



Maiden General Försäkrings, AB

Solvency and Financial Condition Report (SFCR)

For the period ending December 31, 2016

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Forward Looking Statements

Certain statements in this report are forward looking statements. These forward looking statements can be identified by the use of forward looking terminology including the terms "believes", "expects", "estimates", "anticipates", "intends", "may", "will" or "should" or in each case, their negative, or other variations or comparable terminology. These forward looking statements reflect the Company's current expectations concerning future events. They involve various risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, third parties or the industry to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Such risks, uncertainties and other factors include, amongst other things, general economic and business conditions, industry trends, competition, changes in regulation, currency fluctuations, changes in business strategy or development and political and economic uncertainty. There can be no assurance that the results and events contemplated by these forward looking statements will in fact occur.

1. Introduction

Maiden General Försäkrings, AB. ("Maiden GF" or the "Company") is licensed to underwrite direct insurance for Class 16 – other financial loss. Maiden GF was incorporated in Sweden on October 13th, 2016, corporation number 516406-1003.

Maiden GF is a subsidiary of Maiden Holdings, Ltd. ("Maiden" or the "Group"). Maiden is a Bermuda headquartered holding company which is traded on the NASDAQ (MHLA).

This Solvency and Financial Condition Report ("SFCR") has been prepared to assist stakeholders to understand the capital position of the Company under the Solvency II framework.

The Company was incorporated on October 13th, 2016 and the Board have implemented and approved a comprehensive set of policies under which the Company will be governed. These policies have been established in accordance with Solvency II regulations. The Company has provided Finansinspektionen, the supervisory authority responsible for the Company, with all required regulatory reports relating to the reporting period.

During the reporting period, the Company has not underwritten any insurance risks and business focus has been on the initial set up of the Company, and the execution of the business strategy.

The risks that the Company is exposed to have been identified and appropriate mitigation measures have been put in place. The risks evaluated as posing the highest threat are:

- Concentration Risk: The risk that the Company must deliver a portfolio of new business suitably diversified by client, geography and product.
- New Business Risk: The risk that the new business that the Company underwrites does not perform as anticipated and profitability is lower than projected.

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To counter the risks above, the Company is pursuing business opportunities from a range of sources, and all new business opportunities will undergo a rigorous analysis, including stress testing, to ensure robust pricing.

2. Business and Performance

2.1. THE COMPANY

2.1.1. NAME AND LEGAL FORM

The Company is Maiden General Försäkrings, AB, incorporated in Sweden, corporation number 516406-1003. The legal form of the Company is a Swedish aktiebolag (AB).

2.1.2. NAME AND CONTACT DETAILS OF THE SUPERVISORY AUTHORITY, AND NAME AND CONTACT DETAILS OF THE GROUP SUPERVISOR

Finansinspektionen is the supervisory authority of the Company.

Finansinspektionen
Box 7821
103 97 Stockholm

Tel: + 46 8 408 980 00
Fax: + 46 8 24 13 35

The Bermuda Monetary Authority is the Group supervisor.

Bermuda Monetary Authority
BMA House
43 Victoria Street
Hamilton, Bermuda

Tel: (441) 295 5278
Fax: (441) 292 7471

2.1.3. NAME AND CONTACT DETAILS OF THE EXTERNAL AUDITOR

The accounts are audited by BDO Stockholm.

BDO Stockholm
PO Box Number 24193
104 51 Stockholm

Tel: + 46 8 120 116 00
Fax: + 46 8 662 50 80

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2.1.4. DESCRIPTION OF THE HOLDERS OF QUALIFYING HOLDINGS

All shares issued and outstanding for the Company are owned by Maiden Holdings, Ltd., a company incorporated in Bermuda.

2.1.5. GROUP STRUCTURE CHART

The position of the Company within the Group as at 31 December 2016 is as shown in the diagram below:

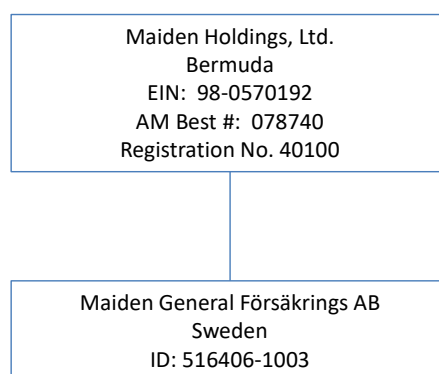


Diagram 1: Company position within Group Structure

2.1.6. MATERIAL LINES OF BUSINESS BY SEGMENT AND GEOGRAPHICAL REGION

Products to be underwritten will be Payment Protection Insurance, in which the benefits are payable in the event of unemployment or hospitalization, Vehicle Guaranteed Asset Protection, which pays amounts to the insured in the event of the total loss of their vehicle, and hospitalization cover.

The Company is domiciled in Sweden however is pursuing opportunities across Europe with the intent of providing cover under the “Provision of Freedom of Services.”

Material lines of business by segment and geographical region will be determined once underwriting activity commences.

2.1.7. SIGNIFICANT EVENTS WITH A MATERIAL IMPACT

The Company was incorporated on October 13th, 2016 and did not write any business during the reporting period.

There have been no significant events with a material impact on the Company.

2.2. UNDERWRITING PERFORMANCE

The Company was incorporated on October 13th 2016 and did not write any business during the reporting period.

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2.3.PERFORMANCE OF INVESTMENTS

2.3.1. INCOME AND EXPENSES ARISING BY ASSET CLASS

€'000	31/12/2016	Total Return	Total Return %
Corporate Bonds	4,433	4	0%
Cash	1,014	0	0%

The investment return of €4,000 is net of €1,000 of expenses.

A further unrealized loss on corporate bonds of €24,000 was booked in 2016.

2.3.2. GAINS/LOSSES RECOGNISED IN EQUITY

No gains or losses relating to investments were booked to equity.

2.3.3. INFORMATION ABOUT INVESTMENTS IN SECURITIZATIONS

The Company has no investments in securitizations.

2.4.OTHER MATERIAL INCOME & EXPENSES INCURRED

Operating expenses include administration expenses, professional fees and other general operating expenses. This amounted to €53,000 for the period from incorporation to 31 December 2016.

2.5. ANY OTHER MATERIAL INFORMATION

There is no other material information regarding the business and performance of the Company.

3. Governance Structure

3.1. OVERVIEW OF GOVERNANCE STRUCTURE

3.1.1.MANAGEMENT STRUCTURE: ROLES, RESPONSIBILITIES AND SEGREGATION OF RESPONSIBILITIES

The Company has established a Corporate Governance Framework which ensures that the Company's Board of Directors ("Board") is the focal point of the governance system and is ultimately accountable and responsible for the Company's performance and conduct. To ensure that the Board fully discharges its responsibilities and stewardship in an acceptable fashion, the Board has established an appropriate number of functions, each with clear responsibilities and each of which reports to the Board.

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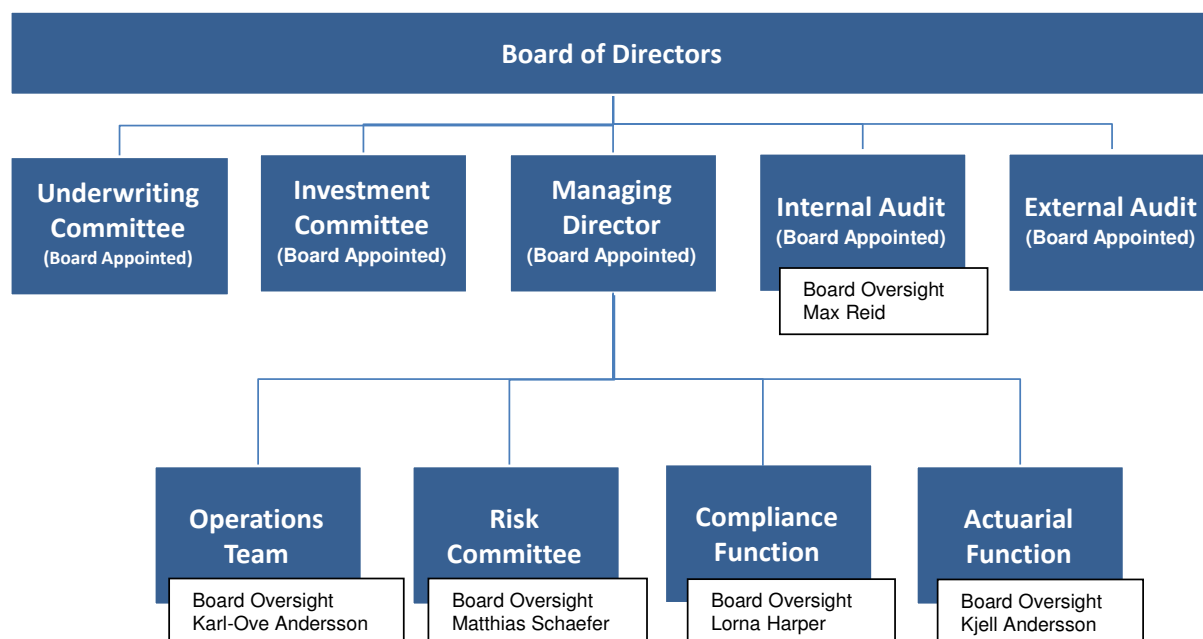


Diagram 2: Governance Structure

Board of Directors

The Board is responsible for setting appropriate strategies and policies, for providing effective and prudent oversight of functions regardless of the extent to which functions are outsourced, and for monitoring the financial performance of the Company. The Board meets as warranted, but no less than twice a year. Management regularly keeps the Board of Directors apprised of significant issues and events.

The central key functions each have a nominated Board member that is responsible for overseeing that function.

Central Key Function	Board Oversight
Actuarial Function	Kjell Andersson
Compliance Function	Lorna Harper
Internal Audit Function	Max Reid (Chairman)
Risk Management Function	Matthias Schaefer

At each Board meeting, there is a functional area update, where the Board is informed on the activities within each central key function area since the prior Board meeting.

Underwriting Committee

The Underwriting Committee assesses new business proposals or material changes to existing insurance programs, ensuring they meet with the strategic direction of the Company and that

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their pricing is adequate. The Underwriting Committee has delegated authority limits determined by the Risk Referral Assessment which allows for a systematic and controlled escalation of underwriting proposals to the Board where necessary.

Investment Committee

The Investment Committee is responsible for overseeing the performance of the investments of the Company. This Committee meets quarterly to review investment performance and ensure investments are in adherence to the Investment Policy.

Internal Audit Function

The Internal Audit Function examines and evaluates the functioning, effectiveness and efficiency of the internal control system and system of governance and makes recommendations for improvements. This function is an independent function within the Company, reporting directly to the Board at least annually.

External Audit Function

External Audit provides a further independent review of the risk structures in place within the Company. The external auditors will confirm whether or not the risk management structures documented are operational, make an assessment of the effectiveness of the current structure and make recommendations for improvements.

Operations Team

The Operations Team is responsible for developing new products, monitoring existing products and the administrative functions of the Company (finance, IT, legal, policy administration and claims administration). This team meets frequently to discuss these operations in detail and refers proposals for new business, and updates on existing operations, including any risks or concerns identified, to the Company for consideration.

Risk Committee

The Risk Committee convenes at least three times a year and is responsible for maintaining the Company Risk Register, ensuring that the risks are being effectively monitored and managed and communicating significant issues to the Board.

Compliance Function

The Compliance Function monitors and reports on the Company's requirement to be in compliance with all applicable laws and regulatory requirements. This function reports at least annually to the Board.

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Actuarial Function

The Actuarial Function is responsible for the development of the Technical Guidelines and implementing the methodologies agreed for calculating technical insurance reserves on an on-going basis. In addition, the Actuarial Function assists in the preparation of the quarterly and annual assessment of capital requirements. This function reports at least annually to the Board.

The system of governance has been established as above, with each function having clear responsibilities therefore ensuring the segregation of duties where appropriate.

3.1.2. MATERIAL CHANGES IN SYSTEM OF GOVERNANCE

There have been no material changes in the system of governance through the reporting period.

3.1.3. REMUNERATION POLICY AND PRACTICES

3.1.3.1. PRINCIPLES OF REMUNERATION

The Remuneration Policy has been set with the aim of promoting effective risk management and preventing excessive risk taking.

The Non-Executive Director and Managing Director are remunerated by the Company. The Non-Executive Director receives a fixed salary determined annually by the Chairman of the Company. The Managing Director receives a fixed salary which is subject to performance bonuses and this remuneration is determined annually by the shareholder of the Company.

Other positions within the Company considered to have a degree of influence of the Company's risk level are the Chairman and Directors. These individuals do not receive any remuneration from the Company and are remunerated by a group company.

3.1.3.2. PERFORMANCE CRITERIA FOR ENTITLEMENT TO SHARE
OPTIONS, SHARES, OR VARIABLE COMPONENTS OF
REMUNERATION

No share options, shares or variable remuneration are provided by the Company during the reporting period.

3.1.3.3. MAIN CHARACTERISTICS OF PENSION SCHEMES FOR
MANAGEMENT AND KEY FUNCTIONS

The Company does not have any pension schemes.

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3.1.4. MATERIAL TRANSACTIONS WITH SHAREHOLDERS, PERSONS WHO EXERCISE SIGNIFICANT CONTROL AND MANAGEMENT

During the year ended December 31, 2016, no dividends were paid from the Company to the Shareholder and there were no material transactions with persons who exercise significant control.

3.2. FITNESS AND PROPRIETY REQUIREMENTS

3.2.1. DESCRIPTION OF THE FIT AND PROPER REQUIREMENTS OF MANAGEMENT AND KEY FUNCTIONS

Members of the Board of directors and persons performing key functions must have the skills required to manage and supervise the Company. Collectively there must be sufficient knowledge and professional experience in:

- a) Insurance, reinsurance and financial markets: The awareness and understanding of the business and economic environment in which the Company operates.
- b) Strategy and business models of the Company: A detailed understanding of the Company's business strategy and model.
- c) Governance systems: The awareness and understanding of the Company's risks and the capability of managing them and the ability to assess the effectiveness of the Company's arrangements to deliver effective governance, oversight and controls.
- d) Financial and actuarial analysis: The ability to understand and interpret the financial and actuarial information provided by other functions and take it into account in the decision-making process.
- e) Legislation and regulations applicable to the Company: The awareness and understanding of the regulatory framework in which the Company operates.

In addition, the Board and key functions must be honest and ethical in their personal and professional behaviour. This includes the disclosure of conflicts of interest.

3.2.2. DESCRIPTION OF THE PROCESS FOR ASSESSING THE FIT AND PROPER REQUIREMENTS OF MANAGEMENT AND KEY FUNCTIONS

On appointment to the Board or key function, an evaluation of the skills, reputation and potential conflicts of interest of the individual will be completed and recorded in the minutes of the Board meeting.

Annually, the skills and reputation of the Board and key functions is evaluated to ensure continued adherence to the fit and proper requirements. The process undertaken is as follows:

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All individuals are asked to rate their knowledge and experience in the areas of insurance, reinsurance and financial markets, strategy and business models of the Company, governance systems, financial and actuarial analysis and legislation and regulations applicable to the Company. In addition, individuals are asked to provide information on their involvement in economic crimes and disciplinary cases by Finansinspektionen.

The assessments are collated by a nominated member of the Board, who will assess whether a good working knowledge in each area is maintained (either from within each key function or from the Board itself). The results of this will be communicated to the Board. Any involvement in economic crimes and disciplinary cases by Finansinspektionen identified through the fit and proper assessment process will be communicated to the Board.

Should a situation occur outside of the annual fit and proper assessment process that gives rise to a re-assessment of an individual or key function holder, the Board will be notified and the fitness and probity of the individual re-assessed immediately.

In addition to the above, the Board program includes an annual attestation to the Group Code of Business Conduct and an annual overview of conflicts of interest.

3.3. RISK MANAGEMENT

3.3.1. DESCRIPTION OF THE RISK MANAGEMENT SYSTEM

The overriding goal of the Company's risk management strategy is to control and achieve, to the greatest extent possible, a reduction in the Company's risk exposure as a means of minimising the impact of undesired and/or unexpected events. The purpose of this is to increase the likelihood of achieving the Company's strategic objectives.

The risk appetite establishes the target amount of risk that the Company is prepared to accept in order to achieve its strategic objectives in order to ensure cautious management of the operations while achieving shareholder expectations. The primary measure of the Company's aggregate risk appetite is the solvency ratio and the tolerances of this are determined by the Board. The Board also determines risk metrics and tolerances for each risk category that it is exposed to, namely underwriting and reserving risk, reinsurance risk, investment and asset liability management risk and operational risk.

The Board has ultimate responsibility for ensuring that it manages and controls its risk satisfactorily and in order to do this, the Board has appointed a risk management committee, headed up by the risk controller, which is responsible for the management and control of the risks faced by the Company.

The Company governance framework reflects the 'three lines of defense' approach to risk management, which involves risk owners having responsibility for identifying and managing

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risks, the risk management committee providing risk management tools and policies, and internal audit performing independent reviews.

First Line of Defense: Operations

All key persons involved in the Company's operations assist with identifying risks, creating appropriate responses to risks and maintaining risks within the risk appetite and tolerances determined by the Board. Each risk is the responsibility of a risk owner, who is someone within the operations of the Company who oversees and manages the risk and updates the risk management committee where necessary.

Second Line of Defense: Risk Management Committee

The risk management committee is responsible for maintaining the Company's risk register. The risk register identifies all the risks of the business and ensures that control mechanisms are in place to mitigate, transfer or eliminate each risk as appropriate. The risk management committee must ensure that it has an awareness of developments within the business such that the impact that these may have on current risks, or the identification of new risks, can be reflected within the risk register.

All the risks identified within the risk register are assessed and given a risk exposure level rated according to their likelihood of occurrence and the severity of their impact should they occur. The mechanisms in place with the Company to control and monitor the risks and mitigate their impact are documented and a further risk score is given to each risk which considers the effectiveness of the control mechanisms.

The risk management committee is responsible for verifying that measures identified as control mechanisms are current and continue to mitigate the risk.

The risk management committee will convene three times a year at a minimum and report to the Board at each Board meeting.

Third Line of Defense: Internal Audit

The Internal Audit function assesses the adequacy and effectiveness of the risk management framework and mitigating controls and coordinates risk-based audits to evaluate and address risks.

The internal audit function has full, free and unrestricted access to all areas of the Company and reports to the Board.

3.3.2. DESCRIPTION OF HOW THE RISK MANAGEMENT FUNCTION IS INTEGRATED INTO THE COMPANY STRUCTURE AND DECISION MAKING PROCESS

The Company has a strong risk management culture set by the tone at the top, the Board of the Company, and this culture is disseminated through the business of the Company through the business strategy set and the various processes and controls which focus on risk exposure.

As outlined above, all key persons involved in the Company assist in the identification of the risk exposures of the Company, and responsibilities are set for managing the risks to appropriate personnel across various facets of the Company. There is open communication encouraged between risk owners and the risk management committee.

Where the risk management committee identifies concerns, or recommendations for alternative mitigations, the risk owners are informed and discussions between the risk management committee and operations ensure that the issue is addressed. The risk management committee will monitor progress of actions undertaken. The risk committee reports to the Board at each Board meeting and can escalate issues to the Board outside of these meetings at any time.

All material business transactions are assessed for potential risk exposures. New business opportunities are pursued by the Company only when the risk exposures identified are perceived to be acceptable or able to be mitigated against, and considered proportionate to the size of the business opportunity.

3.4. OWN RISK SOLVENCY ASSESSMENT (ORSA)

3.4.1. DESCRIPTION OF THE ORSA PROCESS AND HOW THE ORSA IS INTEGRATED INTO THE ORGANISATION STRUCTURE AND DECISION MAKING PROCESS

The main purpose of the ORSA process is to identify and evaluate relevant controls, risk mitigating activities and compare with risk appetite to match solvency capital. Any potential deficit in solvency must be addressed with a specific plan and the Board should decide the actions to be taken.

The ORSA process should be presented annually at a minimum, but will be updated if any of the following occurs:

- The risk level exceeds the accepted risk appetite
- There are changes in the underlying assumptions for risk levels/limits
- New insurance classes are introduced or there are major extensions to existing programs
- The risk profile of the Company changes, either because of internal or external changes to the business environment

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- A new business strategy is adopted.

The process for completing the ORSA is summarized in the following five sections:

1. Identify, measure and control risks

All major risks that may threaten Company solvency are identified. The Company has developed methods for evaluating risks exposing the Company.

2. Define risk grading

Appropriate risk grading methods are maintained. The risk management committee monitors and measures risk appetite and implements warning systems for when risks are changing and reaching upper limits.

3. Stress testing

Stress tests and scenario analysis are used to define future solvency requirements under certain negative and unexpected situations. Scenarios putting the Company in insolvency (reverse stress tests) may be used for determining in situations which deem the Company insolvent.

4. Financial plan for stress test

The Solvency Capital Requirement ("SCR") and Minimum Capital Requirement ("MCR") and levels of solvency are calculated for each year of the business plan.

5. Potential solvency requirements

The Risk Control function identifies potential actions for minimizing circumstances of stress tests.

The results of the ORSA provides stakeholders with crucial information enable critical business decisions to be taken. It provides guidance for the Board of potential risk exposures, solvency requirements and capital planning. The financial projections produced are intended to ensure that the Company is aware of the potential development of its risk profile and capital requirements in various scenarios. Because of this, the results of the ORSA will be used to influence, at least, product development, capital management and Company strategy and allow the Board to determine the capital requirements and set the risk appetite of the Company.

Once the process and results of the ORSA have been signed off by the Board, the results and conclusions regarding the ORSA are communicated to all functions for whom the information is relevant to ensure that any necessary follow up action will be taken. Furthermore, where the ORSA has influenced the business strategy and risk appetite of the Company, key functions are informed in order to ensure that the Company operates within these objectives.

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3.4.2. REVIEW CYCLE OF ORSA

The ORSA process is undertaken and presented to the Board for approval annually at a minimum. Prior to presenting to the Board, the ORSA will be reviewed and approved by the Managing Director. It will be updated outside this annual cycle if there are any material changes to the risk profile or strategic direction of the Company.

3.4.3. HOW SOLVENCY NEEDS HAVE BEEN DETERMINED GIVEN THE RISK PROFILE AND HOW CAPITAL MANAGEMENT ACTIVITIES AND RISK MANAGEMENT SYSTEMS INTERACT

The ORSA is the Company's own perspective of the capital resources necessary to achieve business strategies and remain solvent given the Company's risk profile. The ORSA identifies and measures all material risks, includes results of stress and scenario testing on business plans and capital resources, and identifies contingent sources of capital support where necessary. There are no risk exposures identified in the risk profile of the Company that are not quantified within the ORSA calculation.

3.5. INTERNAL CONTROLS AND COMPLIANCE

3.5.1. DESCRIPTION OF THE INTERNAL CONTROL SYSTEM

The Board is responsible for the establishment of the internal control system under the appropriate categories: business risks and operational risks. The internal control system is designed to mitigate key risks facing the Company within these two categories.

To address business risks, the Company has created and maintains key policies and procedures surrounding risk management and its internal controls framework that identify operating and oversight responsibilities for identifying and reporting material deficiencies and fraud. The policies and procedures also identify key internal controls that establish sound accounting and financial reporting procedures. The Company has implemented internal controls to ensure that our underwriting, claims processing, financial reporting and information technology systems and applications mitigate fraud, comply with regulatory requirements and meet the needs of our clients. Primary responsibility for day-to-day oversight of the internal controls framework lies with the operations team and control owners. Responsibility and accountability are promoted throughout the Company's activities by ensuring that all controls are assigned to an individual who is aware of their role, which is documented in the Company's internal control matrix.

To address operational risk, the Company has an operational risk policy included in the risk management policy that seeks to address how operational risks are managed and controlled. In addition, the Company is subject to adhering to a number of policies established at a Maiden

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group level. Additional corporate policies that address operational risks include the Ethics Hotline, the Employee Handbook, the Code of Business Conduct and Ethics, the Insider Trading and Outside Investments Policy, the Maiden Global Fraud Prevention and Detection Policy, Maiden Global Sanctions Program and Maiden Information Governance.

It is recognised that the Company outsources its administrative and operational activities to a number of parties and the Board are required to review and assess these arrangements in accordance with the Company's Engagement Agreements policy.

3.5.2. DESCRIPTION OF THE COMPLIANCE FUNCTION

The Board of the Company has the ultimate responsibility for the monitoring of compliance with laws, ordinances and internal regulations and every Board member shall be aware of and observe all external and internal regulations.

To help achieve this aim the Board has established a compliance function to supplement not supplant the responsibilities of the Board to ensure compliance with legislation and applicable requirements. The compliance function is responsible for:

- assisting the Board with ensuring ongoing compliance with legislation and applicable requirements
- enhancing the Company's awareness of compliance matters
- identifying the areas of possible non-compliance within the Company and understanding the consequences of non-compliance
- informing the Board of directors at Board meetings about such risks
- ensuring that the Board is kept informed of any amendment to the applicable regulations, legislation and guidelines or the addition of any new requirements and the potential impact on the Company
- providing a reasonable assessment of the effectiveness and consistency of the internal processes used to control the compliance of the Company's operations and protect its reputation through recommendations, supervision and independent controls, and
- informing the Board of directors and relevant personnel of new or changed guidelines.

The Board and the compliance function will agree an annual compliance plan, which will detail a monitoring program on the key internal controls to ensure that they are operating effectively and to document the tests undertaken and the results obtained.

The compliance function reports at least annually to the Board.

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3.6. INTERNAL AUDIT

3.6.1. DESCRIPTION OF THE INTERNAL AUDIT FUNCTION

The internal audit function provides an independent assessment of the adequacy of, and compliance with, the Company's established policies, procedures and risk management framework.

To achieve this, the internal audit function:

- establishes, implements and maintains an audit plan setting out the audit work to be undertaken in the upcoming years, taking into account all activities and the complete system of governance of the Company;
- takes a risk-based approach in deciding its priorities;
- reports the audit plan to the Board;
- issues recommendations based on the audit work undertaken
- verifies compliance with the decisions taken by the Board in relation to the internal audit recommendations.

The internal audit function has full, free and unrestricted access to all activities, records (in both paper and electronic format), property and personnel necessary to accomplish the stated purpose. Documents and information given to the internal audit function are handled in the same prudent manner as by those employees normally accountable for them, with stringent regard for safekeeping and confidentiality.

The internal audit review and appraisal process does not in any way relieve other persons of the responsibilities assigned to them. Responsibility for complying with policies and procedures as well as correcting deficiencies rests with the respective employees and management.

The internal audit submits a written report to the Board no less frequently than annually.

3.6.2. HOW THE INTERNAL AUDIT FUNCTION REMAINS INDEPENDENT AND OBJECTIVE

To permit the rendering of impartial and unbiased judgment essential to the proper conduct of audits, the internal audit function is independent of the activities it audits. It does not have direct responsibility for, nor authority over, any of the activities reviewed and does not engage in activities which would normally be reviewed by external auditors.

The internal audit function reports directly to the Board. This organizational structure is designed to allow Internal Audit to be independent of all other functions within the Company.

3.7. ACTUARIAL FUNCTION

The Company's actuarial function is responsible for:

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- reviewing and approving assumptions and methods that are used in determining the technical provisions
- calculating the technical provisions and assessing the adequacy and quality of data used
- communicating the technical provision to the Board and informing the Board of the adequacy of the calculation
- contributing to the ORSA process
- computation of risk margin and best estimates for the QRT reports
- providing the Board with an actuarial report at least once a year
- determining the claims reserves for Incurred But Not Reported (“IBNR”).

3.8. OUTSOURCING

3.8.1. DESCRIPTION OF THE OUTSOURCING POLICY AND INFORMATION ON ANY CRITICAL FUNCTIONS THAT HAVE BEEN OUTSOURCED, INCLUDING THE JURISDICTION IN WHICH THE SERVICE PROVIDERS ARE LOCATED

The objective of the outsourcing policy is that all material outsourcing arrangements must allow the Company to:

- maintain understanding and control of all aspects of the outsourced function, avoiding additional undue operational risk;
- allow respective regulators to monitor the Company’s compliance with jurisdictional laws and regulations;
- demonstrate the ability to measure a service provider’s performance; and
- ensure that a service provider has sufficient disaster recovery functions, such that the Company’s audit obligations, stability and integrity, cannot be affected by failures of the service provider.

The following is a list of criteria that must be complied with for all new outsourcing agreements and existing material outsourcing agreements:

1. The service provider has the capacity and resources to perform the outsourced functions in a reliable, correct and punctual manner;
2. No conflicts of interest exist that may affect the provision of the outsourced service. Should the service provider be a related party, a referral to the Maiden group Audit Committee is required to approve the terms;
3. The existence of a formal outsourcing agreement between the Company and the service provider, specifically covering the rights and obligations of both the Company and the service provider; and

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4. Provision that local data protection law is complied with under the terms of the outsourcing agreement. Specifically, this should govern information exchange between the Company and service provider.

In addition to standard contract provisions, the contract for outsourcing agreements should include the following:

1. A clear description of the receivables, timelines, deliverables, and legal responsibilities of the service provider under the agreement, detailing the responsibilities accepted by the service provider and those retained by the Company;
2. The requirement of the service provider to comply with all applicable laws and any other guidelines designated by the Company;
3. Provision for monitoring and oversight of the service provider so that any necessary corrective measure can be taken. This would include:
 - a. access to books, records and information relevant to the outsourced activity; and
 - b. right to conduct audits on the service provider whether by the Company's internal or external auditors, or by external specialists appointed by the Company.

The Company recognises that it remains fully responsible for all outsourced functions and must have procedures and the necessary expertise to monitor and control the outsourced arrangements.

The Board of the Company may delegate the appointment of an outsourced partner to one of its sub-committees but the initiation of an outsourcing arrangement must be assessed and approved by the Board. Where necessary, Finansinspektionen and the Group Enterprise Risk Management Committee will be notified of a change in the outsourcing provider of a key function.

The Company has the following outsourcing arrangements for critical functions:

Function	Provider	Jurisdiction
Actuarial	Nordic Actuary	Sweden
Compliance	Marsh Management Services, Sweden AB	Sweden
Internal Audit	Maiden Holdings Ltd.	Bermuda
Risk Management	Maiden Global Holdings Ltd.	UK

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3.9. AN ASSESSMENT OF THE ADEQUACY OF THE SYSTEM OF GOVERNANCE TO THE NATURE, SCALE AND COMPLEXITY OF THE RISKS INHERENT IN THE BUSINESS

Regular review of capital requirements confirm the adequacy of capital held by the Company, and high rated risks are frequently reviewed in detail by the risk management committee and presented to the Board at Board meetings.

The Board considers the system of governance in place within the Company to be appropriate for the scale and complexity of the risks inherent in the Company. The system of governance is subject to regular internal review, an annual review and update of all policies and if there are changes to the underlying risk profile of the Company, the Board will consider whether changes to the system of governance are appropriate and necessary.

3.10. OTHER MATERIAL INFORMATION REGARDING THE SYSTEM OF GOVERNANCE

There is no other material information regarding the Company's system of governance.

S.02.01.01.01 Balance sheet

		Solvency II value	Statutory accounts value	
		C0010	C0020	
Assets	Goodwill	R0010		
	Deferred acquisition costs	R0020		
	Intangible assets	R0030		
	Deferred tax assets	R0040	16 015	16 015
	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	4 432 546	4 432 546
	Property (other than for own use)	R0080		
	Holdings in related undertakings, including participations	R0090		
	Equities	R0100		
	Equities - listed	R0110		
	Equities - unlisted	R0120		
	Bonds	R0130	4 432 546	4 432 546
	Government Bonds	R0140		
	Corporate Bonds	R0150	4 432 546	4 432 546
	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		
	Non-life and health similar to non-life	R0280		
	Non-life excluding health	R0290		
	Health similar to non-life	R0300		
	Life and health similar to life, excluding health and index-linked and unit-linked	R0310		
	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		
	Reinsurance receivables	R0370		
	Receivables (trade, not insurance)	R0380		
	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	1 014 484	1 014 484
	Any other assets, not elsewhere shown	R0420	49 306	49 306
	Total assets	R0500	5 512 351	5 512 351
	Liabilities	Technical provisions – non-life	R0510	
		Technical provisions – non-life (excluding health)	R0520	
		Technical provisions calculated as a whole	R0530	
		Best Estimate	R0540	
Risk margin		R0550		
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		
Any other liabilities, not elsewhere shown		R0880	18 723	18 723
Total liabilities		R0900	18 723	18 723
Excess of assets over liabilities		R1000	5 493 629	5 493 629

S.05.01.01.01 Non-Life (direct business/accepted proportional reinsurance and accepted non-proportional reinsurance)

Z Axis:

			Line of Business	Line of Business for: accepted non-proportional reinsurance				Total
			Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
			C0120	C0130	C0140	C0150	C0160	C0200
Premiums written	Gross - Direct Business		R0110					
	Gross - Proportional reinsurance accepted		R0120					
	Gross - Non-proportional reinsurance accepted		R0130					
	Reinsurers' share		R0140					
	Net		R0200					
Premiums earned	Gross - Direct Business		R0210					
	Gross - Proportional reinsurance accepted		R0220					
	Gross - Non-proportional reinsurance accepted		R0230					
	Reinsurers' share		R0240					
	Net		R0300					
Claims incurred	Gross - Direct Business		R0310					
	Gross - Proportional reinsurance accepted		R0320					
	Gross - Non-proportional reinsurance accepted		R0330					
	Reinsurers' share		R0340					
	Net		R0400					
Changes in other technical provisions	Gross - Direct Business		R0410					
	Gross - Proportional reinsurance accepted		R0420					
	Gross - Non-proportional reinsurance accepted		R0430					
	Reinsurers' share		R0440					
	Net		R0500					
Expenses incurred	Administrative expenses		R0550					
	Gross - Direct Business		R0610					
	Gross - Proportional reinsurance accepted		R0620					
	Gross - Non-proportional reinsurance accepted		R0630					
	Reinsurers' share		R0640					
	Net		R0700					
	Investment management expenses		R0710					
	Gross - Direct Business		R0710					
	Gross - Proportional reinsurance accepted		R0720					
	Gross - Non-proportional reinsurance accepted		R0730					
	Reinsurers' share		R0740					
	Net		R0800					
	Claims management expenses		R0810					
	Gross - Direct Business		R0810					
	Gross - Proportional reinsurance accepted		R0820					
	Gross - Non-proportional reinsurance accepted		R0830					
	Reinsurers' share		R0840					
	Net		R0900					
	Acquisition expenses		R0910					
	Gross - Direct Business		R0910					
	Gross - Proportional reinsurance accepted		R0920					
	Gross - Non-proportional reinsurance accepted		R0930					
	Reinsurers' share		R0940					
	Net		R1000					
	Overhead expenses		R1010					
Gross - Direct Business		R1010						
Gross - Proportional reinsurance accepted		R1020						
Gross - Non-proportional reinsurance accepted		R1030						
Reinsurers' share		R1040						
Net		R1100						
Other expenses			R1200					53 378
Total expenses			R1300					53 378

S.23.01.01.01 Own funds

Z Axis:

			Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
			C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35	Ordinary share capital (gross of own shares)	R0010	5 550 000	5 550 000			
	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	(72 386)	(72 386)			
	Subordinated liabilities	R0140					
	An amount equal to the value of net deferred tax assets	R0160	16 015				16 015
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220						
Deductions	Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions		R0290	5 493 629	5 477 614			16 015
Ancillary own funds	Unpaid and uncalled ordinary share capital callable on demand	R0300					
	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
	Unpaid and uncalled preference shares callable on demand	R0320					
	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
	Other ancillary own funds	R0390					
	Total ancillary own funds	R0400					
Available and eligible own funds	Total available own funds to meet the SCR	R0500	5 493 629	5 477 614			16 015
	Total available own funds to meet the MCR	R0510	5 477 614	5 477 614			
	Total eligible own funds to meet the SCR	R0540	5 493 629	5 477 614			16 015
	Total eligible own funds to meet the MCR	R0550	5 477 614	5 477 614			
SCR	R0580	794 790					
MCR	R0600	3 700 000					
Ratio of Eligible own funds to SCR	R0620	691,21%					
Ratio of Eligible own funds to MCR	R0640	148,04%					

S.23.01.01.02 Reconciliation reserve

Z Axis:

C0060

Reconciliation reserve	Excess of assets over liabilities	R0700	5 493 629
	Own shares (held directly and indirectly)	R0710	
	Foreseeable dividends, distributions and charges	R0720	
	Other basic own fund items	R0730	5 566 015
	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve		R0760	(72 386)
Expected profits	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	

S.25.01.01.01 Basic Solvency Capital Requirement

Z Axis:, No

Net solvency capital requirement	Gross solvency capital requirement	Allocation from adjustments due to RFF and Matching adjustments portfolios
C0030	C0040	C0050

Market risk	R0010	757 943	757 943	
Counterparty default risk	R0020	66 435	66 435	
Life underwriting risk	R0030			
Health underwriting risk	R0040			
Non-life underwriting risk	R0050	55 180	55 180	
Diversification	R0060	(84 768)	(84 768)	
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	794 790	794 790	

S.25.01.01.02 Calculation of Solvency Capital Requirement

Z Axis:, No

Value
C0100

Adjustment due to RFF/MAP nSCR aggregation	R0120		
Operational risk	R0130		
Loss-absorbing capacity of technical provisions	R0140		
Loss-absorbing capacity of deferred taxes	R0150		
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160		
Solvency Capital Requirement excluding capital add-on	R0200	794 790	
Capital add-on already set	R0210		
Solvency capital requirement	R0220	794 790	
Other information on SCR	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	

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

MCR components
C0010

Solvency II	MCRNL Result	R0010	0
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S.28.01.01.02 Background information

Z Axis:

Background information	
Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
C0020	C0030

Medical expense insurance and proportional reinsurance	R0020	0	0
Income protection insurance and proportional reinsurance	R0030	0	0
Workers' compensation insurance and proportional reinsurance	R0040	0	0
Motor vehicle liability insurance and proportional reinsurance	R0050	0	0
Other motor insurance and proportional reinsurance	R0060	0	0
Marine, aviation and transport insurance and proportional reinsurance	R0070	0	0
Fire and other damage to property insurance and proportional reinsurance	R0080	0	0
General liability insurance and proportional reinsurance	R0090	0	0
Credit and suretyship insurance and proportional reinsurance	R0100	0	0
Legal expenses insurance and proportional reinsurance	R0110	0	0
Assistance and proportional reinsurance	R0120	0	0
Miscellaneous financial loss insurance and proportional reinsurance	R0130	0	0
Non-proportional health reinsurance	R0140	0	0
Non-proportional casualty reinsurance	R0150	0	0
Non-proportional marine, aviation and transport reinsurance	R0160	0	0
Non-proportional property reinsurance	R0170	0	0

S.28.01.01.05 Overall MCR calculation

Z Axis:

C0070

Linear MCR	R0300	0
SCR	R0310	794 790
MCR cap	R0320	357 655
MCR floor	R0330	198 697
Combined MCR	R0340	0
Absolute floor of the MCR	R0350	3 700 000
Minimum Capital Requirement	R0400	3 700 000