

Covid-19

On 11th March 2020, the World Health Organization declared the outbreak of the novel coronavirus (Covid-2019 or 2019-nCoV) a pandemic.

The Management has considered the unique circumstances and the risk exposures of the Company and the general insurance industry and has taken action to remediate the consequences of the Covid-19 outbreak, reducing the impact on its customers, staff, business plan and solvency position.

The outbreak may lead to a change in:

- the business volumes - the Company operates a 100% bancassurance model, with Hellenic Bank being the single tied insurance agent. In response to the difficult times faced, Hellenic Bank refocuses its resources to best support its customers regarding their banking needs. Whilst the Company supports this decision, it may experience restraint in premium growth.
- incurred claims - Pandemic, including the impact of Covid-19 is generally covered under our policies, however, the effect will be largely mitigated by the reinsurance arrangements the Company has with reputable reinsurance counterparties.
- the price and volatility of invested assets - the market uncertainty has increased due to the outbreak, however, the low risk investment profile of the Company has protected it against significant reduction in the value of its invested portfolio.

Whilst the eventual impact on the solvency position remains uncertain, the Company has considered possible impact based on the outcome of the 2019 stress testing exercise and after running a specific Covid-19 stress applying the parameters advised by the ICCS. Both reviews indicate that the impact on the solvency and financial condition of the Company is contained, and the solvency coverage ratio of the Company is expected to remain well in excess of the regulatory minimum threshold.

Management monitors the situation closely and will assess the need for additional actions to be taken to remediate the consequences of the outbreak and measures announced.