





The beauty of Chaos

R. PICCART '10





# **Financial Highlights**

In euro

# **Statement of Earnings**

2	0	0	9
	-	-	

Net Premium Earned	2.502.445
Claims	-519.592
Rebates	-8.294
Expenses and Taxes	-171.823
Net Investment Result	69.587
Earnings before allocation to equalisation	
provision	1.872.323

# **Balance Sheet**

Assets		49.755.827
Liabitities		-13.756.775
Own funds		35.999.052







# **Board**

K Luotonen

C-D Bölle

A. Geivaerts

R.Jiménez-Shaw

J-D Treillard

D Van Welkenhuyzen

# **Underwriting Committee**

E Desseyn

A.Geivaerts

B Kockum

M Laguna

M.Kautonen

J-D Treillard

D Van Welkenhuyzen

# **Finance Committee**

M Ekman

R Jiménez-Shaw

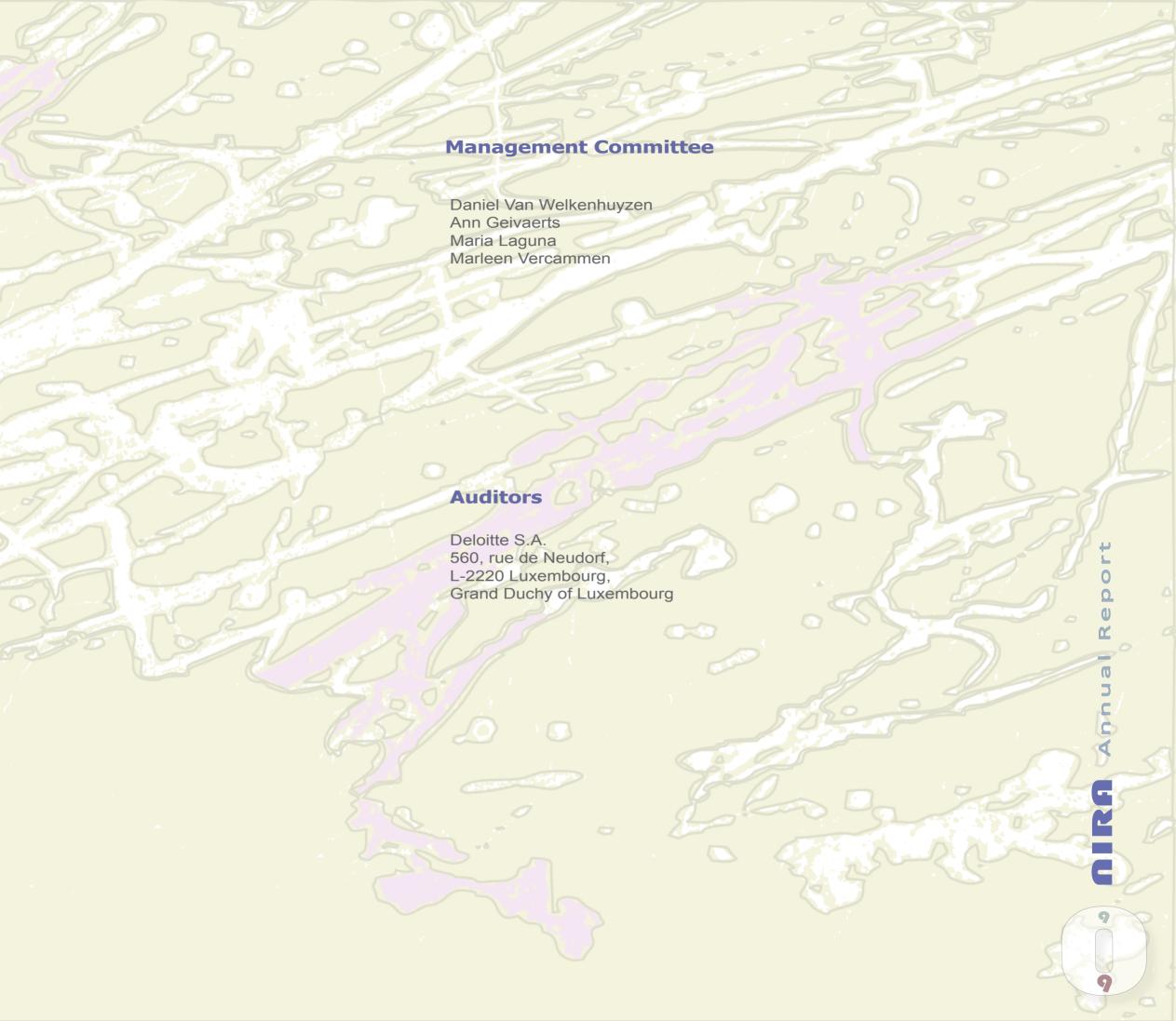
K Luotonen

M Vercammen

Chairman

Chairman





# Letter from the Chairman

Dear Members,

It is my pleasure to introduce to you the first Annual Report of Nuclear Industry Reinsurance Association, NIRA m.a. Luxembourg. The association was formed in December 2008 and our report covers the period from that moment until end of 2009.

In addition to the founding Members NIRA Ltd., EMANI and ELINI, we have accepted as new voting Members the following six organisations; British Energy, CEZ, Energy Future Holdings, New Brunswick Power, SKB and Svafo. The voluntary winding up procedure of NIRA Ltd. in the Isle of Man, was formally concluded by the liquidator Mr. Mike Simpson on March 25th 2010. As of that moment all of you being former shareholders of NIRA Ltd., became voting members within NIRA m.a.. Total number of voting Members at the AGM of our association is 42.

The novation of all business and the transfer of assets and liabilities from NIRA Ltd to the association took place at 1.7.2009. We did not meet any problems with the novation and transfer, thus we continue our business as planned within the new association. Development of our funds have followed the agreed low risk approach keeping majority of assets in cash. Return of the period beat both the benchmark and the Euro area inflation. Same result was met also during the last 3 years period.

Our association as the first mutual reinsurance company in Luxembourg was positively received by the local Insurance supervisory authority (CAA) as well as by the industry and was widely commentated in the local press. This gives good grounds for our long term operation in the field of nuclear insurance.

I like to thank all the Members for your support and give special thanks to my fellow board members as well as the management team for their excellent work for bringing this domiciliation project to its final goal. Looking forward of working with you in 2010 .

Klaus Luotonen Chairman of the Board



# **Corporate Message**

NIRA is a mutual reinsurance association, founded in 2008 and headquartered in Luxembourg. NIRA stands for Nuclear Industry Reinsurance Association. Most of the shareholders of the company are involved in the Nuclear sector. NIRA was traditionally an industry captive re-insurer. A fresh approach has been adopted to focus on the re-insurance of nuclear risks with the advantage which has been built over the last 20 years of discipline and an intricate knowledge of underwriting and risk management in this field. Our team's extensive and successful track record means we add genuine value to customers and brokers.

# **A Strong Underwriting Culture**

NIRA has brought a fresh approach to the reinsurance industry with focus, discipline and an intricate knowledge of underwriting and risk management in the area of nuclear risks.

# **Leading Expertise and Experience**

We have the right team in place, underwriting and management professionals with a wealth of experience in nuclear reinsurance.

# A Diverse, Balanced Book of Business

Independence gives us the freedom to write the reinsurance business we want to write, a diverse book accross key lines of business in different areas of the world. We can respond quickly to market movements and developments.

# **Industrial & Engineering Reinsurance**

NIRA provides a complete range of reinsurance services across all project phases of power plant and other nuclear projects from preconstruction to operation.

# **Operational Phase**

Industrial All Risks (IAR) is a combined "All Risks" insurance for Property Damage (PD) and Machinery Breakdown (MB), combined with or without business interruption.

# **Treaty Reinsurance**

Excess of loss reinsurance for Property Damage and Third Party Liability.

# **Corporate Governance Report**

To ensure the appropriate level of corporate governance, the Board has put in place arrangements which it believes are suitable for a mutual carrying on reinsurance.

The relevant principles of governance are applied to the mutual in the following way:

# The Board

There are currently six, Board Members, including the Chairman, four of them are representing the nuclear Members and two members of the Management.

All of the Board Members are nominated by the Annual General Meeting.

The Board meets four times a year and at other times as may be necessary, one of these meetings being held in Luxembourg.

# **Board Committees**

The Board has a schedule of matters that it reserves for itself. These matters cover approval of accounts, significant changes to accounting policies, changes to the Membership of the Board and its Advisory Committees, recommendations of the strategy to be applied to the Members of the mutual, approval of the annual operating budget.

The first committee is the Management Committee.

In addition the Board has appointed two Advisory Committees. These Commmittees report to the Board at each of their Meetings. The terms of reference for the Finance and Investment Advisory Committee and the Underwriting Committee, which are reviewed annually, have been agreed by the Members and the Board. The nomination of members within these Committees must be approved by the Board.

# **Board and Committee Papers**

Appropriate and timely management information is circulated to Directors in good time before the Meetings.

# **Annual General Meeting**

The sections of the Articles of Association relating to the Annual General Meeting have been complied with.

# **Internal Control**

The Board is ultimately responsible for the mutual's sytem of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against misstatements or loss.

# **Control Procedures**

The mutual has implemented control procedures designed to ensure complete and accurate accounting for financial transactions and to limit the potential exposure to loss of assets or fraud. Measures taken include reviews by management as well as internal and external audits.

# **Risk Identification**

The Management is responsible for the identification and evaluation of the risk underwritten. These risks are assessed on a continual basis and may be associated with a variety of internal and external sources including regulatory requirements and/or authorities.

# **Monitoring and Corrective Actions**

The Company is producing a Code of Business Conduct, which will provide practical guidance for all staff.

# Report of the Board of Directors to be presented to the Annual General Meeting of

Dear Member.

We are pleased to present for your approval the financial statements of Nuclear Industry Reinsurance Association, shorten NIRA ("the Company") for its first year of operations, which started 11th December 2008 and ended on 31st December 2009.

The management of NIRA is responsible for the information contained in the financial statements and other sections of the annual report. The management considers that the financial statements and related information have been prepared in accordance with Luxembourg generally accepted accounting principles. These financial statements include amounts that are based on management's judgment and best estimates.

NIRA maintains a system of internal accounting controls to provide reasonable assurance that our assets are safeguarded against loss from unauthorized use or disposal and that the accounting records provide a reliable basis for the preparation of the financial statements.

Deloitte SA, rue de Neudorf 560, 2220 Luxembourg, has been appointed with your approval, as the independent auditors to audit the financial statements and to express their opinion thereon. Their opinion is based on procedures considered by them to be sufficient to provide reasonable assurance that the financial statements present fairly, in all material respects, the financial position, cash flows and results of operations. The audit report is also included in the annual report.

# **Activity**

The Company was incorporated in Luxembourg on December 11th ,2008 and published in the official journal "Mémorial C" under reference number 358 date February 18th ,2009 .

The agreement from Commissariat aux Assurance is published March 30th ,2009 by "Arrêté Ministériel".

Following the master novation agreement signed between NIRA Ltd, domiciled in the Isle of man ,and the Company, all reinsurance business of NIRA Ltd ,are novated into the Mutual dated July 1st 2009.



# **Earned contributions**

The contributions written, are reflected as net premiums written in Profit and loss account. Unearned premiums represent the portion of premiums written, which are related to the next accounting years.

Net contributions for the period amounts to € 2.502.445.

# Claims

Provisions are made for the estimated cost of incurred losses on the basis of management estimates, based where appropriate on information from ceding companies, their brokers, nuclear pools, claims adjusters, independent consultants and other relevant sources.

The total claim cost for the period is € 519.592 and include € 72.142 actual payments and a change in reserve of € 447.450.

The total claims outstanding reserve at year end amounts to € 10.750.684

The above mentioned reserve includes a provision for claims incurred but not reported (IBNR) which is constituted in view of the Convention on Third Party Liability. In order to comply with these eequirements ,we allocate all the liability premiums to this reserve for a period of ten years.

For this period an amount of € 507.810 has been allocated which brings the total IBNR provision to € 3.776.010.

# **General expenses**

General expenses amount to € 149.407 and include € 47.295 acquisition costs on the reinsurance treaties . The administrative expenses of € 102.113 are mainly for office rent, professional fees and travel & entertainment for Board , Committee and Members meetings .

# **General expenses**

The total book value of the investments amount to € 46.061.723 and their market value is

€ 46.248.054. The cash at the bank in other assets amounts to 3.055.3356 €. The investment strategy at year end is 70% liquidities and 30% long term investments resulting in a net financial income of € 69.587 and no derivative producs were bought.

Credit rating and maturity classified by investment product as of December 31st, 2009.

The changes in technical provisions and the amounts related to the activities transferred are as follows

Euro		Credit ratings		Maturity
BGI Government bond fund	51% AAA,	17%AA,26%A, 59	%BBB, 1% NR	8,47 year
BGI Corporate bond fund	43% A	AA,20%AA, 25%/	A,12%BBB	5,02 year
KBC Corporate bond fund	26% AA	AA,7%AA+, 27%A	\A,40%AA-	7,43 year
Money market funds		AAA rated fund	d	52 days
Gorporate bond ING GBP		A+		195 days
Deposits		A+		0 days

The surplus before allocation and after taxes amounts to € 1.872.323.

This amount will be allocated entirely to the equalization provision in accordance with the regulations applicable to reinsurance companies (The Grand Ducal Regulation of 5 December 2007 and article 99 of the modified law of 6 December 1991.)

The Board of Directors proposes to the Annual General Meeting that no surplus be allocated to the guarantee fund.

### **Guarantee Fund**

Result

As at December 31st ,2009 the subscribed capital of 3.200.000 € and the additional contributions of € 32.799.052 constitute together a fund of € 35.999.052, if you agree to our proposal.

The guarantee fund and the equalization provision now available to the Members to be used as reinsurance capacity, will be € 37.871.375.





# Report on the annual accounts

Following our appointment, we have audited the accompanying annual accounts of Nuclear Industry Reinsurance Association, Association d'Assurance Mutuelles, which comprise the balance sheet as at December 31, 2009 and the profit and loss account for the period from December 11, 2008 to December 31 2009, and a summary of significant accounting policies and other explanatory notes.

# **Board of Directors' responsibility for the annual accounts**

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with the Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual accounts that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

# Responsibility of the réviseur d'entreprises

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted by the Institut des réviseurs d'entreprises. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual accounts are free from material misstatement.



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# **NUCLEAR INDUSTRY REINSURANCE ASSOCIATION BALANCE SHEET**

# As at December 31, 2009 (Currency - Euro)

Assets		<u>Notes</u>	2009
Investments		<u>3.4, 5</u>	
Other financial in	ivestments		
Shares and other variab and units in unit trusts	le-yield securities		41.817.367,61
Debt securities and othe transferable securities	r fixed income		2.836.865,36
Deposits with credit inst	tutions		1.407.499,16
			46.061.732,13
Debtors			
Debtors arising out of re	insurance operations		565.995,73
Other debtors			8.250,00

# **Other assets**

Tangible assets	19.928,18
Cash at bank and in hand	3.055.335,10
	3.075.263,28

574.245,73

# **Prepayments and accrued income**

Accrued interest and rent	44	.284,50
Other prepayments and accrued income		301,70
	44	.586,20

### 49.755.827,34 **Total assets** =======

# Annual Report

# PIRA

# NUCLEAR INDUSTRY REINSURANCE ASSOCIATION BALANCE SHEET

As at December 31, 2009 (Currency - Euro))

Liabilities	Note(s)	2009
Capital and reserves	6	
Subscribed capital		3.200.000,00
Equivalent funds		32.799.052,00
		35.999.052,00
Technical provisions	3.3, 4	
Provision for unearned premiums		732.435,44
Claims outstanding		10.750.684,34
Provision for bonuses and rebates		350.702,00
Equalisation provision		1.872.322,72
		13.706.144,50
Creditors	8	
Creditors arising out of reinsurance operations		1.308,00
Other creditors, including tax and social securit	у	30.461,54
Accruals and deferred income		18.861,30

**Total liabilities** 

49.755.827,34



# NUCLEAR INDUSTRY REINSURANCE ASSOCIATION PROFIT AND LOSS ACCOUNT

# For the period from December 11, 2008 to December 31, 2009 (Currency - Euro))

# **TECHNICAL ACCOUNT - NON-LIFE INSURANCE BUSINESS**

		Note(s)	2009
Earned premiums			
Gross premiums written		9	1.032.063,99
Change in the gross provision for unearne	ed premiums		1.470.381,56
			2.502.445,55
Allocated investment return to the non-technical account	transferred from	15	69.587,50
Claims incurred, net of reins	urance	4	
Claims paid:			
Gross amount			(72.141,86)
Reinsurers' share			0,00
Change in the provision for claims:			
Gross amount			(447.450,34)
Reinsurers' share			0,00
			(519.592,20)
Bonuses and rebates, net of	reinsurance		(8.294,00)
Net operating expenses:	remsurances		(0.204,00)
Acquisition costs			(47.294,61)
Administrative expenses			
Administrative expenses			(102.113,06)
			(149.407,67)
Other technical charges			(10,64)
Change in the equalisation p	rovision		(1.872.322,73)
Balance on the technical acc	ount		22.405,81



# **MIRA** Annual Report

# NUCLEAR INDUSTRY REINSURANCE ASSOCIATION PROFIT AND LOSS ACCOUNT

# For the period from December 11, 2008 to December 31, 2009 (Currency - Euro))

NON-TE	ECHNICAL ACCOUNT	Note(s)	2009
Balanc	e on the technical account		22.405,81
Invest	ment income	10	352.119,28
Income from	om other investments		220.719,28
Gains on	the realisation of investments		131.400,00
Invest	ment charges		(282.531,78)
Investmer	nt management charges, including interest		(219.385,73)
Value adju	ustments on investments		(63.146,05)
			780
	ed investment return transferred to hnical account	15	(69.587,50)
Tax on pro	ofit on ordinary activities		(6.405,81)
Profit o	on ordinary activities after tax		16.000,00
Other taxe	es not shown under the preceding items	12	(16.000,00)
Result	for the financial period		0,00

### **NOTE 1 - GENERAL**

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION, Association d'Assurances Mutuelles ("the Company") was incorporated in Luxembourg as a "mutual association" on December 11, 2008 and is governed by the modified Law of December 6, 1991 on the insurance sector and the Grand-Ducal Regulation dated December 5, 2007 issued by the Commissariat aux Assurances.

The Company's accounting year begings January 1 and ends December 31 each year.

The Company's first accounting year exceptionally has begun December 11, 2008 and has ended December 31, 2009.

The object of the Company is to carry out reinsurance activities, excluding all direct insurance operations in the Grand-Duchy of Luxembourg as well as in any other country in which the Company has members and/or where these members have their activities.

### **NOTE 2 - PRESENTATION OF THE ANNUAL ACCOUNTS**

The annual accounts have been prepared in conformity with the modified Law of December 8, 1994 on annual accounts of insurance and reinsurance undertakings, and with the accounting policies generally accepted within the insurance and reinsurance industry in Luxembourg. The accounting policies and the valuation rules are, except for those which are imposed by the law or the Commissariat aux Assurances, determined and applied by the Board of Directors.

### **NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies applied by the Company are as follows:

# 3.1. Tangible assets

Due to usage and/or obsolescence, assets are amortised on a lineair basis.. Current amortization percentages for our tangible assets are:

- Installations, machinery and IT
- Office furniture
- Vehicles

33,33% / Year

10% / Year

20% / Year



# 3.2. Technical provisions

The Company constitutes technical provisions based on contributions relating to its active, non expired outstanding treaties at the end of the accounting year.

The provision for unearned premiums consists of the amount representing the part of the premium which is to be allocated to the subsequent financial year(s).

Provisions for claims outstanding represents the total estimated cost of all claims arising from events which have occurred up to the end of the accounting year, whether reported or not, less amounts already paid in respect of such claims. Every claim is handled individually which results in individual claim provisions. The estimated cost of every incurred loss is calculated based on information received from ceding companies, nuclear pools and claim adjusters. A provision for claims incurred but not reported ("IBNR") is constituted in view of the Convention on Third Party Liability of Nuclear Energy which requires that actions for claims arriving out of a nuclear incident can be initiated within ten years. In view of this Convention and the fact that the risk of Nuclear incidents are low and very little data is available to draw definitive conclusions, the Board of Directors has adopted a ten year IBNR reserve policy.

The provision for bonuses and rebates is calculated and accrued in full at the outset of the underwriting year based on the figures provided by the ceding insurer and then paid out over a 5-year period. This accrual is assessed annually and adjusted in accordance with the ceding insurer's best estimates

The equalisation provision comprises amounts set aside in accordance with legal and administrative requirements to equalise fluctuations in loss ratios in future years or to provide for special risks.



# 3.3. Foreign currency translation

The Company maintains its accounts in Euro ("EUR") and the annual accounts are expressed in this currency.

The accounts denominated in foreign currency of the income statement are converted in EUR on a monthly basis using the exchange rate in force at the last day of the previous month. The accounts denominated in foreign currency are converted in EUR using exchange rate as of the balance sheet closing date.

### Investments

At the end of the accounting year, the investments denominated in foreign currencies are converted to EUR using the year-end exchange rate. Exchange gains are deferred whereas exchange losses are recorded in the income statement.

# 3.4. Accounts receivable and payable

Debtors are stated at their nominal value. Value adjustments are made when they are partially or totally unrecoverable. The value adjustments are not maintained when the reasons for which they were made cease to apply.

Creditors are recorded under liabilities at their reimbursement value. If the amount paid exceeds the initial amount, the resulting difference is reflected in the profit and loss account at the date of recognition of the liability.



### 3.5. Investments

Shares and other variable-yield securities

Shares and other variable-yield securities are valued at their acquisition cost. The incidental costs are expensed as incurred. Unrealized losses are recorded on the income statement if there will be a permanent reduction in the value of these securities. In this case, the security will be depreciated to its lower value.

Permanent impairements are determined based on the following conditions:

- Market value must be below book value for a period uninterrupted of 12 months;
- And the decrease in market value should be at least equal to 20% from the book value at the end of that period.

Debt securities and other fixed income securities

Investments in interest bearing bonds are valued at their acquisition cost. The incidental costs are expensed as incurred. The differences between acquisitions cost and redemption value of the securities are amortised pro rata to maturity of the securities. Under this method, the premium or discount on purchase is amortised to the profit and loss account on a straight line basis from the date of acquisition to the date of maturity of the bond.

Unless the intention of the Company is to sell the securities in the short term, no adjustments are booked to reflect the market value, if this market value is below the net book value determined according the amortization method described above.

In case of permanent reduction in value, fixed income securities shall be depreciated in the income statement when the reimbursement at redemption date is partly or fully uncertain or compromised.

Deposits

Deposits are stated at their nominal value at year-end

### **3.6. Taxes**

Taxes are accounted for on an accrual basis,





# NOTES TO THE ANNUAL ACCOUNTS As at December 31, 2009

# **NOTE 4 - PORTFOLIO TRANSFER**

Following the master novation agreement signed between NIRA Ltd domiciled in the Isle Of Man and the Company, all the reinsurance business of NIRA Ltd has been novated to the Company dated July 1, 2009. The following assets and liabilities were subsequently transferred from NIRA Ltd to the Company:

	(In EUR)
Shares and other variable-yield securities	34.095.189
Debt securities and other fixed income securities	2.939.205
Deposits with credit institutions	6.061.174
Accrued interests	86.282
Debtors arising of reinsurance operations	2.696.262
Provision for unearned premiums	(2.202.817)
Provision for claims claims	(10.303.234)
Provision for bonuses and rebates	(428.009)
Equivalent funds	(32.944.052)

The transfer has had the following impact on the changes in technical provisions in the profit ans loss accounts (in EUR):

	Provision at the beginning of the period	Provision at the end of the period	In which provisions transferred to the Company	Profit and Loss account
Change in the gross provision for unearned premiums	0	732.435	2.202.817	1.470.382
Change in the provision for claims: gross amount	0	10.750.684	10.303.234	447.450
Bonuses and rebatres, net of reinsurance	0	350.702	428.009	77.307



in the profit and loss account, the bonuses and rebates amounting to EUR 8.294,00 are composed as follows:

- Change in provision for bonuses and rebates: EUR 77.307,00
- Amonunts paid during the year: (EUR 85.601,00)

# **NOTE 5 - INVESTMENTS**

As at December 31,2009, the actual value of investments is as follows:

	Actual value
	December 31, 2009
	(In EUR)
Shares and other variable-yield securities	41.978.265,00
Debts securities and other fixed income securities	2.862.290,28
Deposits with credit institutions	1.407.499,16
	46.248.054,44

As at December 31, 2009, the detail of the actual value of shares and other variable-yield securities and units in unit trusts can be detailed as follows:

# (In EUR)

	Number of shares or units	Purchase value	Actual value
KBC INST UP GRADE EURO CORP BONDS FUND	2.239	7.199.267	7.274.220
KBC INST CASH UP GRADE FUND	2.674	8.034.728	8.035.584
ING(L)LIQUID FUND B	13.151	15.343.138	15.344.585
ING (L) LIQUID FUND C	6.166,86	7.547.827	7.548.426
BGI GOV BOND INDEX FUND	170.000	2.680.560	2.753.490
BGI CORP BOND INDEX FUND	62.425	1.011.847	1.021.960

As at December 31, 2009, the Management of the Company believes that there is no permanent impairment on shares and other variable-yield securities and units in unit trusts. For bonds and othjer fixed income transferable securities, agios amounting to EUR 63.146 have been amortized to the profit and loss accounts during the period ended December 31,2009.



# **NOTE 6 - SUBSCRIBED CAPITAL AND EQUIVALENT FUNDS**

The subscribed capital of the Company amounts to EUR 3.200.000 and has been contributed by 3 members (EMANI, ELINI, NIRA Ltd) and each are authorised with 1 voting right.

The equivalent funds amounting to EUR 32.799.052 consist in additional amounts which were contributed by NIRA Ltd (in name of its 36 shareholders) and the Company new voting members each authorised with 1 voting right.

As at December 31,2009 the subscribed caputal and the equivalent funds can be split between the members as follows:

	(In EUR)
NIRA Ltd (in name of its 36 shareholders)	35.924.052
EMANI	10.000
ELINI	10.000
New Brunswick Power	10.000
British Energy	10.000
AB SVAFO	5.000
Energy future holdings	10.000
CEZ	10.000
SKB	10.000
	35.999.052

# **NOTE 7 - LEGAL RESERVE**

In accordance with Luxembourg Company law, the Company is required to appropriate a minimum of five per cent of the profit after tax for the year to a legal reserve until the balance on such reserve equals ten per cent of the share capital. The legal reserve is not available for distribution to shareholders, except upon the dissolution of the Company. As the Company did not make any profit for the financial period ended December 31,2009, no allocation to the legal reserve has been made.



# **NUCLEAR INDUSTRY REINSURANCE ASSOCIATION NOTES TO THE ANNUAL ACCOUNTS**

As at December 31, 2009

### **NOTE 8 - CREDITORS**

All creditors become due and payable in less than one year.

### **NOTE 9 - GROSS PREMIUMS WRITTEN**

Gross premiums written by the Company relate to non-life business only and for the classes Material Damage and Third party Liability

# **NOTE 10 - INCOME FROM OTHER INVESTMENTS**

Investment income from other investments amounting to EUR 352.119 includes:

- an amount of EUR 11.696 of interest on bank current accounts;
- an amount of EUR 8.916 of interest on deposits with credit institutions;
- an amount of EUR 88.170 of interest on Debts securities issued by credit institutions;
- an amount of EUR 111.937 of corrections on value of investments:
- an amount of EUR 131.400 of realisation on investments.

### **NOTE 11 - TAXATION**

The Company is subject to income and net worth taxes applicable in the Grand-Duchy of Luxembourg to Sociétés Anonymes.

Taxes other than income tax are disclosed as other taxes.

# **NOTE 12 - PERSONNEL EMPLOYED DURING THE YEAR**

The Company did not employ any personnel during the year.

# NOTE 13 - REMUNERATION GRANTED TO BOARD MEMBERS AND COMMITMENTS ENTERED INTO IN RESPECT OF RETIREMENT PENSIONS FOR FORMER BOARD MEMBERS

The Company did grant remuneration to 1 member of its supervisory bodies for the services rendered during the year for EUR 2.500. The Company has no commitments in respect of retirement pensions for former members of those bodies as at December 31, 2009.



# **NOTE 14 - FEES PAYABLE TO THE AUDIT FIRM**

Fees charged to the Company by the Réviseur d'entreprises and its respective entire network is analysed as follows:

2009 EUR

Annual audit fees (VAT excl.) 15.000

15.000

Fees are shown on an accrual basis for the financial year.

For the year ended December 31, 2009, audit fees are related to the audit of annual accounts and the issue of the auditor's supplementary report in accordance with Circular letter 09/2 issued by the Commissariat aux Assurances.

### **NOTE 15**

In accordance with article 55 of the modified law of December 8, 1994 on the accounts of insurance and reinsurance undertakings, the Company has transferred the whole investment income, net of corresponding charges, to the non-life insurance technical account

# **NOTE 16 - OTHER REGULATORY REQUIREMENTS**

At all times, the Company must have an adequate solvency margin to cover the required solvency margin in respect of the Grand-Ducal regulation dated December 5, 2007, specifying the conditions governing authorisation and pursuit of reinsurance business in Luxembourg.

Following the prescribed calculation, the Solvency margin requirement applicable to the Company at December 31, 2009 amounts to EUR 3.200.000.





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