

## **Summary of the order issued by the Danish Financial Supervisory Authority to Gefion Insurance A/S**

***As part of the ongoing inspection in Gefion Insurance A/S, the Danish Financial Supervisory Authority has ordered the company not to use the adjustment for the loss-absorbing capacity of deferred taxes in the calculation of the Solvency Capital Requirement.***

In November 2018, The Danish Financial Supervisory Authority initiated an ordinary inspection in Gefion Insurance A/S.

The company offers insurances through agents in Europe. The company primarily offers insurances to individuals and small and medium sized companies and focuses on specialty lines in the different countries. The agents are responsible for the underwriting and the administration of policies and claims. In some cases the claims administration is handled by a claims handling company.

The DFSA has finalized its assessment of the company's use of the adjustment for the loss-absorbing capacity of deferred taxes in the calculation of the Solvency Capital Requirement. It was the opinion of the Danish Financial Supervisory Authority that Gefion Insurance A/S did not fulfill the necessary requirements to be able to reduce its Solvency Capital Requirement with the loss-absorbing capacity of deferred taxes. Therefore, the Danish Financial Supervisory Authority ordered the company not to use the loss-absorbing capacity of deferred taxes in its calculation of the Solvency Capital Requirement.

The company has calculated the consequence of the order on the solvency position of the company. The calculation showed that Gefion Insurance A/S on 31 May 2019 had a solvency ratio of 1.05 after being compliant with the order.

The DFSA is still on inspection in Gefion Insurance A/S.