



Ansvar Insurance Limited

ABN 21 007 216 506

Annual Report for the financial year ended 31 December 2024

Ansva Insurance Limited

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Ansva Insurance Limited

Corporate Information

ABN 21 007 216 506

Directors

Helen Thornton, Chairperson
Patricia Kelly, Former Chairperson (Retired March 2024)
Warren Hutcheon, Chief Executive Officer
Mark Bennett
Michael Grantham
David Lambert
S. Jacinta Whyte
Richard Harding (Appointed March 2024)
Elisabet Wreme (Appointed February 2025)

Company Secretary

Maggy Samaan

Registered Office and Principal Place of Business

Level 5
1 Southbank Boulevard
Southbank
Melbourne
Victoria
3006
Phone: +61 3 8630 3100

External Auditor

PricewaterhouseCoopers
2 Riverside Quay
Southbank
Melbourne
Victoria
3006

Internal Auditor

Ernst & Young
8 Exhibition Street
Melbourne
Victoria
3000

Appointed Actuary

Finity Consulting Pty Ltd
Level 3, 30 Collins Street
Melbourne
Victoria
3000

Ansvar Insurance Limited

Directors' Report

The Directors of Ansvar Insurance Limited (Ansvar or the Company) submit their report for the year ended 31 December 2024.

The names and details of Ansvar's Directors during the financial year and until the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

Helen Thornton BEc, CA, GAICD Chairperson and Independent Non-Executive Director	Helen joined the Ansvar Board as an Independent Non-Executive Director in May 2018 chaired the Audit Committee and Risk and Compliance Committee from September 2018 to March 2024. She was appointed Chair of the Ansvar Australia Board and Chair of the Nominations and Remuneration Committee in March 2024. Helen is also a member of the Audit, Risk and Compliance, and Technology Committees. With over 20 years as a Non-Executive Director, Helen currently serves as Deputy Chair of the Treasury Corporation of Victoria, and as a Director of McPhersons Ltd, Arena REIT and ISPT Pty Ltd (retired December 2024). Helen has over 30 years of experience as a Chartered Accountant, having held senior roles at Deloitte, KPMG, BHP Ltd, and BlueScope Steel Ltd. Helen's extensive experience spans finance, audit, governance and risk management.
Patricia Kelly Former Chairperson and Independent Non-Executive Director	Patricia joined the Board in May 2014 and was appointed Chairperson in June 2018. In March 2024, Patricia retired as an independent non-executive Director of Ansvar. She had over 35 years' experience within the financial services sector. Patricia was the Chair of the Nominations and Remuneration Committee and a member of the Audit Committee, Risk and Compliance Committee and Technology Committee.
Warren Hutcheon MBA, GAICD, Fellow ANZIIF (CIP) Chief Executive Officer and Executive Director	Warren was appointed Chief Executive Officer and Director of Ansvar in May 2014. Before joining Ansvar, he served as the CEO of the Victorian Managed Insurance Authority, the risk and insurance advisor to the Victorian Government. With over 30 years of experience in risk and insurance, Warren has held senior management positions in underwriting, claims, operational management, strategy, and organisational change. He is an active supporter of the Australian insurance industry, previously serving as Chairperson of the ANZIIF General Insurance Faculty Advisory Board, and is deeply involved in community service. Warren is a Director of ACS (NZ) Limited and a member of the Technology Committee.
David Lambert BA (Hons), LLB Independent Non-Executive Director	David joined the Ansvar Board in July 2018. He is a seasoned executive, director, and commercial lawyer with diverse international experience. David has occupied senior roles in risk, strategy, and executive directorship at various organisations and law firms, including Blackmagic Design, EnergyAustralia, National Foods, Clifford Chance, Ashton Mining and Bapcor Limited. In 2023, David was appointed Ansvar's Senior Independent Director. He previously chaired the Strategic Review Committee and was appointed as Chair of the Audit Committee in March 2024. David is a member of both the Nominations and Remuneration Committee and Risk and Compliance Committee.
Michael Grantham MBA, FAICD Independent Non-Executive Director	Michael joined the Ansvar Board in March 2016 and brings over 40 years of experience as an information and communications technology professional. He currently works as Head of Sales for Echelon Data Pty Ltd (a Data Science, Analytics and AI/ML company). Michael has held senior executive positions at Google Cloud Public Sector, NBN and Telstra and served as Chief Information Officer at CGU Insurance, Tenix, and Australian Customs and Border Protection. He has also been a director at CGU Australia Limited, CGU Insurance, and Insurance Network Services, an Independent Non-Executive Director of Flaim Systems Pty Ltd and Chair of the board for Ansvar Risk Management Services Pty Ltd. Michael chairs the Technology Committee and Risk and Compliance Committee, and is a member of the Audit Committee and Nominations and Remuneration Committee.

Ansvar Insurance Limited

Directors' Report

Richard Harding

BEc, MAICD
Independent Non-Executive
Director

Richard was appointed to the Ansvar Board in March 2024. He previously served as the Chief Executive Officer and Managing Director of icare NSW, one of Australia's largest property and casualty insurers.

With over 35 years of experience in the insurance sector across Australia, Asia, New Zealand, and the Pacific, Richard has spent 16 years as a CEO leading significant organisational transformations that have resulted in long-term sustainability and value creation.

Richard is also a member of the Sargood Centre Board, a world-first resort designed for individuals with spinal cord injuries, offering opportunities to rest, learn and connect.

Richard is a member of the Audit Committee, Risk and Compliance Committee, and Nominations and Remuneration Committee.

Mark Bennett

BSc Maths & Statistics, FIA,
IFOA PC holder
Non-Executive Director

Mark was appointed to the Board in March 2022. He is the Chief Financial Officer of the Benefact Group and its subsidiary, Ecclesiastical Insurance Office. Mark is a member of the Ecclesiastical Insurance Office Plc Board. After working at an actuarial consultancy firm in London, he began his career at the Benefact Group in 2007. Mark qualified as an Actuary in 2009 and, after working in various actuarial teams, was appointed Group Chief Actuary in 2018 until he vacated the role when he became Group Chief Financial Officer permanently in 2025. He also chairs and participates in several key Boards and Committees within the Group.

S. Jacinta Whyte

MC Inst. M, ACII, Chartered
Insurer
Non-Executive Director

Jacinta was appointed to the Board in August 2013. She is Deputy Group Chief Executive and Executive Director of Ecclesiastical Insurance Office Plc and the Benefact Group. Jacinta joined the Benefact Group in 2003 as General Manager and Chief Agent of the Group's Canadian operations, successfully turning around its performance by building a high-performing team and a thriving specialist insurance business.

Jacinta oversees the Group's general insurance operations across the United Kingdom, Ireland, Australia and Canada.

Jacinta's career began as an underwriter in 1974 with Sun Alliance in Dublin, and she transferred with the company to Canada in 1988. During her tenure at Royal Sun Alliance, she held several senior executive positions in Ireland and Canada.

Jacinta is a member of the Nominations and Remuneration Committee.

Elisabet Wreme

DBA, MSc
Independent Non-Executive
Director

Elisabet was appointed to the Ansvar Board on 4 February 2025. She has extensive governance, finance, IT, and digital transformation expertise. Elisabet holds over a decade of experience as a non-executive director. She is currently Chair of BreastScreen Victoria and a non-executive director of Western Health, HAMBS (a health fund software company) and Partners Wealth Group.

Elisabet's most recent executive role was as Chief Operating Officer of Guild Group, and she was previously with Telstra and National Australia Bank in both technology and business operations roles. Elisabet is the Chair of the Technology Committee (appointed 28 February 2025) and is a member of the Audit Committee, Risk and Compliance Committee and Nominations and Remuneration Committee.

As at the date of this report, the Directors held no interests in the shares and options of Ansvar Insurance Limited.

Company Secretary

Maggy Samaan

LLM, LLB, BSc

Maggy was appointed as Company Secretary and Legal Counsel in April 2022. Maggy is a senior corporate lawyer with broad experience working as a Company Secretary in the public, private and non-for-profit sectors. She specialises in corporate governance including contract and commercial law. Maggy has over 15 years' experience as a lawyer and is a graduate of the Governance Institute.

Ansvar Insurance Limited

Directors' Report

Principal activities

Ansvar is a company limited by shares that is incorporated and domiciled in Australia. The Company's principal activities in the financial year consisted of the provision of general insurance products to its customers in its core segments of faith, care, property owners (including heritage), education and community. It also continued to provide claims run-off services to ACS (NZ) Limited, its former subsidiary domiciled in New Zealand, under a management services agreement. Management initiated the wind-up and deregistration process for its dormant subsidiaries, Ansvar Insurance Services Pty Limited and Ansvar Risk Management Services Pty Ltd, during the year. Ansvar Risk Management Services Pty Ltd was deregistered prior to 31 December 2024, however, the administrative process of deregistering Ansvar Insurance Services Pty Limited was still ongoing at 31 December 2024. As both entities were dormant during the year, Ansvar has not prepared consolidated financial statements for the year ending 31 December 2024. Refer to further details in Notes 1 and 17.

The Company is a wholly owned subsidiary of Ecclesiastical Insurance Office Plc, incorporated and domiciled in the United Kingdom. Ecclesiastical Insurance Office Plc forms part of the Benefact Group, with the ultimate holding company as Benefact Trust Limited (previously AllChurches Trust Limited), incorporated and domiciled in the United Kingdom. Ecclesiastical Insurance Office and the Company form part of Benefact Group's insurance operations to its core segments, with operations in the United Kingdom, Ireland, Australia and Canada. The Benefact Group also has operations in insurance broking and investment management segments.

Ansvar continues to be ultimately owned by a charity and provided further grants of \$300K (2023: \$250K) during the financial year through its Community Education Programme.

Review of operations

In 2024, Ansvar's insurance service result was a \$3,224K profit (Restated 2023: \$5,412K loss) and a result before income taxation of \$1,000K profit (2023: \$1,000K profit). These were due primarily to unfavourable movements in the insurance service expenses, offset by a favourable movement in the amounts recovered from reinsurance and favourable net investment result of \$8,774K (2023: 14,855K favourable). Ansvar's net insurance financial result was a \$7,224K loss (Restated 2023: \$5,660K loss), primarily due to a favourable insurance finance income result of \$11,023K expense (Restated 2023: \$14,012K expense), offset by an unfavourable reinsurance finance income result of \$3,799K income (Restated 2023: \$8,352K income).

At 31 December 2024, Ansvar's unaudited Prescribed Capital Amount Coverage Ratio was 1.91 (2023: 2.18) which was within the target range of 1.75-2.25 approved by the Board. In June 2024, Ansvar's financial strength rating from its rating agency, A.M. Best, was reaffirmed as Excellent/A- (2023: Excellent/A-).

Ansvar employed 139 full time equivalent staff at 31 December 2024 (2023: 162).

Changes in state of affairs

During the financial year there were no significant changes in the state of affairs of the Company.

Subsequent events

There has not been any matter or circumstance that has occurred between the balance sheet date and the date of this report that has significantly affected, or may significantly affect, the Company's operations in future financial years, the results of those operations or the Company's state of affairs in future financial years.

Future developments

Disclosure of information with regard to likely developments in the operations of the Company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Company. Accordingly, this information has not been disclosed in this report.

Ansvar Insurance Limited

Directors' Report

Directors' meetings

The following table sets out the number of Board and Board Committee meetings during the financial year each Director was eligible to attend as members and the number of meetings attended by each Director including in an observer capacity.

Directors	Board		Audit Committee		Nominations and Remuneration Committee		Risk and Compliance Committee		Technology Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Helen Thornton*	10	10	5	5	4	4	4	4	3	5
Warren Hutcheon	10	10	5	5	4	4	4	4	5	5
David Lambert	10	10	5	5	4	4	4	4	-	5
Michael Grantham	10	10	5	5	4	4	4	4	5	5
Richard Harding**	9	9	4	4	3	3	3	3	-	3
Mark Bennett	10	9	-	5	-	-	-	4	-	-
S. Jacinta Whyte	10	10	-	5	4	4	-	4	-	-
Patricia Kelly***	1	1	1	1	1	1	1	1	2	2

* Ms Thornton was appointed as a member of the Technology Committee on 24 March 2024

**Mr Harding was appointed to the Ansvar Board on 1 March 2024

***Ms Kelly retired from the Ansvar Board of Directors on 23 March 2024

Directors' and officers' insurance

In accordance with Section 11 of the Company's Constitution, the Company provides an indemnity to officers of the Company. This includes every person that is or has been a Director, alternate Director, executive officer or officer of the Company or related corporate bodies. During the financial year the Company paid a premium in respect of a contract insuring the abovementioned officers of the Company against a liability incurred as such a Director, Company Secretary, executive officer or corporate body to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits the disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during the financial year and until the date of this reported, indemnified or agreed to indemnify an officer or auditor of the Company or any related corporate body against a liability incurred as such officer or auditor.

Environmental regulations

The operations of the Company are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory. There have been no known breaches of any environmental requirements applicable to the Company.

Auditor's Independence Declaration

The Auditor's Independence Declaration, as required under section 307C of the *Corporations Act 2001*, is included on page 6 of the Annual Report.

Rounding

The Company is a company of the kind referred to in ASIC *Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and accordingly all amounts in the Directors' Report and the annual financial statements are rounded to the nearest thousand Dollars unless otherwise indicated.

The Directors' Report is signed in accordance with a resolution of the Directors made pursuant to section 298(2) of the *Corporations Act 2001*.

On behalf of the Directors:



H Thornton
Chairperson

D Lambert
Director

Melbourne
28 February 2025

Ansvar Insurance Limited



Auditor's Independence Declaration

As lead auditor for the audit of Ansvar Insurance Limited for the year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink that reads 'KJ Murray.'

KJ Murray
Partner
PricewaterhouseCoopers

Melbourne
28 February 2025

PricewaterhouseCoopers, ABN 52 780 433 757
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Liability limited by a scheme approved under Professional Standards Legislation.

Ansvar Insurance Limited



Independent auditor's report

To the members of Ansvar Insurance Limited

Our opinion

In our opinion:

The accompanying financial report of Ansvar Insurance Limited (the Company) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 31 December 2024 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the balance sheet as at 31 December 2024
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the cash flow statement for the year then ended
- the notes to the financial statements, including material accounting policy information and other explanatory information
- the consolidated entity disclosure statement as at 31 December 2024
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Ansvar Insurance Limited



Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 31 December 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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 this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards 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 economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

A handwritten signature of the company name 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature of the name 'KJ Murray'.

KJ Murray
Partner

Melbourne
28 February 2025

Ansvar Insurance Limited

Directors' Declaration

In the opinion of the Directors of Ansvar Insurance Limited:

- The financial statements and notes of Ansvar Insurance Limited for the financial year ended 31 December 2024 are in accordance with the *Corporations Act 2001* including:
 - Giving a true and fair view of the Company's financial position as at 31 December 2024 and of its performance for the year ended on that date; and
 - Complying with Australian Accounting Standards including Interpretations and the *Corporations Regulations 2001*.
- The financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1; and
- There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- The consolidated entity disclosure statement on page 66 is true and correct.

Signed in accordance with a resolution of the Directors made pursuant to section 295(5) of the *Corporations Act 2001*:



H Thornton
Chairperson

D Lambert
Director

Melbourne
28 February 2025

Ansva Insurance Limited

Statement of Comprehensive Income For the financial year ended 31 December 2024

	Note	2024 \$'000	2023 (restated) \$'000
Insurance revenue	2.5.1	186,496	178,180
Insurance service expenses	2.5.1	(169,068)	(140,182)
Insurance result from insurance contracts issued		17,428	37,998
Allocation of reinsurance expense paid	2.5.1	(87,578)	(87,538)
Amounts recovered from reinsurance	2.5.1	73,374	44,128
Net income/(expenses) from reinsurance contracts held		(14,204)	(43,410)
Insurance service result		3,224	(5,412)
Interest revenue from financial instruments not measured at fair value through profit or loss (FVTPL)	3.4	860	1,005
Net gain/(loss) from financial instruments at FVTPL	3.4	8,294	14,184
Investment expenses	3.4	(380)	(334)
Net investment income		8,774	14,855
Finance income/(expenses) from insurance contracts issued	3.4	(11,023)	(14,012)
Finance income/(expenses) from reinsurance contracts held	3.4	3,799	8,352
Net insurance financial result		(7,224)	(5,660)
Other income	14	1,063	2,016
Other operating expenses	4	(4,452)	(4,227)
Other finance costs		(385)	(572)
Profit/(loss) before income taxation		1,000	1,000
Income taxation (expense)/benefit	7	(577)	(36)
Profit/(loss) after income taxation		423	964
Other comprehensive income		-	-
Total comprehensive income		423	964

The Statement of Comprehensive Income should be read in conjunction with the accompanying Notes to the Financial Statements.

Certain amounts in the Statement of Comprehensive Income have been reclassified to provide greater clarity and alignment with presentation requirements. These reallocations are between insurance service expenses, amounts recovered from reinsurance, finance income/(expenses) from insurance contracts issued, and finance income/(expenses) from reinsurance contracts held. These changes have no impact on the reported profit or financial position for the current or prior periods. Further details are provided in Note 24.

Ansva Insurance Limited

Balance Sheet As at 31 December 2024

	Note	31 Dec 24 \$'000	31 Dec 23 (restated) \$'000
Assets			
Cash and cash equivalents	3.3	36,267	36,591
Financial assets	3.3	250,019	249,099
Other receivables	6	9,255	10,095
Current tax assets		1,620	842
Reinsurance contract assets	2.5.2	167,226	146,502
Property, plant & equipment	8	1,533	2,008
Intangible assets	9	208	-
Lease right-of-use assets	10	2,058	2,874
Deferred tax asset	7	8,577	9,152
Total assets		476,763	457,163
Liabilities			
Other payables and liabilities	11	27,737	35,529
Insurance contract liabilities	2.5.1	335,017	307,881
Provisions	12	4,118	3,668
Lease liabilities	10	3,374	3,991
Total liabilities		370,246	351,069
Net assets		106,517	106,094
Equity			
Share capital	13	46,300	46,300
Retained earnings		60,217	59,794
Total equity		106,517	106,094

The Balance Sheet should be read in conjunction with the accompanying Notes to the Financial Statements.

Certain amounts in the balance sheet have been reclassified to provide greater clarity and alignment with presentation requirements. These reallocations are between other receivables, reinsurance contract assets and other payables and liabilities. These changes have no impact on the reported net assets or profit for the current or prior periods. Further details are provided in Note 24.

Ansvar Insurance Limited

Statement of Changes in Equity For the financial year ended 31 December 2024

	Note	Fully paid ordinary shares \$'000	Retained earnings \$'000	Total \$'000
Balance as at 1 January 2023		46,300	58,830	105,130
Comprehensive result for the year		-	964	964
Balance as at 31 December 2023		46,300	59,794	106,094
Comprehensive result for the year		-	423	423
Balance at 31 December 2024	13	46,300	60,217	106,517

The Statement of Changes in Equity should be read in conjunction with the accompanying Notes to the Financial Statements.

Ansva Insurance Limited

Cash Flow Statement For the financial year ended 31 December 2024

		2024	2023
	Note	\$'000	\$'000
Cash flows from operating activities			
Insurance premiums received	2.5.1	181,462	177,129
Reinsurance recoveries received	2.5.2	55,840	72,676
Other income		1,019	997
Reinsurance premiums paid	2.5.2	(86,968)	(74,603)
Claims and other directly attributable expenses paid	2.5.1	(108,312)	(125,224)
Acquisition and attributable expenses paid	2.5.1	(39,609)	(39,619)
Overhead allocation and other operating expenses paid		(6,682)	(3,641)
Interest paid		(385)	(572)
Finance costs on leases		(135)	(133)
Income taxation instalments paid		(779)	(842)
Withholding taxation paid		(2,586)	(2,419)
Net cash flow from operating activities	19	(7,135)	3,749
Cash flows from investing activities			
Acquisition of investments		(33,024)	(58,829)
Proceeds on disposal of investments		32,400	40,132
Acquisition of property, plant & equipment	8	(115)	(1,897)
Acquisition of intangible assets	9	(300)	-
Interest received		8,848	8,066
Investment management fees		(379)	(334)
Net cash flow from investing activities		7,430	(12,862)
Cash flows from financing activities			
Repayment of principal on leases		(619)	(434)
Net cash flow from financing activities		(619)	(434)
Net (decrease)/increase in cash and cash equivalents		(324)	(9,547)
Cash and cash equivalents at beginning of year		36,591	46,138
Cash and cash equivalents at end of year	3.3	36,267	36,591

The Cash Flow Statement should be read in conjunction with the accompanying Notes to the Financial Statements.

Ansva Insurance Limited

Notes to the Financial Statements For the financial year ended 31 December 2024

Note 1 Basis of preparation

Note 1.1 Overview

This section outlines the basis on which the Company's financial statements are prepared. Material account policies are described in the note to which they relate.

Note 1.2 Corporate information

Ansva Insurance Limited (Ansva or the Company) is a for-profit company limited by shares that is incorporated and domiciled in Australia. Ansva's immediate parent is Ecclesiastical Insurance Office Plc which owns 100% of the ordinary shares. Ecclesiastical Insurance Office Plc is a wholly owned subsidiary of Benefact Trust Limited, which is the ultimate parent. The nature of the operations and principal activities of the Company are outlined in the Directors' Report.

The Company's financial statements for the financial year ended 31 December 2024 were authorised for issue in accordance with a resolution of the Directors on 28 February 2025. The directors have the power to amend and reissue the financial statements.

Note 1.3 Basis of preparation

The financial report is a general purpose financial report which:

- comprises the Company's financial statements.
- is prepared in accordance with:
 - the *Corporations Act 2001*.
 - the Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB).
- is prepared on a historical cost basis, except for investments, which have been measured at fair value (refer to Note 3) and insurance contract liabilities and reinsurance contract assets (refer to Note 2).
- is presented in Australian Dollars, which is the Company's functional and presentation currency.
- is rounded in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* to the nearest thousand dollars unless otherwise indicated. All note disclosures are rounded to the nearest thousand dollars unless otherwise stated.
- adopts all new and amended accounting standards that are mandatory for 31 December 2024 reporting periods, but do not apply any pronouncements before their operative date (refer to Note 23).

The Company has not prepared consolidated financial statements for the year ending 31 December 2024. For more details, refer to Note 17 Discontinued Operations.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. Assets and liabilities are presented in a decreasing order of liquidity on the face of the Balance Sheet. Information with regard to the current and non-current amounts of assets and liabilities is included in the relevant note to the financial statements.

Note 1.4 Critical accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates and for management to exercise judgement in applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in the following notes:

- Note 2 Insurance operations
- Note 3 Financial operations
- Note 15 Contingent assets and contingent liabilities

Ansvar Insurance Limited

Notes to the Financial Statements For the financial year ended 31 December 2024

Note 2 Insurance operations

Note 2.1 Summary of material accounting policies for insurance contracts

The Company applies Australian Accounting Standards Board (AASB) 17 *Insurance Contracts* (AASB 17), including consequential amendments to other standards, to account for insurance contracts issued and reinsurance contracts held.

Note 2.1.1 Summary of measurement approaches

Definition and classification

Insurance Contracts Accounting Policy

Insurance contracts are contracts under which the Company accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. The Company uses judgement to assess whether a contract transfers insurance risk (i.e. if there is a scenario with commercial substance in which the Company has the possibility of a loss on a present value basis) and whether the accepted insurance risk is significant.

The Company issues general insurance products to both individuals and businesses in its core segments of faith, care, property owners (including heritage), education and community.

The Company does not offer any products with direct or discretionary participation features.

Reinsurance Contracts Accounting Policy

A reinsurance contract transfers insurance risk from the insured portion of the underlying insurance contracts. The transferred insurance risk is significant where substantially all the insurance risk is passed to the reinsurer, even if it does not expose the reinsurer to the possibility of significant loss.

In the normal course of business, the Company uses reinsurance contracts to mitigate its insurance risk exposure and as a strategy for managing its regulatory capital position.

All references to insurance and reinsurance contracts in these financial statements apply to insurance contracts issued and reinsurance contracts held, unless specifically stated otherwise.

Ansva Insurance Limited

Notes to the Financial Statements For the financial year ended 31 December 2024

Note 2 Insurance operations (continued)

Note 2.1.1 Summary of measurement approaches (continued)

Measurement approach adopted

The Company applies the Premium Allocation Approach (PAA) to simplify the measurement of insurance contracts issued and reinsurance contracts held when the following criteria are met:

- The coverage period of each contract in a group of insurance contracts is one year or less.
- Where the coverage period of a group of insurance contracts is longer than one year, the Company reasonably expects that the measurement of the Liability for Remaining Coverage (LfRC) of the group containing those contracts does not materially differ from the measurement that would be recognised by applying the General Measurement Method (GMM).
- For risks attaching and losses occurring reinsurance contracts, the Company reasonably expects that the resulting measurement of the Asset for Remaining Coverage (AfRC) under the PAA would not differ materially from the result of applying the GMM.

The carrying amount of a group of insurance contracts at the end of each reporting period is the sum of the LfRC and the Liability for Incurred Claims (LfIC). The LfRC represents the Company's obligation to provide future insurance services in relation to contracts recognised at the reporting date.

Liability for Remaining Coverage accounting policy

The LfRC is measured as the premiums received less amounts recognised as insurance revenue for coverage that has been provided, net of premiums receivable and deferred insurance acquisition cash flows.

Liability for Incurred Claims accounting policy

The LfIC is measured as the present value of the estimated future payments arising from claims incurred at the end of each reporting period under insurance cover issued by the Company and other incurred insurance service expenses.

Subsequently, the carrying amount of the LfRC is:

- a. increased for premiums received in the period, and insurance acquisition cash flows amortised in the period; and
- b. decreased for insurance acquisition cash flows paid in the period, and the amounts of expected premiums received recognised as insurance revenue for the services provided in the period.

The change in the LfIC as a result of changes in discount rates is recognised within insurance finance income and expenses in the Statement of Comprehensive Income.

Note that all contracts meet the eligibility criteria for PAA and hence, no insurance or reinsurance contracts have been measured using the General Measurement Method (GMM).

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Notes to the Financial Statements For the financial year ended 31 December 2024

Note 2 Insurance operations (continued)

Note 2.1.2 Level of aggregation

AASB 17 requires aggregation of insurance contracts into portfolios of contracts that have "similar risks and are managed together". Portfolios are further divided into groups of contracts for the identification of onerous contracts.

The Company manages insurance contracts issued by line of business. All insurance contracts within a line of business represent a portfolio of contracts. Where sets of contracts within a portfolio have materially dissimilar risks, further disaggregation may be required. The concept of "managed together" is reflected through management oversight of the Company's business, which is also reflective of the nature of policy types and claims benefits of underlying products to which the reinsurance contracts apply.

The Company assumes that no such contracts are onerous at initial recognition, unless facts and circumstances indicate otherwise. If facts and circumstances indicate that onerous contracts exist, an additional assessment is performed to distinguish these from non-onerous ones. For non-onerous contracts, the Company assesses the likelihood of the contracts becoming onerous in subsequent periods due to changes in the applicable facts and circumstances.

The following portfolios have been determined in considering the level of aggregation for insurance contracts issued and reinsurance contracts:

- Insurance contracts issued: Short-Tail; Casualty
- Reinsurance contracts held: Short-Tail; Casualty; Physical and Sexual Abuse (PSA)

Each portfolio is further disaggregated into groups of contracts that are issued within a calendar year (annual cohorts) and are (i) contracts that at initial recognition have no significant possibility of becoming onerous subsequently; or (ii) a group of remaining contracts.

Portfolios of reinsurance contracts are divided applying the same principles set out above, except that the references to onerous contracts refer to contracts on which there is a net gain on initial recognition. Reinsurance contracts are assessed for aggregation requirements on an individual contract basis. The Company tracks internal management information reflecting historical experiences of such contracts' performance. This information is used for setting pricing of these contracts such that they result in reinsurance contracts in a net cost position without a significant possibility of a net gain arising.

Note 2.1.3 Recognition and derecognition

The Company recognises groups of insurance contracts from the earliest of the following:

- the beginning of the coverage period of the group;
- the date when the first payment from the policyholder is due or actually received, if there is no due date; and
- when the Company determines that a group of contracts becomes onerous.

The Company recognises groups of reinsurance contracts that cover the losses of separate insurance contracts on a proportionate basis (proportionate or quota share reinsurance) at the later of:

- the beginning of the coverage period of the group; or
- the initial recognition of any underlying insurance contract.

The Company does not recognise a group of quota share reinsurance contracts until it has recognised at least one of the underlying insurance contracts.

The Company recognises a group of reinsurance contracts that covers aggregate losses from underlying contracts in excess of a specified amount (non-proportionate reinsurance contracts, such as excess of loss reinsurance) at the beginning of the coverage period of that group.

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Notes to the Financial Statements For the financial year ended 31 December 2024

Note 2 Insurance operations (continued)

Note 2.1.4 Accounting for contract modification and derecognition

An insurance contract is derecognised when it is:

- extinguished (i.e. when the obligation specified in the insurance contract expires or is discharged or cancelled); or
- the contract is modified and certain additional criteria are met.

When an insurance contract is modified by the Company as a result of an agreement with the counterparties (such as a change in terms or coverage) or due to a change in regulations, the Company treats changes in cash flows caused by the modification as changes in estimates of the fulfilment cash flows, unless the conditions for the derecognition of the original contract are met. The Company derecognises the original contract and recognises the modified contract as a new contract if any of the following conditions are present:

- a. if the modified terms had been included at contract inception and the Company would have concluded that the modified contract:
 - i. is not in scope of AASB 17; or
 - ii. results in different separable components; or
 - iii. results in a different contract boundary; or
 - iv. belongs to a different group of contracts; or
- b. the original contract was accounted for under the PAA, but the modification means that the contract no longer meets the eligibility criteria for that approach.

When an insurance contract accounted for under the PAA is derecognised, adjustments to the fulfilment cash flows to remove relating rights and obligations and account for the effect of the derecognition result in the following amounts being charged immediately to profit or loss:

- a. if the contract is extinguished, any net difference between the derecognised part of the LfRC of the original contract and any other cash flows arising from extinguishment;
- b. if the contract is transferred to the third party, any net difference between the derecognised part of the LfRC of the original contract and the premium charged by the third party;
- c. if the original contract is modified resulting in its derecognition, any net difference between the derecognised part of the LfRC and the hypothetical premium the entity would have charged had it entered into a contract with equivalent terms and the new contract at the date of the contract modification, less any additional premium charged for the modification.

Ansva Insurance Limited

Notes to the Financial Statements For the financial year ended 31 December 2024

Note 2 Insurance operations (continued)

Note 2.1.5 Measurement

2.1.5.1 Fulfilment cash flows

Fulfilment cash flows within contract boundary

The fulfilment cash flows are the current estimates of future cash flows within the contract boundary of a group of contracts that the Company expects to collect from premiums and pay for claims, benefits and expenses, adjusted to reflect the timing and uncertainty of those amounts.

The estimates of future cash flows:

- a. are based on a probability weighted mean of the full range of possible outcomes;
- b. are determined from the perspective of the Company, provided the estimates are consistent with observable market prices for market variables; and
- c. reflect conditions existing at the measurement date.

An explicit risk adjustment for non-financial risk is estimated separately from the other estimates. For contracts measured under the PAA, unless the contracts are onerous, the explicit risk adjustment for non-financial risk is only estimated for the measurement of the liability for incurred claims.

The estimates of future cash flows are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows. The discount rates reflect the characteristics of the cash flows arising from the groups of insurance contracts, including timing, currency and liquidity of cash flows. The determination of the discount rate that reflects the characteristics of the cash flows and liquidity characteristics of the insurance contracts requires significant judgement and estimation.

The Company estimates certain fulfilment cash flows at the portfolio level or higher and then allocates such estimates to groups of contracts. The Company uses consistent assumptions to measure the estimates of the present value of future cash flows for the group of reinsurance contracts and such estimates for the groups of underlying insurance contracts.

Contract boundary

The Company uses the concept of contract boundary to determine what cash flows should be considered in the measurement of groups of insurance contracts. This assessment is reviewed every reporting period.

Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the policyholder is obligated to pay premiums or the Company has a substantive obligation to provide the policyholder with insurance coverage or other services. A substantive obligation ends when:

- a. the Company has the practical ability to reprice the risks of the particular policyholder or change the level of benefits so that the price fully reflects those risks; or
- b. both of the following criteria are satisfied:
 - i. the Company has the practical ability to reprice the contract or a portfolio of contracts so that the price fully reflects the reassessed risk of that portfolio; and
 - ii. the pricing of premiums related to coverage to the date when risks are reassessed does not reflect the risks related to periods beyond the reassessment date.

In assessing the practical ability to reprice, risks transferred from the policyholder to the Company, such as insurance risk and financial risk, are considered; other risks, such as lapse or surrender and expense risk, are not included.

Cash flows outside the insurance contracts boundary relate to future insurance contracts and are recognised when those contracts meet the recognition criteria.

The *Insurance Contracts Act 1984* allows the Company the practical ability to cancel insurance contracts issued, typically when the policyholder fails to comply with the provisions of the insurance contract. The policyholder may cancel the contract at any time. The contract terms are considered by the Company in determining the contract boundary.

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Notes to the Financial Statements For the financial year ended 31 December 2024

Note 2 Insurance operations (continued)

Note 2.1.5 Measurement (continued)

2.1.5.1 Fulfilment cash flows (continued)

For groups of reinsurance contracts, cash flows are within the contract boundary if they arise from substantive rights and obligations of the Company that exist during the reporting period in which the Company is compelled to pay amounts to the reinsurer or in which the Company has a substantive right to receive services from the reinsurer.

Cash flows that are not directly attributable to a portfolio of insurance contracts, such as some product development and training costs, are recognised in other operating expenses as incurred.

The contract boundary is reassessed at each reporting date to include the effect of changes in circumstances on the Company's substantive rights and obligations and, therefore, may change over time. The Company reassesses the contract boundary for all changes which directly impact the Company's substantive rights and obligations.

Insurance acquisition cash flows

The Company includes the following acquisition cash flows within the insurance contract boundary that arise from selling, underwriting and starting a group of insurance contracts and that are:

- a. costs directly attributable to individual contracts and groups of contracts; and
- b. costs directly attributable to the portfolio of insurance contracts to which the group belongs, which are allocated on a reasonable and consistent basis to measure the group of insurance contracts.

Before a group of insurance contracts is recognised, the Company could pay directly attributable acquisition costs to originate them. When such prepaid costs are refundable in case of insurance contracts termination, they are recorded as a prepaid insurance acquisition cash flows asset within other assets and allocated to the carrying amount of a group of insurance contracts when the insurance contracts are subsequently recognised.

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows and reflects the compensation the Company requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Company fulfils insurance contracts.

For reinsurance contracts, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Company to the reinsurer.

2.1.5.2 Onerous contracts

If at any time during the coverage period, facts and circumstances indicate that a group of contracts is onerous, the Company recognises a loss within the insurance service expenses in the statement of comprehensive income and increases the LfRC to the extent that the current estimates of future cash outflows relating to remaining coverage exceed the carrying amount of the LfRC. Measurement of the loss component arising from the identification of onerous contracts is based on the underwriting calculation for the annual cohort which is indicated to be loss-making.

The Company will recognise the loss arising from onerous contracts as part of the insurance service expense in the statement of comprehensive income. If there are no changes in expectations in subsequent periods, the release of the loss component is recognised as an adjustment to insurance service expenses in the Statement of Comprehensive Income in line with the pattern of earned premium.

Accordingly, by the end of the coverage period of the group of contracts, the loss component will be zero.

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Notes to the Financial Statements For the financial year ended 31 December 2024

Note 2 Insurance operations (continued)

Note 2.1.5 Measurement (continued)

2.1.5.3 Reinsurance Contracts

The Company applies the same accounting policies to measure a group of reinsurance contracts held, adapted where necessary to reflect features that differ from those of insurance contracts.

The carrying amount of a group of reinsurance contracts at the end of each reporting period is the sum of:

- a. the Asset for Remaining Coverage (AfRC); and
- b. the Asset for Incurred Claims (AfIC).

Asset for Remaining Coverage accounting policy

The AfRC is measured as the present value of the expected future cash flows recoverable from reinsurers in relation to future insured claims that have not yet been incurred.

Asset for Incurred Claims accounting policy

The AfIC is measured at the present value of the expected future cash flows recoverable from reinsurers in relation to claims that have been incurred on underlying contracts.

On initial recognition, the measurement of the reinsurance contracts includes all expected cash flows within the boundary of the reinsurance contract, including those cash flows related to future underlying insurance contracts that have not yet been issued by the Company, but are expected to be issued during the coverage period of the reinsurance contracts held. The estimates of the present value of future cash flows of the reinsurance contracts will reflect the risk of non-performance by the reinsurer and the risk adjustment for reinsurance contracts and is measured and recognised separately from insurance contracts issued.

Where the Company recognises a loss on initial recognition of an onerous group of underlying insurance contracts, or when further onerous underlying insurance contracts are added to a group, the Company establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts depicting the expected recovery of the losses.

A loss-recovery component is subsequently reduced to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the Company expects to recover from the group of reinsurance contracts held.

Ansva Insurance Limited

Notes to the Financial Statements For the financial year ended 31 December 2024

Note 2 Insurance operations (continued)

Note 2.1.6 Amounts recognised in comprehensive income

2.1.6.1 Insurance service result from insurance contracts issued

Insurance revenue

Insurance revenue recognition accounting policy

Insurance revenue is the amount of expected premium receipts allocated over the coverage period of groups of insurance contracts, based on the passage of time.

As the Company provides services under the group of insurance contracts, it reduces the LfRC and recognises insurance revenue. The amount of insurance revenue recognised in the reporting period depicts the transfer of promised services at an amount that reflects the portion of consideration the Company expects to be entitled to in exchange for those services.

Insurance service expenses

Insurance service expenses include the following:

- a. incurred claims and benefits;
- b. other incurred directly attributable insurance service expenses;
- c. amortisation of insurance acquisition cash flows;
- d. changes that relate to past service (i.e. changes in the fulfilment cash flows relating to the liability for incurred claims); and
- e. changes that relate to future service (i.e. losses/reversals on onerous groups of contracts from changes in the loss components).

For contracts measured under the PAA, amortisation of insurance acquisition cash flows is based on the passage of time.

Other expenses not meeting the above categories are included in other operating expenses in the Statement of Comprehensive Income.

2.1.6.2 Net income/(expenses) from reinsurance contracts

The Company presents financial performance of groups of reinsurance contracts on a net basis in net income/(expenses) from reinsurance contracts, comprising the following amounts:

- a. reinsurance expenses;
- b. incurred claims recovery;
- c. other incurred directly attributable insurance service expenses;
- d. effect of changes in risk of reinsurer non-performance;
- e. changes relating to past service (i.e. adjustments to incurred claims)

Reinsurance expenses are recognised similarly to insurance revenue. The amount of reinsurance expenses recognised in the reporting period depicts the transfer of received services at an amount that reflects the portion of ceding premiums the Company expects to pay in exchange for those services.

For groups of reinsurance contracts measured under the PAA, the Company recognises reinsurance expenses based on the passage of time over the coverage period of a group of contracts.

Ceding commissions that are not contingent on claims of the underlying contracts issued reduce ceding premiums and are accounted for as part of reinsurance expenses.

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Notes to the Financial Statements For the financial year ended 31 December 2024

Note 2 Insurance operations (continued)

Note 2.1.6 Amounts recognised in comprehensive income (continued)

2.1.6.3 Insurance finance income or expenses

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

- a. the effect of the time value of money and changes in the time value of money; and
- b. the effect of financial risk and changes in financial risk.

For contracts measured under the PAA, the main amounts within insurance finance income or expenses are:

- a. interest accrued on the LfIC; and
- b. the effect of interest rates and other financial assumptions.

The Company disaggregates changes in the risk adjustment for non-financial risk between insurance service result and insurance finance income or expenses. The Company includes all insurance finance income or expenses for the period in comprehensive income.

Note 2.1.7 Concentrations of risk

The core business of the Company is general insurance, with principal classes of business written being property (short-tail) and liability and financial lines (casualty). The Company also writes motor & personal accident policies, however, due to the small size of both of these classes, these have been included within the property (short-tail) & liability classes respectively for disclosure purposes.

Property (short-tail) class – Provides coverage for loss and damage to buildings and contents as a result of insured events. Cover can also include protection against business interruption, theft or burglary, money, glass, mechanical and electronic equipment breakdown and general property.

Liability (casualty) class – includes the following risks:

- General Public & Products Liability – provides protection against claims resulting from personal injury or property damage to third parties.
- Professional Indemnity – protects against claims for negligent professional services or advice.
- Management Liability – Considers operational risks and exposures, such as breaches of director's duties, statutory breach of duty, occupational health & safety prosecutions and inquiries, unfair/wrongful dismissal, discrimination, harassment, breach of intellectual property, employee theft and tax investigation costs.

The Company considers concentrations of risk in line with its Board-approved risk appetite statement, which governs the extent to which the Company exposes itself to certain risks. The Company limits its exposure based on the type of risk insured, as well as setting maximum retention for single and aggregate risks. Additionally, within the property class, the Company limits its exposure within geographic locations and to climate change risks. The Company achieves this strategy through active management of its portfolio of insurance contracts and through use of reinsurance contracts.

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Notes to the Financial Statements For the financial year ended 31 December 2024

Note 2.2 Significant judgements and estimates in applying AASB 17

Note 2.2.1 Judgements

Areas of potential judgement	Applicable to the Company
Definition and classification – whether contracts are in the scope of AASB 17 and, for contracts determined to be in scope of AASB 17, what measurement model is applicable:	<p>Whether a contract issued accepts significant insurance risk and, similarly, whether a reinsurance contract transfers significant insurance risk</p>
	<p>The Company:</p> <ul style="list-style-type: none"> only issues insurance contracts that accept significant insurance risk only holds reinsurance contracts that transfer significant insurance risk <p>Refer to Note 2.1.1.</p> <p>The Company also assesses its insurance contracts issued and reinsurance contracts to determine whether they contain distinct components which must be accounted for under another AASB instead of AASB 17. Currently, the Company's products do not include any distinct components that require separation.</p>
For insurance contracts with a coverage period of more than one year and for which the entity applies the PAA, the eligibility assessment as required by AASB 17(53)(a), (54), (69)(a), (70) and may involve significant judgement.	Applicable to the Company as it issues some insurance contracts with a coverage period of longer than one year (e.g. where extension of terms is requested by the policyholder and granted). The Company reasonably expects that the measurement of the LfRC for the group containing those contracts under PAA does not differ materially from the measurement that would be recognised by applying the General Measurement Model (GMM). This is tested annually by the Company in completing PAA eligibility calculations. In assessing materiality, the Company has also considered qualitative factors as part of the measurement model determination.
Level of Aggregation – the level(s) at which groups of insurance contracts are aggregated (otherwise known as the 'unit of accounting').	
Judgements involved in the identification of portfolios of contracts as required by AASB 17(14) (i.e. having similar risks and being managed together).	The assessment of which risks are similar and how contracts are managed requires the exercise of judgement and also takes into consideration information provided to key management decision makers and regulators. Further details on this are provided in Note 2.1.2.
Determining whether it is necessary to treat a set or series of contracts as a single contract or multiple contracts involves significant judgement and careful consideration.	In assessing whether a set or series of insurance contracts achieve, or are designed to achieve, an overall commercial effect, the Company considers the pricing mechanism used.
Overriding the 'single contract' unit of account presumption involves significant judgement and is not an accounting policy choice.	For contracts covering a single insurance type, the contract itself would form the unit of accounting, while bundled contracts would be split amongst the insurance types with each treated as a separate unit of account.
	In determining whether a legal contract does not reflect its substance such that separate insurance elements are required to be recognised, the Company considers the interdependency between the different risks covered, the ability of all components to lapse independently of each other and the ability to price and sell the components separately.

Ansva Insurance Limited

Notes to the Financial Statements For the financial year ended 31 December 2024

Note 2 Insurance operations (continued)

Note 2.2.1 Judgements (continued)

Areas of potential judgement	Applicable to the Company
Level of Aggregation (continued)	
Aggregation of insurance contracts issued on initial recognition into groups of contracts with no significant possibility of becoming onerous and groups of other contracts. Similar grouping assessment for reinsurance contracts held. For contracts measured under PAA, the assessment of the likelihood of adverse changes in applicable facts and circumstances is an area of potential judgement.	Refer to Note 2.1.2 for a description of judgements applied by the Company.
For insurance contracts measured under the PAA, management judgement might be required to assess whether facts and circumstances indicate any changes in the onerous group's profitability and whether any loss component remeasurement is required.	This is an area of judgement for the Company. In 2024, the Company identified facts and circumstances that indicate that groups of contracts measured under PAA had become onerous. A loss component has been recognised within the LfRC based on the Company's unit of account. Refer to Note 2.5.1 for further details.
The determination of whether laws or regulations constrain the Company's practical ability to set a different price or level of benefits for policyholders with different risk profiles so the Company may include such contracts in the same group, disregarding the aggregation requirements set in AASB 17(14)-(19), is an area of judgement.	The regulatory environment in which the Company operates does not impose any price or other constraints. Thus, no judgement has been applied by the Company.
Recognition and derecognition – Accounting for contract modification and derecognition	
When contracts are modified, judgement might be applied to establish if the modification meets the criteria for derecognition. In particular, after the modification, judgement is applied to determine whether: <ol style="list-style-type: none"> significant insurance risk still exists; there are elements that are to be distinct from the contract; contract boundaries have changed; the contract would have to be included in a different group subject to aggregation requirements; and the contract no longer meets the requirements of the measurement model. 	The Company applies its judgement to assess whether amendments to a contract result in a modification which meets the criteria for derecognition. If the derecognition criteria is met, the Company derecognises the original contract and recognises the modified contract as a new contract. There were no instances where this occurred in 2024.

Ansva Insurance Limited

Notes to the Financial Statements For the financial year ended 31 December 2024

Note 2 Insurance operations (continued)

Note 2.2.1 Judgements (continued)

Areas of potential judgement	Applicable to the Company
Measurement – Fulfilment cash flows	
The concept of a contract boundary is used to determine which future cash flows should be considered in the measurement of a contract in the scope of AASB 17. Judgements might be involved to determine when the Company is capable of repricing the entire contract to reflect the reassessed risks, when policyholders are obliged to pay premiums and when premiums reflect risks beyond the coverage period. Where such features as options and guarantees are included in the insurance contracts, judgement may be required to assess the entity's practical ability to reprice the entire contract to determine if related cash flows are within the contract boundary.	Applicable to the Company as the assessment of the contract boundary requires judgement and consideration of the Company's substantive rights and obligations under the contract and in terms of legislative requirements and business practices. Cash flows are considered to be outside of the contract boundary if the Company has the practical ability to reprice existing contracts to reflect their reassessed risks and if the contract's pricing for coverage up to the date of reassessment consider only the risks until that next reassessment date. The Company applies its judgement in assessing whether it has the practical ability to set a price that fully reflects all the risks in the contract or portfolio. In doing so, the Company disregards restrictions that have no commercial substance. The Company also applies judgement to decide whether commercial considerations in setting the contract boundary are relevant.
An entity may use judgement to determine which cash flows within the boundary of insurance contracts are those that relate directly to the fulfilment of the contracts.	The Company performs regular reviews of expenses and uses judgement to determine the extent to which fixed and variable costs are directly attributable to fulfilling insurance contracts. Refer to Note 2.1.5.1.

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Notes to the Financial Statements For the financial year ended 31 December 2024

Note 2 Insurance operations (continued)

Note 2.2.2 Estimates and assumptions

The preparation of financial statements requires the use of accounting estimates, which, by definition, will seldom equal the actual results.

This note provides an overview of items that are more likely to be materially adjusted due to changes in estimates and assumptions in subsequent periods. Detailed information about each of these estimates is included in the notes below together with information about the basis of calculation for each affected line item in the financial statements.

In applying AASB 17 measurement requirements, the following inputs were used that include significant estimates:

- Discount rates (see 2.2.3.1)
- Estimates of future cash flows to fulfil insurance contracts (see 2.2.3.2)
- Expenses (see 2.2.3.3)
- Methods used to measure insurance liabilities relating to claims (see 2.2.3.4)
- Methods used to measure reinsurance assets relating to claims (see 2.2.3.5)
- Methods used to measure the risk adjustment for non-financial risk (see 2.2.3.6)

For sensitivities with regard to the assumptions made that have the most significant impact on measurement under AASB 17, refer to Note 2.2.4.

2.2.2.1 Discount rates

The liability for incurred claims is calculated by discounting expected future cash flows at a risk-free rate, plus an illiquidity premium where applicable. The method of determining the discount rates applied is based on the bottom-up approach. The premise of this approach is that the Company estimates the discount rate as a point on a liquid risk-free rate curve for the same currency and duration as the cash flows of insurance contracts with a premium for the illiquidity of the insurance contracts to be explicitly added to the risk-free rate.

As a result, cash flows are discounted using risk-free yield curves adjusted to reflect the characteristics of the cash flows and the liquidity of the insurance contracts. The Company generally determines risk-free rates by reference to the yields of the Australian Government Bonds which are in the currency of the insurance contract liabilities. To reflect the liquidity characteristics of the insurance contracts, the risk-free yield curves are adjusted by an illiquidity premium. The illiquidity premium is based on a reference portfolio of assets.

The yield curves described above are based on nominal discount rates which incorporate the impact of general inflation. This delivers consistency between the basis of determining expected cash flows, which include the effect of inflation, and the discount rates applied to the respective cash flows.

Product	2024						2023					
			10	20	30			10	20	30		
	1 year	5 years	years	years	years	1 year	5 years	years	years	years	1 year	
Short-tail	4.24%	3.94%	4.45%	-	-	4.13%	3.65%	4.02%	-	-		
Casualty	4.24%	3.94%	4.45%	4.97%	5.09%	4.13%	3.65%	4.02%	4.43%	4.41%		

The Company does not adjust the LfRC for insurance contracts issued and the AfRC for reinsurance contracts at initial recognition for the effect of the time value of money where insurance premiums are due within one year or less.

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Notes to the Financial Statements For the financial year ended 31 December 2024

Note 2 Insurance operations (continued)

Note 2.2.2 Estimates and assumptions (continued)

2.2.2.2 Estimates of future cash flows to fulfil insurance contracts

The Company applies the PAA to simplify the measurement of insurance contracts and tests the eligibility of its insurance contracts annually. When measuring the LfIC, the Company discounts the expected value of future cash flows related to claims and other insurance expenses and includes an explicit risk adjustment for non-financial risk.

In estimating future cash flows, the Company incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims experience, updated to reflect current expectations of future events.

Included in the measurement of each group of contracts in the scope of AASB 17 are all the future cash flows within the boundary of each group of contracts. The estimates of these future cash flows are based on probability weighted expected future cash flows. The Company estimates which cash flows are expected and the probability that they will occur as at the measurement date. In making these expectations, the Company uses information about past events, current conditions and forecasts of future conditions. The Company's estimate of future cash flows is the mean of a range of scenarios that reflect the full range of possible outcomes. Each scenario specifies the amount, timing and probability of cash flows. The probability weighted average of the future cash flows is calculated using a deterministic scenario representing the probability weighted mean of a range of scenarios.

Where estimates of expense-related cash flows are determined at the portfolio level or higher, they are allocated to groups of contracts on a systematic and rational basis and are consistently applied to all costs that have similar characteristics. Acquisition cash flows are allocated to groups of contracts based on the allocation of time by resource and/or the split of insurance premiums based on line of business, depending upon the type of expenses and internal team.

Other costs which are not directly attributable to insurance services are recognised in the Statement of Comprehensive Income as they are incurred.

Uncertainty in the estimation of future claims and benefit payments arises primarily from the severity and frequency of claims and uncertainties regarding future inflation rates leading to claims and claims-handling expenses growth.

Assumptions used to develop estimates about future cash flows are reassessed at each reporting date and adjusted where required.

2.2.2.3 Expenses

The Company applies judgement in assessing whether cash flows are directly attributable to a specific portfolio of insurance contracts. Insurance acquisition cash flows are included in the measurement of a group of insurance contracts only if they are directly attributable to either the individual contracts in a group, or to the group itself, or the portfolio of insurance contracts to which the group belongs. When estimating fulfilment cash flows, the Company also allocates fixed and variable overheads directly attributable to the fulfilment of insurance contracts.

The Company estimates future expenses relating to fulfilment of contracts in the scope of AASB 17 using a percentage of the average annual gross claim payments, taking account of any movements in future cash flows due to inflation. For property claims, the short-tail claims handling expense rate is only applied to non-catastrophe payments, as catastrophe events, whilst adding volatility to the gross claims costs, don't require additional claims resources to manage.

The estimate of future fulfilment cash flows is adjusted to the Company's own experience on an annual basis and is considered to be a non-financial risk. The Company has not changed its assumptions or methods used to project expenses in 2024.

Possible increases in expense assumptions increase estimates of future cash outflow and thus increase the LfIC measured under PAA.

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Notes to the Financial Statements For the financial year ended 31 December 2024

Note 2 Insurance operations (continued)

Note 2.2.2 Estimates and assumptions (continued)

2.2.2.4 Methods used to measure insurance liabilities relating to claims

The Company estimates insurance liabilities in relation to claims incurred separately for Short-Tail and Casualty contracts. Estimates are performed on an accident year basis with further allocation to annual cohorts in proportion to the gross or reinsurance premiums earned by the respective cohort of contracts in a given accident year.

Judgement is involved in assessing the most appropriate technique to estimate insurance liabilities for claims incurred. In certain instances, different techniques or a combination of techniques have been selected for individual accident years or groups of accident years within the same type of contracts, including the following:

- Historical trends in the development and incidence of claims reported, number of claims finalised, claim payments and reported incurred costs.
- Exposure details, including policy counts, sums insured, earned premium and policy limits.
- Claim frequencies and average claim sizes.
- The legislative framework, legal and court environments and social and economic factors that may impact upon each class of insurance.
- Historical and likely future trends in standard inflationary pressures relating to commodity prices and wages.
- Historical and likely future trends of inflationary pressures in addition to price or wage inflation, termed superimposed inflation.
- Historical and likely future trends of expenses associated with managing claims to finalisation.
- Reinsurance recoveries available under contracts entered into by Ansva.
- Historical and likely future trends of recoveries from source such as subrogation and third party actions.
- Insurer specific, relevant industry data and more general economic data is utilised in the estimation process.

Projected future claim payments and associated claims handling costs are discounted to a present value as required using appropriate risk-free discount rates. A projection of future claims payments, both gross and net of reinsurance and other recoveries is undertaken.

As such, the resulting estimate is considered to be a net central estimate of the liability for incurred claims. Where possible and appropriate, multiple actuarial methods will be applied to project future claim payments. This assists in providing a greater understanding of the trends inherent in the past data. The projections obtained from various methods also assist in setting the range of possible outcomes.

The most appropriate method or blend of methods is selected taking into account the characteristics of the class of insurance and the extent of the development of each past policy year.

Large claims impacting on each relevant class of insurance are generally assessed separately, being measured on a case-by-case basis or projected separately in order to allow for the possible distortive effect of the development and incidence of these large claims.

As an estimate of future outcomes, the net central estimate of the liability for incurred claims is subject to uncertainty. This uncertainty may consist of one or more of the following components:

- Modelling – the process of managing and finalising claims is a complex one. Actuarial models represent a simplification of this complex process giving rise to the possibility that the actual future outcomes may depart from the modelled outcome.
- Assumption selection – even with a perfect model, assumptions about future claim payment experience must be drawn from limited past data and are subject to sampling error.
- Evolution of assumptions and future events – some assumptions will be subject to changes over time due to external sources, such as changes to the legislative environment and the economic environment, or internal sources such as claim management practices.
- Random variation – there is a certain amount of residual randomness that drives differences between actual and expected outcomes.

Ansva Insurance Limited

Notes to the Financial Statements For the financial year ended 31 December 2024

Note 2 Insurance operations (continued)

Note 2.2.2 Estimates and assumptions (continued)

2.2.2.4 Methods used to measure insurance liabilities relating to claims (continued)

Uncertainty from the above sources is examined for each class of insurance and expressed as a volatility of the net central estimate. The volatility of each class is derived after consideration of stochastic modelling and benchmarking to industry analysis. The long tail Liability classes have the highest volatility as the longer average time to settle provides a greater opportunity for sources of uncertainty to emerge. Short tail classes such as Property and Motor have lower levels of volatility.

As the volatility for each class of insurance is partially correlated with other classes, when combined across the entire Company, the overall volatility will be less than the sum of the individual classes. With an estimate of the overall volatility for general insurance business, a range of risk margins associated with a probability of the total net claims liabilities proving adequate may be produced.

The assumptions with regard to uncertainty for each class of insurance are applied to the gross and net central estimates and the results are aggregated, allowing for diversification, in order to arrive at an overall net claims liability that is intended to have a 75% probability of sufficiency (2023: 75%).

2.2.2.5 Methods used to measure reinsurance assets relating to claims

Assets arising from reinsurance contracts are also calculated using the above method. In addition, the recoverability of these assets is assessed on a periodic basis to ensure that the balance is reflective of the amounts that will ultimately be received, taking into consideration factors such as counterparty and credit risk. A credit risk adjustment for reinsurance contracts is recognised for any expected reinsurer defaults.

2.2.2.6 Methods used to measure the risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation that is required for bearing the uncertainty about the amount and timing of cash flows that arises from non-financial risk as the insurance contract is fulfilled. Because the risk adjustment represents compensation for uncertainty, estimates are made on the degree of diversification benefits and expected favourable and unfavourable outcomes in a way that reflects the Company's degree of risk aversion. The Company estimates an adjustment for non-financial risk separately from all other estimates.

The risks covered by the risk adjustment for non-financial risk are insurance risk and other non-financial risks, such as lapse risk and expense risk. Risks that are not considered to be related to the fulfilment of insurance obligations will be excluded in determining the risk adjustment for non-financial risks. The Company calculates the risk adjustment separately for earned (liability for incurred claims) and unearned (LfRC) business, given the risk profiles differ and change significantly in nature and diversification type at the point at which business is earned.

Risk adjustment for liability for incurred claims

Reflecting the compensation required, the Company has estimated the risk adjustment using a confidence level at the 75th percentile, which is consistent with the Board risk appetite for managing reserving risk. Risk adjustments will be primarily assessed on a diversified net rather than gross basis similar to how reserving risk appetite is managed. To determine the risk adjustments for non-financial risk for reinsurance contracts, the Company applies these techniques both gross and net of reinsurance and derives the amount of risk being transferred to the reinsurer as the difference between the two results.

Risk adjustment for liability for remaining coverage

The risk adjustment for the LfRC business will be set with reference to the target net combined ratio for pricing purposes. Risk adjustments will be primarily assessed on a net rather than gross basis similar to how the business is priced.

The resulting amount of the calculated risk adjustment corresponds to the confidence level at the 75th percentile (2023: 75th percentile).

Ansva Insurance Limited

Notes to the Financial Statements For the financial year ended 31 December 2024

Note 2 Insurance operations (continued)

Note 2.2.3 Sensitivity analysis to underwriting risk variables

The following tables present information on how reasonably possible changes in assumptions made by the Company with regard to underwriting risk variables impact insurance liabilities and profit or loss and equity before and after risk mitigation by reinsurance contracts held. The Company's aim is to reserve to at least the 75th percentile confidence level. These contracts are measured under the PAA and, thus, only the liability for incurred claims component of insurance liabilities is sensitive to possible changes in underwriting risk variables.

The analysis below is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. No changes were made by the Company in the methods and assumptions used in preparing the above analysis.

Movement in variable	2024		2023	
	Gross	Net	Gross	Net
Present value of future cash flows	+10.0%	34,994	24,653	32,056
	-10.0%	(34,994)	(24,653)	(32,056)
Inflation rate	+0.5%	4,434	3,384	4,542
	-0.5%	(4,434)	(3,384)	(4,542)
Discount rate	+0.5%	(4,434)	(3,384)	(4,542)
	-0.5%	4,434	3,384	4,542
Risk adjustment	+1.0%	2,615	1,805	2,381
	-1.0%	(2,615)	(1,805)	(2,381)
				(1,527)

Further sensitivity analysis over financial risk variables, such as interest rates, is provided in Note 7(c)(ii).

Note 2.3 Composition of the Balance Sheet

An analysis of the amounts presented on the Balance Sheet for insurance contracts is included in tables 2.5.1 and 2.5.2, including the presentation of current and non-current portions of the balances. For credit risk disclosures relating to insurance contract liabilities and reinsurance contract assets, refer to Note 3.6.3.

Note 2.4 Insurance revenue and insurance service result

An analysis of insurance revenue, insurance service expenses and net expenses from reinsurance contracts for 2024 and 2023 is included in the following tables. Additional information on amounts recognised in profit or loss is included in the insurance contract balances reconciliations below in Notes 2.5.1 & 2.5.2.

	2023	
	2024	(restated)
Insurance revenue	186,496	178,180
Insurance service expenses		
Incurred claims and other directly attributable expenses	(146,158)	(119,400)
Losses on onerous contracts and reversal of those losses	1,519	(457)
Insurance acquisition cash flow amortisation	(24,429)	(20,325)
Total insurance service expenses	(169,068)	(140,182)
Net income/(expenses) from reinsurance contracts held		
Reinsurance expenses – contracts measured under the PAA	(87,578)	(87,538)
Losses on onerous contracts and reversal of those losses	(1,215)	(91)
Claims recovered	74,589	44,219
Total net income/(expenses) from reinsurance contracts held	(14,204)	(43,410)
Total insurance service result	3,224	(5,412)

Certain amounts in the above note have been reclassified to provide greater clarity and alignment with presentation requirements. These reallocations are between incurred claims and other directly attributable expenses and claims recovered. These changes have no impact on the reported profit or financial position for the current or prior periods.

Ansva Insurance Limited

Notes to the Financial Statements For the financial year ended 31 December 2024

Note 2 Insurance operations (continued)

Note 2.5 Insurance contracts issued and reinsurance contracts held

Note 2.5.1 Reconciliation of the liability for remaining coverage and the liability for incurred claims

	2024			
	LfRC		LfIC	Total
	Excl. loss comp.	Loss comp.	Present value of future cash flows	Risk adjustment for non-financial risk
Opening insurance contract liabilities	24,112	5,029	238,099	40,641
Insurance revenue	(186,496)	-	-	-
Insurance service expense				
Incurred claims and other insurance service expenses	42,130	-	101,863	2,165
Losses on onerous contracts and reversal of those losses	-	(1,519)	-	-
Insurance acquisition cash flows amortisation	24,429	-	-	-
Insurance service expense	66,559	(1,519)	101,863	2,165
Insurance service result	(119,937)	(1,519)	101,863	2,165
Effect of changes in discount rate on insurance contracts	-	-	9,342	1,681
Total amounts recognised in comprehensive income	(119,937)	(1,519)	111,205	3,846
Cash flows				
Premiums received	181,462	-	-	-
Claims and other attributable expenses paid	(20,510)	-	(87,802)	-
Insurance acquisition cash flows	(39,609)	-	-	-
Total cash flows	121,343	-	(87,802)	33,541
Closing insurance contract liabilities	25,518	3,510	261,502	44,487
				335,017

A maturity analysis of the insurance contract liabilities is provided in Note 5.3.3.1.

	2023			
	LfRC		LfIC	Total
	Excl. loss comp.	Loss comp.	Present value of future cash flows	Risk adjustment for non-financial risk
Opening insurance contract liabilities	23,790	4,572	244,806	46,413
Insurance revenue	(178,180)	-	-	-
Insurance service expense				
Incurred claims and other insurance service expenses	40,284	-	87,419	(8,303)
Losses on onerous contracts and reversal of those losses	-	457	-	-
Insurance acquisition cash flows amortisation	20,325	-	-	-
Insurance service expense	60,609	457	87,419	(8,303)
Insurance service result	(117,571)	457	87,419	(8,303)
Effect of changes in discount rate on insurance contracts	-	-	11,481	2,531
	(117,571)	457	98,900	(5,772)
Total amounts recognised in comprehensive income				(23,986)
Cash flows				
Premiums received	177,129	-	-	-
Claims and other attributable expenses paid	(19,617)	-	(105,607)	-
Insurance acquisition cash flows	(39,619)	-	-	-
Total cash flows	117,893	-	(105,607)	-
Closing insurance contract liabilities	24,112	5,029	238,099	40,641
				307,881

Certain amounts in Notes 2.5.1 and 2.5.2 have been reclassified to provide greater clarity and alignment with presentation requirements. These reallocations are between incurred claims and other directly attributable expenses, finance expenses from insurance contracts issued, Recoveries of incurred claims and other insurance service expenses, effect of discounting on reinsurance contracts. These changes have no impact on the reported profit or financial position for the current or prior periods.

Ansva Insurance Limited

Notes to the Financial Statements For the financial year ended 31 December 2024

Note 2 Insurance operations (continued)

Note 2.5.2 Reconciliation of the measurement components of reinsurance contracts

	2024				Total	
	AfRC		AfIC			
	Excl. Loss Recovery Comp.	Loss Recovery Comp.	Present value of future cash flows	Risk adjustment for non-financial risk		
Opening reinsurance contract assets	9,153	4,024	119,093	14,232	146,502	
Net income/(expense) from reinsurance contracts held						
Allocation of reinsurance premiums	(87,578)	-	-	-	(87,578)	
Recoveries of incurred claims and other insurance service expenses	-	-	76,698	(2,109)	74,589	
Losses on onerous contracts and reversal of those losses	-	(1,215)	-	-	(1,215)	
Net income/(expense) from reinsurance contracts held	(87,578)	(1,215)	76,698	(2,109)	(14,204)	
Effect of changes in the risk of reinsurers non-performance	-	-	58	-	58	
Effect of discounting on reinsurance contracts	-	-	3,143	599	3,742	
Finance income from reinsurance contracts held	-	-	3,201	599	3,800	
Total amounts recognised in comprehensive income	(87,578)	(1,215)	79,899	(1,510)	(10,404)	
Cash flows						
Premiums paid	86,968	-	-	-	86,968	
Recoveries from reinsurance received	-	-	(55,840)	-	(55,840)	
Total cash flows	86,968	-	(55,840)	-	31,128	
Closing reinsurance contract assets	8,543	2,809	143,152	12,722	167,226	

The current portion of reinsurance contracts assets is \$120,445K (2023: \$102,678K).

	2023				Total	
	AfRC		AfIC			
	Excl. Loss Recovery Comp.	Loss Recovery Comp.	Present value of future cash flows	Risk adjustment for non-financial risk		
Opening reinsurance contract assets	22,088	4,115	131,167	22,263	179,633	
Net income/(expense) from reinsurance contracts held						
Allocation of reinsurance premiums	(87,538)	-	-	-	(87,538)	
Recoveries of incurred claims and other insurance service expenses	-	-	53,451	(9,232)	44,219	
Losses on onerous contracts and reversal of those losses	-	(91)	-	-	(91)	
Net income/(expense) from reinsurance contracts held	(87,538)	(91)	53,451	(9,232)	(43,410)	
Effect of changes in the risk of reinsurers non-performance	-	-	117	-	117	
Effect of discounting on reinsurance contracts	-	-	7,034	1,201	8,235	
Finance income from reinsurance contracts held	-	-	7,151	1,201	8,352	
Total amounts recognised in comprehensive income	(87,538)	(91)	60,602	(8,031)	(35,058)	
Cash flows						
Premiums paid	74,603	-	-	-	74,603	
Recoveries from reinsurance received	-	-	(72,676)	-	(72,676)	
Total cash flows	74,603	-	(72,676)	-	1,927	
Closing reinsurance contract assets	9,153	4,024	119,093	14,232	146,502	

Ansvar Insurance Limited

Notes to the Financial Statements For the financial year ended 31 December 2024

Note 2 Insurance operations (continued)

Note 2.5.3 Claims development

2.5.3.1 Gross claims development

The following table shows the development of gross undiscounted insurance contract liabilities relative to the ultimate expected cost of claims for the ten most recent policy years.

Accident Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
At end of accident year	81,836	55,363	66,901	57,788	79,622	94,430	88,285	131,776	62,627	68,718	
One year later	65,928	45,789	52,706	48,484	66,648	92,978	78,164	130,815	52,199		
Two years later	58,778	42,342	48,404	44,509	66,122	94,687	82,478				131,761
Three years later	53,712	40,879	46,130	44,948	69,145	97,623					87,167
Four years later	53,322	38,683	47,725	47,516							101,924
Five years later	51,740	40,113	48,351	47,898							69,619
Six years later	52,777	39,716	49,118	47,668							
Seven years later	52,526	40,763	48,161								
Eight years later	51,968	39,903									
Nine years later	51,759										
Current estimate of ultimate claims cost	51,882	39,903	48,162	47,668	69,619	101,924	87,167	131,761	52,199	68,719	
Cumulative gross payments	(49,019)	(35,859)	(43,993)	(40,846)	(62,322)	(86,759)	(61,835)	(101,423)	(23,801)	(2,836)	
Undiscounted central estimates	2,863	4,044	4,168	6,822	7,297	15,165	25,332	30,338	28,398	65,882	190,309
2014 and prior years											95,173
Gross discount											(35,737)
Claims handling expenses											11,757
Risk adjustment											44,488
Total Gross insurance contract liabilities											305,990

Ansvar Insurance Limited

Notes to the Financial Statements For the financial year ended 31 December 2024

Note 2	Insurance operations (continued)
<i>Note 2.5.3</i>	<i>Claims development (continued)</i>

2.5.3.2 Net claims development

The following table shows the development of net undiscounted insurance contract liabilities relative to the ultimate expected cost of claims for the ten most recent policy years.

The Company provides information on the net claims development for the current reporting period and ten years prior to it. The Company considers that there is no significant uncertainty with regard to claims that were incurred more than ten years before the reporting period.

Ansva Insurance Limited

Notes to the Financial Statements For the financial year ended 31 December 2024

Note 3 Financial operations

Note 3.1 Summary of material accounting policies for financial instruments

The Company has applied AASB 9 *Financial Instruments* (AASB 9), including consequential amendments to other standards, to account for financial assets and liabilities held, particularly related to its investment portfolio backing insurance liabilities. It should be noted that AASB 9 does not apply to any balances that arise from insurance contracts issued or reinsurance contracts held. Therefore, any premium receivable balances from policyholders or amounts due from reinsurers are not accounted for under AASB 9, but are subject to AASB 17. Any amounts receivable from agents (i.e. intermediaries) are subject to AASB 9 unless the balance with the agent arises from an insurance contract.

The Company does not carry any balances with agents that do not relate to insurance contracts so all of these balances have been considered under AASB 17.

AASB 9 does not apply to lease right-of-use assets, lease liabilities, provisions or income taxation balances.

Note 3.1.1 Summary of measurement categories for financial assets and liabilities

The Company classifies its financial assets into the following categories:

Type of financial instruments	Classification	Reason
Cash and cash equivalents	Amortised cost	Solely payments of principal and interest (SPPI), hold to collect business model
Government and corporate bonds backing insurance liabilities	Fair value through profit or loss	SPPI, hold to collect and sell business model Designated, accounting mismatch
Other Government and corporate bonds	Fair value through profit or loss	SPPI, hold to collect and sell business model Designated, accounting mismatch
Other financial assets	Amortised cost	Mandatory
Other financial liabilities	Amortised cost	Mandatory

The Company does not apply hedge accounting.

Note 3.1.2 Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on the trade date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss (FVTPL), the transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss. Immediately after initial recognition, an expected credit loss (ECL) allowance is recognised for financial assets measured at amortised cost (AC), where material.

Note 3.1.3 Amortised cost and effective interest rate

AC is the amount at which the financial asset or liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method for any difference between the initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The effective interest rate (EIR) is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its AC before any impairment allowance) or to the AC of a financial liability. The calculation does not consider the ECL and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the EIR.

When the Company revises the estimates of future cash flows, the carrying amount of the respective financial asset or financial liability is adjusted to reflect the new estimate discounted using the original EIR. Any changes are recognised in profit or loss.

Interest revenue is calculated by applying the EIR to the gross carrying amount of financial assets recognised at AC.

Ansva Insurance Limited

Notes to the Financial Statements For the financial year ended 31 December 2024

Note 3 Financial operations (continued)

Note 3.1.4 Financial assets

3.1.4.1 Classification and subsequent measurement

The Company classifies its financial assets into the following measurement categories:

- AC; or
- FVTPL

The Company has not classified any financial assets as Fair Value through Other Comprehensive Income (FVOCI).

3.1.4.2 Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from an issuer's perspective, such as government and corporate bonds.

The classification and subsequent measurement of debt instruments depends on:

- a. the Company's business model for managing the asset; and
- b. the cash flow characteristics (represented by SPPI).

Based on these factors, the Company has elected to classify its debt instruments at FVTPL to reduce an accounting mismatch, as these instruments predominantly back insurance liabilities. A gain or loss on a debt investment is subsequently measured at FVTPL and is recognised and presented within the statement of comprehensive income within net gains on FVTPL investments in the period in which it arises.

Derecognition other than on a modification

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Company transfers substantially all the risks and rewards of ownership; or (ii) the Company neither transfers nor retains substantially all the risks and rewards of ownership and the Company has not retained control.

The Company enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks. These transactions are accounted for as pass through transfers that result in derecognition if the Company:

- a. has no obligation to make payments unless it collects equivalent amounts from the assets;
- b. is prohibited from selling or pledging the assets; and
- c. has an obligation to remit any cash it collects from the assets without material delay.

3.1.4.3 Insurance receivables

The Company recognises insurance receivables, including premiums from policyholders/intermediaries, reinsurance receivables, including intercompany balances, and other recoveries receivable under AASB 17 as they are excluded from the scope of AASB 9.

3.1.4.4 Other financial assets

The remaining financial assets held by the Company include other non-trade debtors measured at amortised cost.

Ansva Insurance Limited

Notes to the Financial Statements For the financial year ended 31 December 2024

Note 3 Financial operations (continued)

Note 3.1.5 Financial liabilities

3.1.5.1 Classification and subsequent measurement

In both the current and prior period, financial liabilities are classified and subsequently measured at AC. These liabilities include trade and other payables not subject to AASB 17, such as sundry creditors and intercompany balances owed to the Company's immediate parent.

3.1.5.2 Derecognition

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

Note 3.2 Significant judgements and estimates in applying AASB 9

Note 3.2.1 Judgements

This note provides an overview of the areas that involve a higher degree of judgement or complexity. More detailed information about these judgements is included in the notes.

Judgement	Description
Classification of financial instruments	<p>The Company has made judgements in applying the business model criteria to its portfolio of debt instruments.</p> <p>The Company has also applied judgement as to whether designating debt instruments at FVTPL significantly reduces an accounting mismatch.</p> <p>For more information, refer to Note 3.1.4.2.</p>
Expected credit loss	<p>A number of significant judgements are required in applying the accounting requirements for measuring the ECL, such as:</p> <ol style="list-style-type: none">determining the criteria for a significant increase in credit risk (SICR);choosing appropriate models and assumptions for the measurement of the ECL;establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; andestablishing groups of similar financial assets for the purposes of measuring the ECL. <p>For more information, refer to Note 3.6.</p>

Note 3.2.2 Estimates

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of items which are more likely to be materially adjusted due to changes in estimates and assumptions in subsequent periods. Detailed information about each of these estimates is included in the below notes together with information about the basis of calculation for each affected line item in the financial statements. In applying AASB 9 measurement requirements, the following inputs and methods were used that include significant estimates.

Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

For more information, refer to Note 3.5.2.

Expected credit loss

The Company recognises a forward-looking loss allowance for ECL on financial assets measured at AC. ECL is an unbiased, probability-weighted estimate of credit losses and considers all reasonable and supportable information, as well as considering whether there has been a significant increase in credit risk (SICR).

For more information, refer to Note 3.6.

Ansvar Insurance Limited

Notes to the Financial Statements For the financial year ended 31 December 2024

Note 3 Financial operations (continued)

Note 3.3 Financial assets and liabilities

The carrying amounts of the financial assets and liabilities held by the Company are:

	2024			2023		
	AC	FVTPL	Total	AC	FVTPL	Total
Cash and cash equivalents	36,267	-	36,267	36,591	-	36,591
Financial assets						
- Government / semi-government bonds	-	169,185	169,185	-	153,266	153,266
- Corporate bonds	-	80,834	80,834	-	95,823	95,823
- Shares in subsidiaries	-	-	-	10	-	10
Loans and other receivables	4,077	-	4,077	3,978	-	3,978
Total Investment assets and cash and cash equivalents	40,344	250,019	290,363	40,579	249,089	289,668

Cash and cash equivalents accounting policy

Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments, net of outstanding bank overdrafts.

Cash equivalents are held for the purpose of meeting short term commitments rather than for investment purposes and include money market instruments with short maturities (three months or less from the date of acquisition) which are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Refer to the accounting policies in Note 3.1.4.2 for an explanation as to why the Company has designated certain financial assets at FVTPL. The carrying amounts of the financial assets are all designated against the Company's portfolio of insurance contract liabilities.

All cash and cash equivalents held are current. The current portion of investment assets amounts to \$52,093K (2023: \$31,574K).

Ansvar Insurance Limited

Notes to the Financial Statements For the financial year ended 31 December 2024

Note 3 Financial operations (continued)

Note 3.4 Investment income and insurance finance expenses

An analysis of net investment income and net insurance finance expenses is presented below:

	2024	2023
Net investment income/(expenses)		
Interest revenue from financial assets not measured at FVTPL	860	1,005
Net gains/(losses) on FVTPL investments	8,294	14,184
Investment expenses	(380)	(334)
Total net investment income/(expenses)	8,774	14,855
Finance income/(expenses) from insurance contracts issued		
Interest accrued	(11,475)	(13,071)
Effect of changes in interest rates and other financial assumptions	452	(941)
Total finance income/(expenses) from insurance contracts issued	(11,023)	(14,012)
Finance income/(expenses) from reinsurance contracts held		
Interest accrued	3,782	5,947
Effect of changes in interest rates and other financial assumptions	17	2,405
Total finance income/(expenses) from reinsurance contracts held	3,799	8,352
Net insurance finance income/(expenses)	(7,224)	(5,660)
Summary of the amounts recognised		
Insurance service result	3,224	(5,412)
Net investment income	8,774	14,855
Net insurance finance expenses	(7,224)	(5,659)
Net insurance and investment result	4,774	3,784

Certain amounts in the above note have been reclassified to provide greater clarity and alignment with presentation requirements. These reallocations are between interest accrued and effect of changes in interest rates and other financial assumptions on both insurance contracts issued and reinsurance contracts held. These changes have no impact on the reported profit or financial position for the current or prior periods.

The total interest revenue and investment income for each class of financial instruments by measurement category is as follows:

	2024			2023		
	AC	FVTPL	Total	AC	FVTPL	Total
Interest revenue from financial assets not measured at FVTPL						
Cash and cash equivalents	860	-	860	1,005	-	1,005
Net gains on FVTPL investments						
Government/semi-government bonds	-	3,637	3,637	-	9,916	9,916
Corporate bonds	-	4,657	4,657	-	4,268	4,268
	-	8,294	8,294	-	14,184	14,184
Other						
Investment expense	(380)	-	(380)	(334)	-	(334)
	(380)	-	(380)	(334)	-	(334)
Total interest revenue and investment income	480	8,294	8,774	671	14,184	14,855

Interest income accounting policy

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the income can be reliably measured. Interest income is accrued on a time proportionate basis with reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying value on initial recognition.

All amounts are recognised through profit or loss.

Ansva Insurance Limited

Notes to the Financial Statements For the financial year ended 31 December 2024

Note 3 Financial operations (continued)

Note 3.5 Fair value measurement

Note 3.5.1 Fair value hierarchy

The Company categorises a financial asset or a financial liability measured at fair value at the same level of fair value hierarchy as the lowest-level input that is significant to the entire measurement.

The Company ranks fair value measurements based on the type of inputs, as follows:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded equities, bonds and derivatives) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in Level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. The Company has no Level 3 investments during the two reporting periods presented.

There were no transfers between Levels 1 and 2 for recurring fair value measurements during both years.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

3.5.1.1 Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include the use of quoted market prices or dealer quotes for similar instruments.

Note 3.5.2 Recognised fair value measurement

This note sets out the split of financial instruments by fair value hierarchy level:

	2024			2023		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Government / semi-government bonds	169,185	-	169,185	153,266	-	153,266
Corporate bonds	80,834	-	80,834	95,823	-	95,823
Total investment assets at fair value	250,019	-	250,019	249,089	-	249,089

There were no level 3 investments as at balance date (2023: Nil).

Note 3.5.3 Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, other financial assets and other financial liabilities approximate their fair value.

Ansva Insurance Limited

Notes to the Financial Statements For the financial year ended 31 December 2024

Note 3 Financial operations (continued)

Note 3.6 Credit risk for financial instruments

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The credit risk arising from reinsurance contracts is described in Note 3.6.4 and Note 5.

Note 3.6.1 Management of credit risk for financial instruments

The Company has exposure to credit risk, which is the risk of non-payment of their obligations by counterparties and financial markets borrowers. Areas where the Company is exposed to credit risk are:

- Counterparty default on loans, receivables and debt securities;
- Deposits held with banks;
- Reinsurers' share of insurance liabilities (excluding provision for unearned premiums) and amounts due from reinsurers in respect of claims already paid; and
- Amounts due from insurance intermediaries and policyholders.

The Company is exposed to minimal credit risk in relation to all other financial assets.

The Company manages credit through its Board-approved risk appetite statement, which sets credit risk exposure limits through Board and management policies. The Company's operating and investing activities are to operate within these credit limits, which are monitored by management and the Company's investment manager. The Company will only enter into financial asset exposures that are of investment grade, which is defined by the Company's policies as being of at least a BBB credit rating (where an external rating exists).

The Company does not use credit derivatives to manage credit risk.

Note 3.6.2 Model for expected credit losses

An impairment provision must be provided for all financial assets measured at AC, where material. Impairments are calculated on an expected, rather than incurred, basis. This AASB 9 approach therefore focuses on the risk that a counterparty will default, rather than whether a loss has been incurred. This forward-looking basis is influenced by a variety of factors including credit rating to the issuer and macro-economic conditions that are relevant to the asset or portfolio of assets.

Expected credit losses represent possible outcomes which are provided for as a measurement of an asset's credit risk. The size of the ECL recognised will depend on the relative change in credit risk of the financial asset since it was first recognised. If there has been no significant increase in credit risk, the impairment provision is a 12-month ECL. If there is a significant increase in credit risk, the impairment provision is the lifetime ECL.

The Company has not recognised an ECL on financial assets that are debt instruments, such as loans, bank balances and deposits, and other receivables that are measured at AC as these are immaterial to the Company, either due to the size of the financial asset or due to high credit quality.

Ansva Insurance Limited

Notes to the Financial Statements For the financial year ended 31 December 2024

Note 3 Financial operations (continued)

Note 3.6.3 Credit risk exposure

The table below discloses the maximum exposure to credit risk for the components of the financial assets. The maximum exposure is shown gross, before the effect of mitigation through the use of master netting or taking account of the value of any collateral or security obtained.

	Note	AAA	AA+/AA-	A+/A-	BBB+/BBB-	Not rated	Total
2024							
Cash and cash equivalents	3.3	-	36,267	-	-	-	36,267
Corporate bonds	3.3	29,741	38,148	12,945	-	-	80,834
Government/semi-government bonds	3.3	128,128	41,057	-	-	-	169,185
Shares in subsidiaries	3.3	-	-	-	-	-	-
Insurance premium receivables within insurance contract liabilities		-	-	-	-	57,773	57,773
Reinsurance recoveries receivable within reinsurance contract assets		-	6,231	18,925	-	-	25,156
Non-trade receivables		-	-	-	-	4,088	4,088
Total		157,869	121,703	31,870	-	61,861	373,303
2023							
Cash and cash equivalents	3.3	-	36,591	-	-	-	36,591
Corporate bonds	3.3	34,687	37,234	20,885	3,017	-	95,823
Government/semi-government bonds	3.3	113,663	39,603	-	-	-	153,266
Shares in subsidiaries	3.3	-	-	-	-	10	10
Insurance premium receivables within insurance contract liabilities		-	-	-	-	60,464	60,464
Reinsurance recoveries receivable within reinsurance contract assets		-	5,462	18,944	-	-	24,406
Non-trade receivables		-	-	550	-	3,978	4,528
Total		148,350	118,890	40,379	3,017	64,452	375,088

Ansva Insurance Limited

Notes to the Financial Statements For the financial year ended 31 December 2024

Note 4 Expenses by nature

An analysis of the expenses incurred by the Company in the reporting period is included in the table below:

	2024				
	Expenses attributed to insurance acquisition cash flows	Other directly attributable expenses	Other indirect overhead expenses	Strategic & non attributable expenses	Total
Employee expenses	14,390	1,749	9,184	2,778	28,101
Commissions	24,570	-	-	-	24,570
Claims adjustment expenses	-	2,222	-	-	2,222
Audit, legal and other professional fees	66	-	2,222	566	2,854
Other expenses	1,139	28	9,431	1,108	11,706
Total	40,165	3,999	20,837	4,452	69,453

	2023				
	Expenses attributed to insurance acquisition cash flows	Other directly attributable expenses	Other indirect overhead expenses	Strategic & non attributable expenses	Total
Employee expenses	11,181	1,556	8,439	2,857	24,033
Commissions	23,220	-	-	-	23,220
Claims adjustment expenses	-	(1)	-	-	(1)
Audit, legal and other professional fees	72	-	3,044	656	3,772
Other expenses	1,279	23	8,423	581	10,306
Total	35,752	1,578	19,906	4,094	61,330

Foreign currency translation accounting policy

All foreign currency transactions are brought to accounting using the exchange rate in effect at the date of the transaction.

Ansva Insurance Limited

Notes to the Financial Statements For the financial year ended 31 December 2024

Note 5 Risk management

Note 5.1 Risk management framework

The Company manages its risks through a comprehensive Risk Management Framework (RMF), ensuring alignment with its Risk Appetite Statement, regulatory requirements, and Australian Accounting Standards. Material risks are identified, monitored, and mitigated through policies, procedures, and oversight by the Board and relevant committees.

Note 5.2 Governance and oversight

The Board of Directors is responsible for setting the tone from the top, fostering a strong risk culture, and ensuring the effectiveness of the RMF. The Risk and Compliance Committee oversees risk identification, management, and mitigation, supported by the Chief Risk Officer (CRO) and senior management. Internal audits, outsourced to an independent provider, offer assurance on governance, risk management, and internal controls. The RMF includes a robust compliance management framework supported by a three-lines-of-defence approach to risk oversight.

Note 5.3 Material risks

The Company's material risks are categorised as follows: Strategic risk (see Note 5.3.1), Insurance risk (see Note 5.3.2), Financial risk (see Note 5.3.3), Operational risk (see Note 5.3.4) and People & Culture risk (see Note 5.3.5).

Note 5.3.1 Strategic risk

Strategic risks encompass external environmental changes, brand and reputation, climate risk, execution challenges, and customer expectations. Key exposures include the failure to deliver on strategic initiatives, which can weaken the competitive position and capital strength; the erosion of competitive position due to misaligned customer services; and the failure to meet service standards, resulting in reputational damage, regulatory scrutiny, and reduced profitability.

Key mitigation strategies include the annual approval of the Corporate Plan and Budget, with performance continuously monitored through key metrics. The Company also emphasises customer-focused service design and strategic business planning, making adjustments to respond to market changes.

Note 5.3.2 Insurance risk

Insurance risks arise from underwriting, claims management, reinsurance arrangements, and reserving. Key exposures include inadequate reinsurance programs impacting capital and profitability, insufficient pricing and underwriting practices reducing long-term profitability, reserving shortfalls in insurance portfolios, and shifts in competitor distribution models affecting market share.

Key mitigation strategies include:

- *Underwriting and Actuarial Processes:* Exposure is managed through maximum claim limits, sub-limits, and strict risk selection criteria. Contract wording is designed to enable policy adjustments at renewal, impose deductibles, reject fraudulent claims, and pursue third-party recoveries. Delegated authorities and quality assurance frameworks ensure robust underwriting practices.
- *Portfolio Oversight:* The Company monitors and reports on pricing adequacy, discounting, and target pricing, supported by regular peer reviews and embedded training programs to drive continuous improvement in portfolio management.
- *Reinsurance Management Strategy:* Comprehensive reinsurance arrangements are implemented to stabilise earnings, protect capital resources, and manage underwriting risk efficiently within the Company's risk appetite.
- *Claims Management:* Claims are managed by a centralised team of specialists operating under strict authority limits. Material claims are reviewed at least monthly and adjusted based on updated information and prevailing conditions. The Company also actively pursues early settlements to minimise exposure to unpredictable developments and reduce overall liability and has processes in place to identify and mitigate suspicious claims.

Note 5.3.3 Financial risk

Financial risks include investment, liquidity, budget, and credit risks. To mitigate these risks, the Company has established a structured governance framework supported by key policies, including the Balance Sheet and Market Risk Policy, Credit Risk Policy, Investment Policy, and Capital Management Strategy. These policies guide the Company in measuring, monitoring, and controlling financial risks.

Additional frameworks, such as the Internal Capital Adequacy Assessment Process (ICAAP) Summary Statement, ensure robust capital adequacy management by evaluating the Company's capital needs relative to its risk profile.

Ansva Insurance Limited

Notes to the Financial Statements For the financial year ended 31 December 2024

Note 5 Risk management (continued)

Note 5.3.3 Financial risk (continued)

5.3.3.1 Investment risk

Investment risk arises from factors such as movements in interest rates, inflation, and credit spreads that impact the investment portfolio's value. Key exposures include movements in interest rates, inflation, and widening credit spreads, which can impact the value of fixed-interest securities and market liquidity contraction that limits the ability to liquidate assets without significant price impacts. Additionally, inadequate valuation processes can lead to inaccuracies in the measurement of asset values.

Key mitigation strategies include:

- *Risk Appetite and Investment Policy:* The Company establishes acceptable levels of investment risk through its Risk Appetite Statement and Investment Policy. These frameworks define risk limits and ensure regular monitoring to maintain alignment with the Company's financial goals.
- *Stress Testing and Scenario Analysis:* Regular stress testing evaluates the impact of market risks on the balance sheet, such as interest rate movements. This analysis supports compliance with regulatory capital requirements and informs adjustments on the investment strategy.
- *Asset-Liability Matching (ALM):* The Company ensures alignment between asset cash flows and liability obligations to minimise interest rate and liquidity risks. ALM practices reduce the financial impact of interest rate variability and market changes.

Investment risk exposure

The following tables present the estimated amount and timing of the remaining contractual discounted cash flows arising from investment assets and insurance liabilities. When debt securities mature, the proceeds not needed to meet liability cash flows will be reinvested.

31 December 2024	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6-10	>10 Years	Total
Investment assets								
Government/semi government bonds	23,643	21,534	33,401	8,044	7,612	52,379	22,572	169,185
Corporate bonds	29,261	25,617	9,898	15,344	714	-	-	80,834
Total investment assets	52,904	47,151	43,299	23,388	8,326	52,379	22,572	250,019
Insurance contract balances								
Reinsurance contract assets	120,445	17,474	7,162	4,716	3,478	12,479	1,472	167,226
Insurance contract liabilities	(128,293)	(57,703)	(40,032)	(30,833)	(22,171)	(45,576)	(10,409)	(335,017)
Total insurance contract balances	(7,848)	(40,229)	(32,870)	(26,117)	(18,693)	(33,097)	(8,937)	(167,791)
Net discounted cash flows	45,056	6,922	10,429	(2,729)	(10,367)	19,282	13,635	82,228

31 December 2023	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6-10	>10 Years	Total
Investment assets								
Government / semi-government bonds	7,438	17,459	19,986	26,433	4,592	54,107	23,261	153,276
Corporate bonds	24,136	28,186	20,442	9,853	13,206	-	-	95,823
Total investment assets	31,574	45,645	40,428	36,286	17,798	54,107	23,261	249,099
Insurance contract balances								
Reinsurance contract assets	102,678	19,006	7,243	4,232	2,873	8,390	2,080	146,502
Insurance contract liabilities	(129,995)	(49,824)	(33,369)	(23,330)	(16,603)	(41,972)	(12,788)	(307,881)
Total insurance contract balances	(27,317)	(30,818)	(26,126)	(19,098)	(13,730)	(33,582)	(10,708)	(161,379)
Net discounted cash flows	4,257	14,827	14,302	17,188	4,068	20,525	12,553	87,720

Ansva Insurance Limited

Notes to the Financial Statements For the financial year ended 31 December 2024

Note 5 Risk management (continued)

Note 5.3.3 Financial risk (continued)

5.3.3.1 Investment risk (continued)

Interest rate risk sensitivity

The following table presents an analysis of how a potential shift in market interest rates might impact the balances of contracts within the scope of AASB 17 and the resulting net impact on profit or loss and equity to changes in interest rates.

Net insurance contracts balance	Investment assets subject to interest rate risk ¹	0.5% increase in interest rates				0.5% decrease in interest rates			
		Impact on: Net insurance contracts balance	Investment assets	Profit or loss	Equity	Impact on: Net insurance contracts balance	Investment assets	Profit or loss	Equity
31-Dec-24	167,791	250,019	3,271	(3,651)	(380)	(380)	(3,384)	3,651	267
31-Dec-23	161,379	249,099	3,046	(4,060)	(1,014)	(1,014)	(3,163)	4,060	897

¹Cash and cash equivalents were excluded from this table due to their short maturity and the insignificant impact from variability in interest rates.

The sensitivity analysis assumes that the change in interest rates occurs at the balance sheet date, with the investments marked to market on the same date. A 0.5% increase or decrease in interest rates was used, consistent with the Appointed Actuary's claims sensitivity analysis for the discount rate. Movements in profit or loss are attributable to the Company's exposure to interest rates on variable interest rate investments and fair value movements in fixed interest rate investments. The analysis assumes all other assumptions remain constant. In practice, changes in assumptions may be correlated.

5.3.3.2 Liquidity risk

Liquidity risk refers to the inability to meet financial obligations as they fall due and can arise from mismatches between the timing of cash inflows and outflows or unexpected cash demands. Key exposures include the inability to liquidate investments or access sufficient cash to meet financial obligations during market volatility, unexpected claims activity or delays in receivables like premiums or reinsurance recoveries causing short-term cash flow challenges, and over-reliance on illiquid investments that are difficult to convert into cash without significant value loss.

Key mitigation strategies include:

- *Cash Flow Forecasting and Monitoring:* The Company regularly forecasts and monitors cash flow requirements to proactively identify surpluses or shortages. Cash flow patterns are periodically reviewed and adjusted to reflect changes in operational or financial activities.
- *Liquidity Buffers:* A portfolio of highly liquid assets, such as government securities and short-term bonds, is maintained to meet unexpected cash demands. Minimum liquidity thresholds, established within the Investment Policy, ensure sufficient reserves are always available.
- *Investment Policy:* The investment portfolio is diversified to include a mix of liquid and semi-liquid assets, providing flexibility to meet financial obligations. Exposure to long-term or illiquid investments is limited to mitigate risks during periods of market volatility. The Company only invests in high credit quality securities to reduce exposure to credit risk.
- *Reinsurance Recoveries and Premium Receivables:* Aged receivables are closely monitored, with follow-up processes to ensure timely recovery. Strong relationships with reinsurers are maintained to facilitate prompt settlements of reinsurance.
- *Stress Testing and Scenario Analysis:* Liquidity stress testing is conducted under various scenarios, such as market downturns or sudden increases in claims activity. The Company also assesses the impact of potential delays in cash inflows, such as premium payments or investment redemptions, to ensure preparedness for adverse events.

5.3.3.3 Budget risk

The Company is expected to budget risk, where failure to achieve financial targets can impact profitability, cash flow, and key metrics, misaligning operational performance with long-term strategic objectives outlined in the Corporate Plan and Budget. Key exposures include inaccurate revenue and expense forecasting, leading to deviations from financial targets; external factors such as economic downturns or regulatory changes impacting financial outcomes; and operational or project cost overruns that reduce profitability.

Ansva Insurance Limited

Notes to the Financial Statements For the financial year ended 31 December 2024

Note 5 Risk management (continued)

Note 5.3.3 Financial risk (continued)

5.3.3.3 Budget risk (continued)

Key mitigation strategies include:

- *Detailed Budgeting and Forecasting:* Detailed budgets are prepared to align with the Company's strategic objectives and operational priorities, with regular forecasts updated to reflect changes in the economic environment, regulatory landscape, and business performance, ensuring adaptability.
- *Regular Monitoring and Reporting:* Performance is monitored through periodic financial reviews and variance analysis. Significant variances are promptly reported to the Board and senior management, along with recommended actions to address shortfalls.
- *Operational Oversight and Cost Management:* Robust cost control mechanisms and accountability frameworks ensure efficient resource allocation, prevent budget overruns, and promote financial responsibility across business units.

Note 5.3.4 Operational risk

The Company is exposed to operational risk, which refers to the potential for losses resulting from inadequate or failed internal processes, people, systems, or external events. This risk encompasses many areas, including information security, business continuity, compliance, outsourcing, and data governance. Effective operational risk management is essential to safeguard the Company's business continuity, reputation, and regulatory compliance. Key exposures include significant disruptions from cyber incidents or data breaches, delays or defects in system implementation affecting operational effectiveness, data integrity issues leading to erroneous business decisions, non-compliance with regulatory or contractual obligations, and failures in third-party service delivery, including key outsourced functions.

Key mitigation strategies include:

- *Information Security and Cyber Risk Management:* The Company has implemented cyber security controls, including intrusion detection, encryption, and regular vulnerability assessments. An incident response plan is also in place and tested regularly to address potential cyber threats promptly, ensuring minimal disruption to operations.
- *Business Continuity and Disaster Recovery:* The Company maintains a comprehensive Business Continuity Management (BCM) framework that covers disaster recovery, pandemic response, and contingency planning. Regular business continuity tests are conducted, and the outcomes are reported to the Board to ensure preparedness for unexpected disruptions.
- *Data Governance:* A Data Governance Committee oversees data quality, security, and regulatory compliance, with data ownership responsibilities assigned across teams to ensure accountability and accuracy in data management.
- *Compliance and Regulatory Management:* The Company operates a compliance framework aligned with regulatory requirements and supported by a "three lines of defence" approach. Staff receive regular compliance training to raise awareness and reduce the risk of regulatory breaches.
- *Outsourcing and Third-Party Risk Management:* The Company conducts due diligence for third-party providers in accordance with its Service Provider Policy. Performance and adherence to service level agreements (SLAs) are regularly monitored, with contingency plans in place for critical outsourced functions.
- *Operational Controls and Internal Audits:* Internal audits assess the effectiveness of internal controls and processes, while policies and procedures are implemented to mitigate risks arising from day-to-day operations, ensuring compliance and operational efficiency.

Note 5.3.5 People and Culture risk

People & Culture risks include staff conduct, challenges in recruitment and retention, leadership effectiveness, and employee wellbeing. Key exposures include staff conduct, where inappropriate behaviour could result in legal, regulatory, or reputational damage; challenges in recruitment and retention, potentially causing capability gaps and operational disruptions; ineffective leadership or poor succession planning, impacting stability and strategic goals; and insufficient support for employee wellbeing, leading to disengagement, absenteeism, or turnover.

Ansvar Insurance Limited

Notes to the Financial Statements For the financial year ended 31 December 2024

Note 5 Risk management (continued)

Note 5.3.5 People and Culture risk (continued)

Key mitigating strategies include:

- *Policies, Processes, and Procedures:* Comprehensive policies, processes, and procedures are implemented to identify and manage operational risks related to employees, contractors, and third parties. The People and Culture Team oversees the sourcing, recruiting, and retaining of skilled staff, as well as the development and retention of talent through structured frameworks.
- *Succession Planning and Leadership Development:* Leadership programs and succession planning initiatives are supported by a robust talent framework aligned with the organisation's long-term goals. Fit-for-purpose position descriptions ensure the recruitment of individuals who best meet business needs.
- *Occupational Health and Safety:* The Company provides modern office spaces with ergonomic features and flexible working arrangements to promote work-life balance.
- *Training and Engagement:* Staff training and engagement programs are well established and regularly reviewed to meet evolving business needs and foster a culture of continuous improvement.

Note 6 Other receivables

	2024	2023
Prepaid expenses	5,167	5,426
Non-trade receivables	4,088	4,669
Total other receivables	9,255	10,095
Current	5,167	5,426
Non-current	4,088	4,669
Total other receivables	9,255	10,095

Note 7 Income taxation

Income taxation expense/(benefit) comprises:

Deferred taxation expense/(benefit) – current year

Deferred taxation benefit – prior years

Total income taxation expense/(benefit)

Profit/(loss) before income taxation

Income taxation expense/(benefit) calculated at 30%

Remeasurement of loan to Canterbury Earthquake Church and Heritage Trust

Non-deductible expenses

Research & Development (R&D) benefit

Other

Total income taxation expense/(benefit)

	2024	2023
	358	36
	219	-
Total income taxation expense/(benefit)	577	36
1,000	1,000	
300	300	
(16)	(70)	
47	24	
-	(218)	
246	-	
Total income taxation expense/(benefit)	577	36

The taxation rate used for the taxation rate reconciliation above is the corporate taxation rate of 30% payable by Ansvar on taxable income under Australian taxation law.

Ansva Insurance Limited

Notes to the Financial Statements For the financial year ended 31 December 2024

Note 7 Income taxation (continued)

Temporary differences

Taxable and deductible temporary differences arise from the following:

	2024			2023		
	Opening balance	(Charged)/ credited to income	Closing balance	Opening balance	Credited/ (charged) to income	Closing balance
Gross deferred taxation liabilities						
Revenue receivable	(548)	(14)	(562)	(287)	(261)	(548)
Unrealised gains/losses on fixed interest securities	-	-	-	-	-	-
Prepayments	(25)	(6)	(31)	(37)	12	(25)
AASB17 adjustment	(663)	663	-	(1,215)	552	(663)
Total	(1,236)	643	(593)	(1,539)	303	(1,236)
Gross deferred taxation assets						
Provisions	1,108	351	1,459	1,041	67	1,108
Doubtful debts allowance	-	600	600	60	(60)	-
Indirect claims settlement costs	3,396	748	4,144	3,422	(26)	3,396
Purchased interest	117	24	141	96	21	117
Unrealised gains/losses on fixed interest securities	1,702	(260)	1,442	3,945	(2,243)	1,702
R&D tax credits	2,091	(1,415)	676	1,692	399	2,091
Software write-off	49	(24)	25	74	(25)	49
Assessable losses	1,391	(1,391)	-	202	1,188	1,390
Other	534	149	683	195	340	535
Total	10,388	(1,218)	9,170	10,727	(339)	10,388
Net deferred taxation asset comprises:						
Deferred taxation liability			(593)			(1,236)
Deferred taxation asset			9,170			10,388
Net deferred taxation asset			8,577			9,152

Ansvar Insurance Limited

Notes to the Financial Statements For the financial year ended 31 December 2024

Note 7 Income taxation (continued)

In 2024, management commenced the deregistration of the Company's dormant wholly-owned subsidiaries, Ansvar Risk Management Services Pty Ltd and Ansvar Insurance Services Pty Limited. The subsidiaries left the Australian Multiple Entry Consolidated Group (MEC) Group for income tax purposes. The MEC Group remains active with the sole participant and head company being Ansvar Insurance Limited. There were no transactions in either Ansvar Risk Management Services Pty Ltd or Ansvar Insurance Services Pty Limited during the year and no balances remaining as at 31 December 2024. As such, the Company, as head company of the MEC Group, will not assume any current or deferred tax balances.

During the year ended 31 December 2024, the Australian Government substantively enacted Pillar Two global minimum tax rules as part of the Organisation for Economic Co-operation and Development (OECD) work on Base Erosion and Profit Shifting (BEPS) (Pillar Two Rules). The legislation is effective for financial years commencing on or after 1 January 2024.

Under the Pillar Two Rules, a top up tax will arise where the effective tax rate of the Benefact Group's operations in any individual jurisdiction, calculated using principles set out in the Pillar Two rules is less than 15%. Simplified transitional safe harbours may apply for 2025 and 2026, based on Country-by-Country reporting data.

The Company's immediate parent has performed an initial assessment of the exposure to and impact of Pillar Two Rules. The Group has determined that the Company is not in-scope for the Pillar Two Rules for the year ending 31 December 2024 and, if considered applicable, expects to apply the country-by-country-reporting transitional safe harbours. As a result, there is not material top-up tax for the Company.

Ansvar Insurance Limited

Notes to the Financial Statements For the financial year ended 31 December 2024

Note 7 Income taxation (continued)

Current and deferred income taxation accounting policy

Current taxation is calculated with reference to the amount of income taxation payable or recoverable in respect of the taxable income or loss for the year. It is calculated using taxation rates and laws that have been enacted or substantively enacted by the balance sheet date. Current taxation for current and prior periods is recognised as a liability or asset to the extent that is unpaid or refundable.

Deferred taxation is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding taxation base of those items.

In principle deferred taxation balances are recognised for all taxable temporary differences. Deferred taxation assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused taxation losses and taxation offsets can be utilised. However, deferred taxation assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities, other than as a result of a business combination, which does not affect either taxable income or accounting profit before income taxation.

Deferred taxation assets and liabilities are recognised for deductible and taxable temporary differences arising on investments in subsidiaries, branches, associates and joint ventures except where the Company is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred taxation assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable income against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred taxation assets and liabilities are measured at the taxation rates that are expected to apply to the periods when the asset and liability giving rise to them are realised or settled, based on taxation rates and laws that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred taxation assets and liabilities reflects the taxation consequences that would follow from the manner in which the Company expects, at the balance sheet date, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred taxation is recognised as an expense or benefit in the Statement of Comprehensive Income, except when it relates to items credited or debited directly to equity, in which case the deferred taxation is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

At the balance sheet date, Ansvar makes an assessment whether it is probable that it will have taxable profits against which any temporary differences or unused taxation losses can be utilised before the unused taxation losses or unused taxation credits expire. In making this assessment, Ansvar considers the expected level of taxable profits in its future business plans against which the taxable losses can be utilised.

Ansva Insurance Limited

Notes to the Financial Statements For the financial year ended 31 December 2024

Note 8 Property, plant & equipment

	Furniture and fittings	Office & IT Equipment	Leasehold Improvements	Total
Cost				
Balance at 31 December 2022	56	1,243	-	1,299
Additions	401	251	1,270	1,922
Disposals	(25)	-	-	(25)
Balance at 31 December 2023	432	1,494	1,270	3,196
Additions	-	123	-	123
Disposals	-	(8)	-	(8)
Balance at 31 December 2024	432	1,609	1,270	3,311
Accumulated depreciation				
Balance at 31 December 2022	(36)	(963)	-	(999)
Depreciation expense	(9)	(160)	(26)	(195)
Disposals	6	-	-	6
Balance at 31 December 2023	(39)	(1,123)	(26)	(1,188)
Depreciation expense	(80)	(202)	(311)	(593)
Disposals	-	3	-	3
Balance at 31 December 2024	(119)	(1,322)	(337)	(1,778)
Net book value				
At 31 December 2023	393	371	1,244	2,008
At 31 December 2024	313	287	933	1,533

Property, plant and equipment accounting policy

Items of property, plant and equipment are recognised at cost less accumulated depreciation and impairment. Costs include expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is charged on property, plant and equipment and is calculated on a straight-line basis so as to write-off the net cost or other revalued amount of each asset over its expected useful life, accounting for any estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each financial year.

The following estimated useful lives are used in the calculation of depreciation:

- Furniture and fixtures: 5 years
- Leasehold improvements: Term of lease
- Office IT equipment: 3-5 years

Ansva Insurance Limited

Notes to the Financial Statements For the financial year ended 31 December 2024

Note 9 Intangible assets

	Contract Asset	Total
Cost		
Balance at 31 December 2023	-	-
Additions	300	300
Disposals	-	-
Balance at 31 December 2024	300	300
Accumulated depreciation		
Balance at 31 December 2023	-	-
Depreciation expense	(92)	(92)
Disposals	-	-
Balance at 31 December 2024	(92)	(92)
Net book value		
At 31 December 2023	-	-
At 31 December 2024	208	208

Intangible assets accounting policy

Intangible assets consist of acquired customer contracts and distribution relationships and are carried at cost at acquisition less accumulated amortisation and impairment. Amortisation is on a straight-line basis over the estimated useful life of intangible assets acquired. Amortisation and impairment charges incurred for the period are included in the statement of comprehensive income within other operating expenses.

For the contract asset acquired, as three-year useful life has been applied, which is the length of the referral term.

Impairment of assets accounting policy

At each balance sheet date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-taxation discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash generating unit is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash generating unit is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash generating unit in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

Configuration or customisation costs in a cloud computing environment accounting policy

Costs that do not result in the recognition of an intangible asset are expensed as incurred, unless they are paid to the supplier of the Software-as-a-Service arrangement to significantly customise the cloud based software for the Company, in which case the costs are recorded as a prepayment for services rendered and amortised over the expected renewable term of the arrangement.

Ansva Insurance Limited

Notes to the Financial Statements For the financial year ended 31 December 2024

Note 10 Leases

The Company assesses at contract inception whether a contract is or contains a lease (i.e. if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration).

The Company applies a single recognition and measurement approach for all leases, except short-term leases and leases of low value assets. The Company applies the short-term lease exemption to its short-term leases of equipment – i.e. those leases that have a term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases of low value assets are recognised as an expense on a straight-line basis over the lease term.

(a) Right-of-use assets

	Property	Copiers	Motor vehicles	Total
Cost				
Balance at 31 December 2022	998	62	139	1,199
Additions	3,731	-	-	3,731
Disposals	(250)	(62)	(139)	(451)
Lease incentive	(500)	-	-	(500)
Balance at 31 December 2023	3,979	-	-	3,979
Additions	-	-	-	-
Disposals	-	-	-	-
Lease incentive	-	-	-	-
Balance at 31 December 2024	3,979	-	-	3,979
Accumulated depreciation				
Balance at 31 December 2022	(425)	(61)	(127)	(613)
Depreciation expense	(899)	(1)	(10)	(910)
Disposals	219	62	137	418
Balance at 31 December 2023	(1,105)	-	-	(1,105)
Depreciation expense	(816)	-	-	(816)
Disposals	-	-	-	-
Balance at 31 December 2024	(1,921)	-	-	(1,921)
Net book value				
At 31 December 2023	2,874	-	-	2,874
At 31 December 2024	2,058	-	-	2,058

Lease right-of-use assets accounting policy

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost less any accumulated depreciation and impairment and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use asset are depreciated on a straight-line basis over the term of the lease.

Ansva Insurance Limited

Notes to the Financial Statements For the financial year ended 31 December 2024

Note 10 Leases (continued)

(b) Lease liabilities are payable as follows:

	Future minimum lease payments	Interest	Present value of minimum lease payments
2024			
Current	1,234	(103)	1,131
1-5 years	2,330	(87)	2,243
Balance at 31 December 2024	3,564	(190)	3,374
 2023			
Current	755	(135)	620
1-5 years	3,561	(190)	3,371
Balance at 31 December 2023	4,316	(325)	3,991

Lease liabilities accounting policy

At the commencement date of the lease, the Company recognises lease liabilities at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date, unless the interest rate implicit in the lease is readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (for example, changes to future payments resulting from a change in an index or rate used to determine such lease payments), or a change in the assessment of an option to purchase the underlying asset.

Ansvar Insurance Limited

Notes to the Financial Statements For the financial year ended 31 December 2024

Note 11 Other payables and liabilities

	2024	2023
Deposits from reinsurers	18,407	24,184
Indirect taxation payable	5,937	8,000
Sundry creditors and accruals	2,962	2,924
Unsecured amount owing to holding company	431	421
Total other payables and liabilities	27,737	35,529
Current	9,330	11,345
Non-current	18,407	24,184
Total other payables and liabilities	27,737	35,529

Trade and other payables accounting policy

Trade payables represent payables associated with the premium, reinsurance and other recoveries, claims and commission, and are accounted for under AASB 17. All other payables are classified as non-trade payables.

Payables are stated at cost, which is the fair value of future payments for the purchase of goods and services. Payables are recognised when the Company has a constructive obligation to make these payments.

Trade and other payables are non-interest bearing and normally settle within 12 months. The non-current portion has not been discounted as the effect of the time value of money is not material.

Goods and services taxation accounting policy

Income, expenses, assets and liabilities are recognised net of GST except:

- Where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).
- For receivables and payables which are recognised inclusive of GST.

The gross amount of GST recoverable from or payable to the ATO is included as part of receivables or payables.

Cash flows are included in the Cash Flow Statement on a net basis. The GST component of cash flows arising from investing and financing activities, which is recoverable from or payable to the ATO, is classified as cash flows from operating activities.

Ansva Insurance Limited

Notes to the Financial Statements For the financial year ended 31 December 2024

Note 12 Provisions

	Employee benefits	Other employee provisions	Provision for make good	Total
Balance at 31 December 2022	2,650	657	162	3,469
Additional provision recognised	1,126	1,168	-	2,294
Provision utilised during the year	(1,324)	(771)	-	(2,095)
Balance at 31 December 2023	2,452	1,054	162	3,668
Additional provision recognised	434	2,363	-	2,797
Provision utilised during the year	(948)	(1,399)	-	(2,347)
Balance at 31 December 2024	1,938	2,018	162	4,118
 2024				
Current	1,510	2,016	162	3,688
Non-current	430	-	-	430
Total provisions at 31 December 2024	1,940	2,016	162	4,118
 2023				
Current	1,688	1,054	162	2,904
Non-current	764	-	-	764
Total provisions at 31 December 2023	2,452	1,054	162	3,668
Employee benefits accounting policy				
Provisions are made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the balance sheet date when it is probable that settlement will be required and the amounts can be reliably measured.				
Provisions made in respect of employee benefits expected to be settled within 12 months are measured as the amount unpaid at the balance sheet date current pay rates in respect of employees' services up to that date.				
Provisions made in respect of employee benefits that are not expected to be settled within 12 months are measured at the present value of the expected future cash flows to be made by the Company in respect of services provided by employees up to the balance sheet date. Consideration is given to the expected future wages and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on high quality corporate bonds with terms to maturity that match, as closely as possible, the estimated future cash flows.				

Ansvar Insurance Limited

Notes to the Financial Statements For the financial year ended 31 December 2024

Note 13 Share capital

	2024	2023
Issued share capital 46,300,000 ordinary shares each fully paid (2023: 46,300,000)	46,300	46,300

Ordinary shares carry the right to dividends and one vote per share. No ordinary shares were issued to the shareholder during the current financial year (2023: nil).

Note 14 Other income

	2024	2023
Management services fees credited/(charged) to income	45	870
Remeasurement of loan to Canterbury Earthquake Church and Heritage Trustee Limited	54	235
Commission income	944	860
Sundry income	20	51
Total other income	1,063	2,016

Fee income accounting policy

Fee income is recognised when performance obligations are satisfied, regardless of when the payment is made. Performance obligations are considered satisfied when the services are substantially complete and provided to the customer. Where the balances include a significant financing component, the cash flows are discounted on inception and the income recognised over time as the accretion of interest under the effective interest method.

Note 15 Contingent assets and contingent liabilities

Ansvar has a bank guarantee facility totalling \$1,127,921 (2023: \$1,127,921) which comprises an undertaking by the bank pursuant to agreements for leased office premises in the event of extinguishing liabilities if necessary. The unused amount of the facility at 31 December 2024 is \$1,127,921 (2023: \$1,127,921).

Ansvar Insurance Limited

Notes to the Financial Statements For the financial year ended 31 December 2024

Note 16 Related parties

Ansvar's related parties fall into the following categories:

Controlled entities

Information relating to the controlled entities is set out in Note 17.

Holding companies

The ultimate holding company in the wholly-owned group is Benefact Trust Limited, incorporated in the United Kingdom. The immediate holding company of the Company is Ecclesiastical Insurance Office Plc, incorporated in the United Kingdom.

Directors

Refer to the Directors' Report for details of Ansvar's Directors during the current financial year. S. Jacinta Whyte and Mark Bennett were Executive Directors of Ecclesiastical Insurance Office Plc, Ansvar's immediate holding company, and the Deputy Group Chief Executive and Chief Financial Officer of Benefact Group Plc respectively, during the current financial year. Warren Hutcheon was Chief Executive Officer and a Director of ACS (NZ) Limited (ACS), Ansvar's former subsidiary domiciled in New Zealand, during the current financial year.

Other transactions with Directors or their related entities

Ansvar provides services to ACS under a management services agreement in exchange for a fee of NZD 3,000K (2023: NZD 3,000K). This is payable to Ansvar once ACS has settled all claims and the entity is wound up, provided there are surplus net assets as outlined in the agreement. The Company assessed that there would be sufficient surplus net assets in ACS to recognise the full amount as receivable in 2024 (2023: 100% recognised). The fees have an expected payment date of 30 June 2029. The impact to the income statement is due to the unwind of interest under the effective interest method.

Ansvar provides a loan to ACS' parent, Canterbury Earthquake Church and Heritage Trust (the Trust) of NZD 3,000K (2023: NZD 3,000K). The loan is interest-free and becomes due and payable once the Trust has sufficient liquid net assets out of which it can repay the loan, which will be available once ACS is wound up and the remaining net assets transferred to the Trust. As at 31 December 2024, the Trust does not have sufficient liquid net assets to repay the loan, hence, the loan is not callable. The Company considers the full amount to be recoverable as at 31 December 2024. The impact to the income statement is due to the unwind of interest under the effective interest method.

Details of the impact on the profit/loss before income taxation can be found in Note 14.

In the normal course of business, Ansvar incurs certain expenses which are recharged to ACS. There were no other transactions between the entities during the year.

Wholly-owned group

The wholly-owned group consists of Benefact Trust Limited and its wholly-owned controlled entities, including Ansvar.

Ansvar Insurance Limited

Notes to the Financial Statements For the financial year ended 31 December 2024

Note 16 Related parties (continued)

On 1 January 2020, Ansvar entered into an adverse development cover (ADC) contract with Ecclesiastical Insurance Office plc, which was renewed on 1 January 2024. The contract protects against the adverse development in both outstanding case estimates and claims incurred-but-not-reported (IBNR), as at the balance date of the prior financial year, on physical and sexual abuse (PSA) claims up to a limit of \$20,000K (2023: \$20,000K), of which the entire \$20,000K coverage (2023: \$4,308K) was utilised in 2024.

On 1 January 2022, Ansvar entered into a whole of account stop loss reinsurance contract with Ecclesiastical Insurance Office Plc, which was renewed on 1 January 2024. The stop loss reinsurance cover protects against the Company's current year profit before income taxation from falling below \$1,000K, up to a reinsurance limit of \$20,000K. In return, a profit share of 50% is payable to the reinsurer where the Company's current year profit before income taxation is in excess of Ansvar's budgeted profit before income taxation. As the Company has made a loss before income tax of \$16,221K (prior to the stop loss) during the year, the stop loss arrangement has been utilised to ensure a profit before tax of \$1,000K and a receivable of \$17,221K has been recognised under this arrangement.

Ansvar entered into the following transactions with its holding company:

	2024	2023
Income		
Amounts recovered from reinsurance	38,587	9,480
Expenses		
Interest on collateral	385	572
Reinsurance premium incurred	11,701	9,844
Information Technology expense recharges	262	223
Other expense recharges	828	392

The above transactions were entered into on commercial terms and conditions and at market rates.

Aggregate amounts receivable from/(payable to) entities in the wholly-owned group at the balance sheet date were as follows:

Current

Unsecured amount owing by/(to) holding company	36,729	7,524
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Note 17 Discontinued operations

The Company previously wholly-owned two subsidiaries, Ansvar Risk Management Services Pty Ltd and Ansvar Insurance Services Pty Limited. Both of these entities were dormant and neither entered into any transactions during the current financial year (2023: None).

Ansvar Risk Management Services Pty Ltd was deregistered before 31 December 2024. Additionally, management initiated the wind-up and deregistration process for Ansvar Insurance Services Pty Limited before the balance date. As of 31 December 2024, the deregistration of Ansvar Insurance Services Pty Limited was still in progress. As this entity did not enter into transactions during the current financial year, nor hold any balances as at the end of the financial year, it was not deemed material and therefore was not consolidated.

Ansvar Insurance Limited

Notes to the Financial Statements For the financial year ended 31 December 2024

Note 18 Capital adequacy

The table below sets out Ansvar's unaudited Regulatory Capital, Prescribed Capital Amount and Prescribed Capital Amount Coverage Ratio calculated in accordance with the Australian Prudential Regulation Authority's (APRA) Prudential Standards. This note is based on unaudited results defined by APRA's reporting standards from the Company's December 2024 quarterly return.

	2024	2023
Net Assets	106,517	106,094
Less: Regulatory Adjustments	(507)	1,510
Total Regulatory Capital	106,010	107,605
 Prescribed Capital Amount		
Insurance Risk Charge	36,195	31,615
Insurance Concentration Risk Charge	6,580	5,384
Asset Risk Charge	17,356	16,776
Operational Risk Charge	6,400	5,767
Less: Aggregation Benefit	(10,857)	(10,201)
Total Prescribed Capital Amount	55,674	49,341
 Prescribed Capital Amount Coverage Ratio	1.90	2.18

Ansva Insurance Limited

Notes to the Financial Statements For the financial year ended 31 December 2024

Note 19 Reconciliation of profit/(loss) after income taxation to net cash flows from operating activities

	2024	2023
Profit/(loss) after income taxation	423	964
Adjustments for:		
Depreciation of property, plant & equipment	593	195
Depreciation of lease right-of-use assets	816	910
Depreciation on intangible assets	92	-
Disposal of property, plant & equipment	5	-
Interest received	(8,847)	(8,066)
Realised losses/(gains) on disposal of investments	560	354
Unrealised losses/(gains) on investments	(864)	(7,476)
Investment management fee	380	334
Decrease/(increase) in current taxation asset	(778)	(842)
Decrease/(increase) in deferred taxation asset	575	36
Changes in operating assets and liabilities:		
Decrease/(increase) in other receivables	840	(1,027)
Decrease/(increase) in reinsurance contract assets	(20,724)	56,308
(Decrease)/increase in other payables	(7,791)	(3,863)
Increase in provisions	450	199
(Decrease)/increase in insurance contract liabilities	27,135	(34,877)
Decrease in adjustment on transition to AASB17	-	600
Net cash inflow/(outflow) from operating activities	(7,135)	3,749

Ansvar Insurance Limited

Notes to the Financial Statements For the financial year ended 31 December 2024

Note 20 Subsequent events

Apart from the following, there has not been any matter or circumstance that has occurred between the balance sheet date and the date of this report that has significantly affected, or may significantly affect, the Company's operations in future financial years, the results of those operations or the Company's state of affairs in future financial years.

Effective 1 January 2025, the Company entered into a Loss Portfolio Transfer reinsurance arrangement with its immediate parent, Ecclesiastical Insurance Office plc (EIO). This arrangement transferred all residual case estimate liabilities for Physical and Sexual Abuse (PSA) claims as at 31 December 2024, plus an allowance for future development via an incurred-but-not-enough-reported (IBNER) provision. This transfer ensures that Ansvar is protected against any future development on reported claims as at that point. This arrangement works alongside the PSA Adverse Development Cover (ADC) contract with EIO as outlined in Note 16 above. The impact will be a \$24,047K reduction in discounted net case estimates and a \$2,207K reduction in discounted net IBNER. The premium paid by the Company is equal to 50 percent of the discounted risk adjustment on the net case estimates and IBNER, equivalent to \$1,508K. This arrangement is also expected to have a positive impact on the Company's APRA Prescribed Capital Amount Coverage Ratio, which will remain within risk appetite range.

This transaction was entered into on commercial terms and conditions and at market rates.

Note 21 Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

The aggregate compensation of the Company's key management personnel is set out below.

	2024	2023
Short term employee benefits	5,024	4,076
Long term employee benefits	115	148
Superannuation benefits	345	328
Termination benefits	104	138
Total	5,588	4,690

The comparative figures in the above note have been restated to reflect minor updates in compensation expenses, the impact of which is not material.

Note 22 Remuneration of auditor

	2024	2023
	\$	\$
Auditor of the Group		
Audit of financial statements	370,680	341,361
Other services ⁽ⁱ⁾	108,477	409,115
479,157	750,476	

(i) Includes other assurance engagements required by the Australian Prudential Regulation Authority, the Australian Securities and Investments Commission and the New South Wales Government.

Ansvar Insurance Limited

Notes to the Financial Statements For the financial year ended 31 December 2024

Note 23 New Accounting Standards and Interpretations

The Australian Accounting Standards Board published amendments to AASB 112 Income Taxes (AASB 112). The amendments relate to the implementation of the Organisation for Economic Co-operation and Development (OECD) Base Erosion and Profit Shifting (BEPS) Pillar Two Model Rules (Pillar Two Rules) as set out in Note 7. The Group has determined that the Company is not in-scope for the Pillar Two Rules for the year ending 31 December 2024 and, if considered applicable, expects to apply the country-by-country-reporting transitional safe harbours. As a result, the Company is not impacted by the Pillar Two rules or AASB 112 amendments.

There are no other new or amended accounting standards or interpretations that are not yet effective and that would be expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

Note 24 Reclassification of comparative information

The Company has reclassified a number of comparatives in order to improve the relevance and readability of the financial statements. These changes have been outlined below. Note that none of these changes have any impact on the 2023 comparative profit or net assets results.

The Company previously presented the net balance owed from/owing to its immediate parent, Ecclesiastical Insurance Office plc (EIO), as part of Other receivables or Other payables and liabilities. This balance included amounts relating to reinsurance contracts held by the Company with EIO as the counterparty. However, management considers it to be more relevant if these balances are presented within the Reinsurance contract assets line item in the Balance Sheet.

Prior year comparatives have been reclassified by decreasing Other receivables by \$7,524K, increasing Reinsurance contract assets by \$7,944K, and increasing Other payables and liabilities by \$421K. The Company has also made changes to the presentation of discounting within the Statement of Comprehensive Income. Discounting on new reserves are now included in the Insurance service expenses line item, whilst changes in discount rates and discount rate unwind are included in the Insurance financial result.

Reclassification of prior year comparatives has increased Insurance service expenses by \$3,974K, increased Amounts recovered from reinsurance by \$2,458K, increased Finance income/(expenses) from insurance contracts issued by \$3,060K and decreased Finance income/(expenses) from reinsurance contracts held by \$1,544K.

The above changes have also impacted the Cash Flow Statement. Prior year comparatives have been reclassified by increasing Reinsurance recoveries received by \$2,685K, decreasing Other income by \$10K and increasing Overhead allocation and other operating expenses paid by \$2,674K.

Ansvar Insurance Limited

Consolidated Entity Disclosure Statement As at 31 December 2024

31 December 2024				
Name of entity	Type of entity	% of share capital	Place of incorporation	Australian resident or foreign resident
Ansvar Insurance Limited	Body corporate	n/a*	Australia	Australian
Ansvar Insurance Services Pty Limited	Body corporate	n/a**	Australia	Australian

*Ansvar Insurance Limited was the head entity of the consolidated group prior to the voluntary wind-up and deregistration process commencing for the dormant entities (refer to Note 17).

**The entity did not have any share capital on issue at any point during or as at the financial year ended 31 December 2024.

Basis of preparation

This consolidated entity disclosure statement (CEDS) has been prepared in accordance with the *Corporations Act 2001* and includes information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with AASB 10 *Consolidated Financial Statements*. This includes entities controlled by Ansvar Insurance Limited which were dormant during the financial year (refer to Note 17).

Determination of tax residency

Section 295(3A)(vi) of the *Corporations Act 2001* defines tax residency as having the meaning in the *Income Tax Assessment Act 1997*. The determination of tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency. In determining tax residency, the Company has applied the current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.