directors of

Fortegra Europe Insurance Company SE

Restriction on use and distribution of our Report

This report is made solely for the exclusive use of the Directors of the Company in accordance with our engagement letter dated 21 January 2025. However, we acknowledge that a copy of our report will be provided to the Malta Financial Services Authority ("MFSA") for the use of the MFSA solely for the purposes set down by Chapter 8 of the Insurance Rules issued under the Insurance Business Act (Cap. 403). Except for the MFSA's obligations under its Memoranda of Understanding for regulatory collaboration and co-operation, our Report is not to be used for any other purpose, recited or referred to in any document, copied or made available (in whole or in part) to any other person without our prior written express consent. Our audit work has been undertaken so that we might state to the Company's Directors those matters we are required to state to them in an auditor's report on the relevant elements of the SFCR and for no other purpose. To the fullest extent permitted by law, we do not accept or assume any duty of care, or any other responsibility and/or liability to anyone other than the Company, for our audit work, for this report or for the opinions we have formed.

This report was drawn up on 8 April 2025 and signed by:

Mark Giorgio as Director
In the name and on behalf of
Deloitte Audit Limited
Registered auditor
Central Business District, Birkirkara, Malta.