ACASTA EUROPEAN INSURANCE COMPANY LIMITED

SOLVENCY AND FINANCIAL CONDITION REPORT

As at 31 December 2016

Contents

Summary

The business continues to grow by offering a diversified range of niche products of low volatility in range of territories where we can differentiate ourselves by service rather than price alone.

Whilst we endeavour to closely follow our forecasts and budget plans, we recognise the need to be flexible and opportunistic where necessary.

We have maintained our target loss ratios and closely monitor the performance of all of the schemes we underwrite. Our expenses are closely controlled and maintained at a modest level.

The business has recently entered the Surety market with the support of two A rated reinsurers that specialise in that class of business. Further reinsurance support will be sourced if required.

We employ strong governance procedures with the assistance of our outsourced specialist partners, Artex, Mazars and PriceWaterhouseCoopers.

During this reporting period, a capital injection was made in order to support the continued growth of the company and to ensure solvency requirements continue to be met. The shareholders will not take dividends from the company in the foreseeable future, it is their intention to continue to develop and grow the business.

A. Business and Performance

A 1. Business Information

A 1.1 Company Details:
Acasta European Insurance Company Limited (AEICL, The Company)
P.O. Box 1338
First Floor
Grant Ocean Plaza
Ocean Village
Gibraltar

Limited Liability Company incorporated in Gibraltar
Registered number 96218

A 1.2 Supervisory Authority:
Financial Services Commission (Gibraltar)
P.O. Box 940
Suite 3, Ground Floor
Atlantic Suites
Europort Avenue
Gibraltar

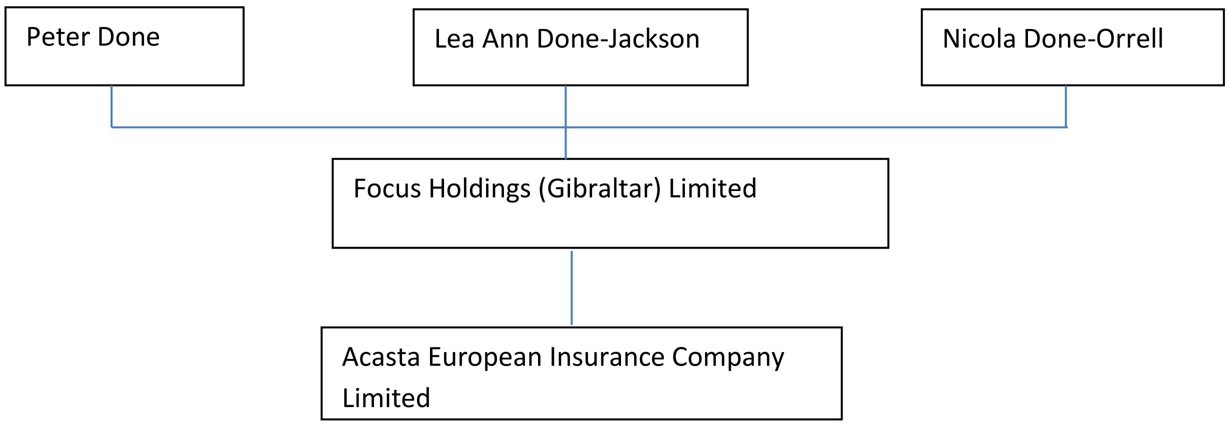
A 1.3 Auditor:
RSM
21 Engineer Lane
Gibraltar
GX11 1AA
www.rsm.gi

A 1.4 Ultimate Shareholders:
Acasta is a 100% subsidiary of Focus Holdings (Gibraltar) Limited, a company incorporated in Gibraltar. Focus Holdings (Gibraltar) Limited is the holding company of Acasta European Insurance Company Limited and does not hold investments in any other insurance undertakings. Focus Holdings does not have any activities other than that of a holding company.

Direct and indirect holders of qualifying holdings in the Company are:

Name	**Legal Form**	**Country**	**Proportion of ownership interest**
Focus Holdings (Gibraltar) Limited	Company limited by shares	Gibraltar	100%
Peter Done	N/A	United Kingdom	28.44
Lea Ann Done-Jackson	N/A	United Kingdom	28.44
Nicola Done-Orrell	N/A	United Kingdom	27.12

A 1.5 Group Structure:



A 1.6 Employees

The company does not have any full time employees other than the directors of the business engaged by service contracts or other remuneration in the performances of services to the company.

A 1.7 Material Lines of Business and Geographical Areas:

The company writes business across several licence classes in multiple territories and more than one currency. The table below shows the business by licence class for the year to December 2016. Where appropriate, the figures below have been translated into GBP at the prevailing foreign exchange rate.

Country	**Property**	**Legal Expense**	**Assistance**	**Miscellaneous Financial Loss**		**Total**
UK	146,515	6,884,279	4,734	2,523,859		9,559,387
France	2,054,688			7,110,692		9,165,380
Germany				756,568		756,568
Austria				338,434		338,434
Czech Rep.				218,294		218,294
Slovakia				110,807		110,807
Poland				20,504		20,504
Total	2,201,203	6,884,279	4,734	11,079,159		20,169,374
All figs in GBP						

A 1.8 Significant Business or Other Events

On 23rd June 2016 the United Kingdom voted to withdraw from the European Union. The outcome of the negotiations over the next two years on the terms of the UK's exit is inherently uncertain. For the business that is written in the UK it is anticipated that the ability of Gibraltar companies to write UK business will be retained which is derived through the 'bilateral' Financial Services Act and Markets Act 2000 (Gibraltar) Order 2001, the next two years are expected to result in a period of economic and political uncertainty. The company also writes business into other EEA territories on a Freedom of Services basis, typically referred to as 'passporting' of authorisation into another EEA jurisdiction without the need for authorisation in that jurisdiction. The Board continues to monitor the Brexit negotiations and whether the passporting of services will remain in place or indeed whether other cross border arrangements are agreed. Whilst the specific consequences are not yet known the company is making alternative contingency plans to mitigate any impact on the business written both in the UK and EEA territories. Such plans would include timely relocation to another EEA territory. The company will consider all aspects in it's planning including operational structure, revenue generation, products and services in existing and new or changing markets.

The company paid a series of claims on certain policies and these claims are now subject to recoveries. The Board is confident of a reasonable level of success in seeking these recoveries.

A 1.9 Objectives and Trends

The objectives of the company are to seek to,

- Maintain its current strong market position for its current range of products and services.
- Develop and exploit new market opportunities to enhance growth.
- Write a profitable yet diverse portfolio of niche insurance risks that typically do not give rise to high severity claims, and hence generate a less volatile underwriting result. As such the company is not exposed to catastrophic risks.
- Attract and keep profitable clients and customers by delivering excellent service.
- Achieve long term economic presence and significance in niche markets.
- Optimise shareholders return.

The company underwrites a variety of products across several territories as set out is table A1.7

During 2016, the company obtained a General Liability class (Class 13), and Suretyship (Class 15), in order to continue to expand into other niche product areas and offer additional products to existing distributors.

A 2. Underwriting Performance

The table below analyses the underwriting result by Solvency II class of business:

The company prepares its financial statements in accordance with Generally Accepted Accounting Principles in Gibraltar ("GAAP") and the underwriting performance information given in this section is therefore on a GAAP basis

Given the company's low level of exposure to high severity claims or catastrophe events, the company only purchased quota share reinsurance to provide reinsurance protection on the large commercial legal expense policies.

	Property	LEI	Assistance	Misc Fin	
	C0070	C0100	C0110	C0120	Total
Gross Written Premiums	2,201,203	6,884,279	4,734	11,079,159	20,169,374
Outward Reinsurance Premiums	-	(733,974)	-	-	(733,974)
New Written Premiums	2,201,203	6,150,305	4,734	11,079,159	19,435,400
Change in provisions for unearned premiums	(1,793,835)	-	(1,650)	(2,915,284)	(4,710,769)
Net Earned Premiums, net of reinsurance	**407,368**	**6,150,305**	**3,084**	**8,163,875**	**14,724,631**
Claims Paid - gross amount	252,935	884,798	-	5,083,908	6,221,641
Claims Paid - reinsurers share	-	(157,623)	-	-	(157,623)
Net Claims Paid	**252,935**	**727,175**	**-**	**5,083,908**	**6,064,018**
Change in provision for claims - gross amount	90,407	1,908,783	2,004	1,644,869	3,646,063
Change in provision for claims - reinsurers share	-	21,198	-	-	21,198
Change in net claims provision	**90,407**	**1,929,980**	**2,004**	**1,644,869**	**3,667,261**
Claims incurred,net of reinsurance	**343,341**	**2,657,155**	**2,004**	**6,728,778**	**9,731,279**
Net Operating Expenses					3,964,223
Balance of technical account					**1,029,129**

The Net Written premiums have increased by 60% over that past 12 months. This is in line with the company's budget and is a result of planned expansion in other lines of business and different territories.

* Audited financial accounts for the year ended 31 December 2016 are expected to be finalised by 30 June 2017.

The company paid a series of claims on certain policies and these claims are now subject to recoveries. The Board is confident of a reasonable level of success in seeking these recoveries.

A 3. Investment Performance

With Euro interest rates falling to less than zero the company appointed an external investment manager, Lombard Odier Darier Hentsch, to invest surplus Euro balances into a diversified highly and highly rated fixed interest investment portfolio.

In order to minimise currency exposure assets and liabilities are held and matched in the same currency.

During 2016 the portfolio was further diversified to include two small holdings in diversified high yield bond funds, and a small exposure to unrated European corporate bonds, where the issuer is of strong financial strength and has the appropriate level of coupon cover.

The investment manager has discretion to use derivative instruments for hedging purposes in order to minimise the adverse impact of interest rate and exchange rate movements.

The investment committee also monitors the asset and liabilities by major currency. Where mismatches are present the company will also use currency forwards to minimise the mismatch.

The company has a residential property in Gibraltar, this has been revalued in the year to £500k, based on an arms length valuations provided by a RICS qualified surveyor.

At 31 December 2016, the Company's investment portfolio comprises of the following assets:

	As at 31 December 2016		As at 31 December 2015	
	Amount	% Total	Amount	% Total
	£'000	%	£'000	%
Asset Class				
Corporate Bonds	3,190,222	38%	1,335,404	30%
Government Bonds	196,483	2%	-	0%
Funds	844,558	10%	143,640	3%
Derivatives				0%
Cash and Cash Equivalents	4,133,560	49%	2,903,094	66%
Total	**8,364,823**	**100%**	**4,382,138**	**100%**

For the year ended 31 December 2016, the investments yielded the following returns

	As at 31 December 2016		As at 31 December 2015	
	Amount	% Total	Amount	% Total
	£'000	%	£'000	%
Asset Class				
Corporate Bonds	185,666	125%	(38,289)	143%
Government Bonds	(2,356)	-2%	-	0%
Funds	2,896	2%	-	0%
Derivatives	(48,391)	-33%	(4,453)	17%
Cash and Cash Equivalents	10,956	7%	16,054	-60%
Total	**148,769**	**100%**	**(26,688)**	**100%**

The company does not invest in securitisations or equities.

A 4. Performance of other activities

The company receives profit commissions on a quota share reinsurance treaty that incepted in April 2011 for a three year period.

The profit commission income in 2016 was £22k, (2015: £53k)

B. Systems of Governance

B 1. General information

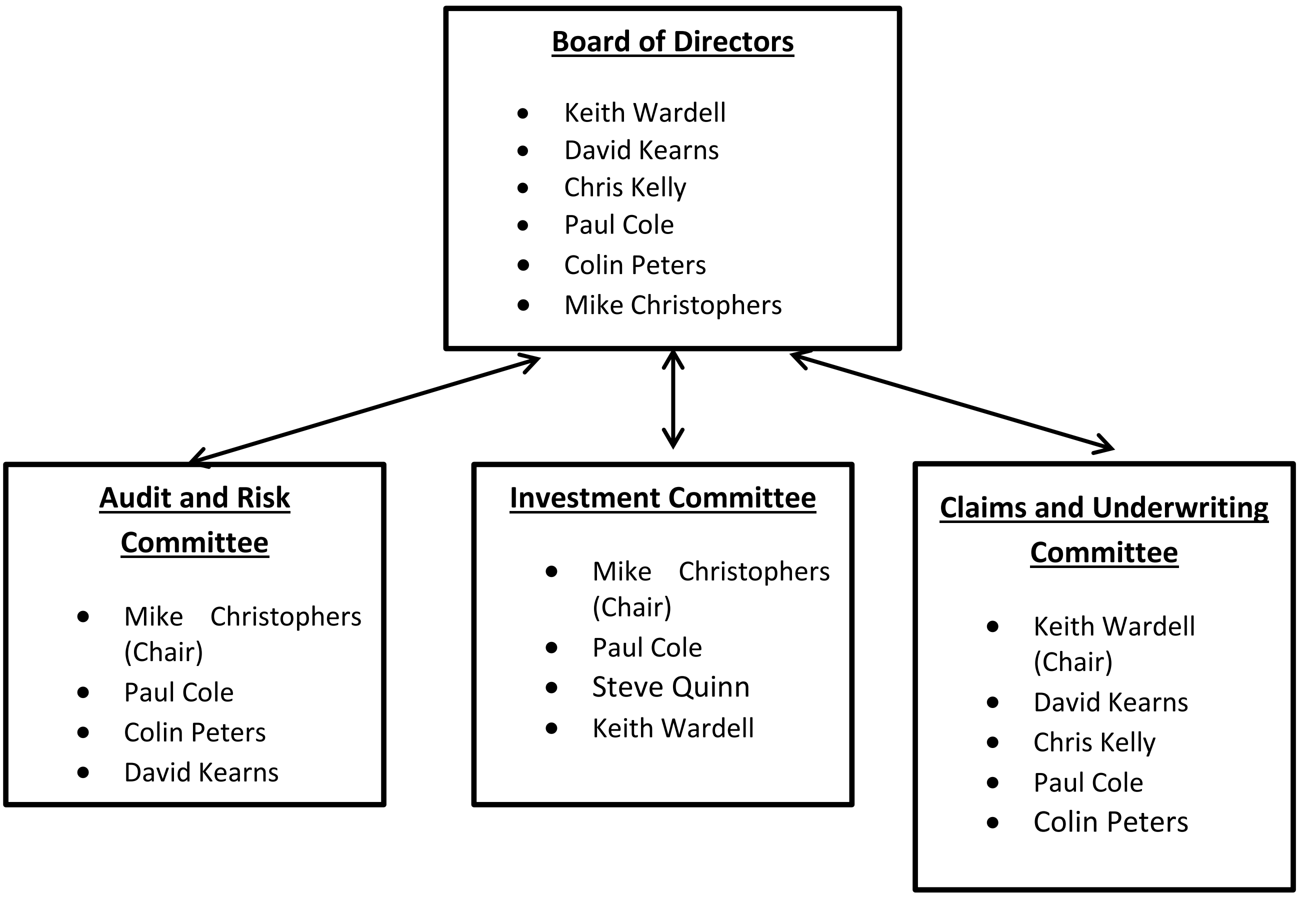
B 1.2 Structure of the Board and Committees

Acasta carries out its functions via the Board of Directors, various Committees and carefully selected, experienced, outsourced service providers.

The Directors of Acasta are:

- Keith Wardell - Executive Director
- David Kearns - Executive Director
- Chris Kelly - Executive Director
- Paul Cole - Executive Director
- Colin Peters - - Executive Director
- Mike Christophers – Independent Non-Executive Director

The company's board and committee structures are set out below



Acasta's Company Secretary is Raphy Abergel.

The key outsourced service providers used by Acasta are:

- Acasta Europe Limited (AEL) - data analysis and support, underwriting support, claims control and oversight, operational auditing, debtor control, sales and marketing and oversight and monitoring performance of outsourced service providers based in mainland Europe.
- Artex Risk Solutions Limited – insurance management to include provision of accounting, compliance and company management services.
- Claims handlers throughout Europe that have met our due diligence requirements.
- CTC Ltd –maintains, hosts and develops the company's computer system.
- Mazars in respect of Actuarial Function Holder services
- PWC Gibraltar Limited in respect of internal audit

The Board is responsible for overseeing the business of Acasta, for providing strategic direction and for supervising management. While the Board delegates certain function to Sub-Committees, this does not absolve the Directors of their responsibility to the Company.

The Board and sub-committees of the Board operate under agreed Terms of Reference which set out the following key responsibilities:

Board Terms of Reference

Key responsibilities of the Board, as set out in the Terms of Reference are:

- Strategic planning
- Monitoring the financial performance of the company
- Risk management – identify key risks and ensuring the implementation of the appropriate systems of controls
- Risk management – monitoring systems of controls
- Ensuring a culture of integrity
- Reviewing and approving material transactions
- Reviewing and approaching policies to ensure statutory and regulatory compliance
- Oversight of financial and management reporting
- Overseeing the calculation of the SCR and technical provisions
- Overseeing, guiding and challenging the ORSA and approving the ORSA report
- Overseeing the completion of quarterly and annual QRTs, the SFCR and the RSR

The chair of the Board is Keith Wardell

Claims and Underwriting Committee Terms of Reference

Key responsibilities of the Claims and Underwriting Committee, as set out in the Terms of Reference are:

- To implement the claims handling, reserving and setting strategy and philosophy agreed by Acasta European Insurance Company Limited Board in a way that optimises the Insurer's technical result to that contained in the Insurer's business plan.
- To report on the actual technical performance against the technical result forecast in the business plan and identify threats, risks and issues which are or may impact on the forecast technical result.
- To manage and control the Insurers claims handling, reserving and settlement arrangements with outsourced service providers ensuring that the Insurer's strategy, philosophy and authorities delegated are

implemented in a way that optimises the Insurer's technical result to that contained in the Insurer's business plan.

- To provide guidance and where appropriate agree and instruct on the handling, reserving and settlement strategy at a case level on large claims and claims referred to the meeting by outsourced service providers.
- To receive, review, consider, challenge and where appropriate accept reports and recommendations from outsourced service providers as appropriate and where in the best interests of the Insurer.
- To provide a formal forum for the Board of Acasta European Insurance Company Limited to review the ongoing performance and account management of each of the Insurer's product lines.
- To provide a formal forum for the Board of Acasta European Insurance Company Limited to review the ongoing performance and account management of key intermediaries and distribution network.
- To receive, consider, review, challenge and where appropriate agree recommendations and proposals made to the meeting (including those received from any outsourced service providers) in respect of proposed changes to the underwriting and/or rating of the Insurer's products.
- To establish the Underwriting Strategy and Philosophy of Acasta European Insurance Company Limited.
- To ensure principles of TCF are being upheld throughout the product research, design and development process and on an on-going basis, using trend analysis to identify potential areas of concern.
- To receive, review, note and where appropriate challenge changes made to underwriting and rating of the Insurer's product lines where those changes fall within the underwriting and rating authorities granted to others including appointed outsourced service providers and/or intermediaries.
- To ensure any matters of suitable note, formality or authority are recorded and where deemed to be material they are escalated to the Acasta European Insurance Company Limited Board.

The chair of the Claims and Underwriting committee is Keith Wardell

Audit and Risk Committee Terms of Reference

Key responsibilities of the Audit and Risk Committee, as set out in the Terms of Reference are:

- Develop, manage, monitor and report to the Board on the internal and external audit strategy of the Insurer, ensuring the requirements of the business plan, risk appetite of the Insurer and any statutory or regulatory requirements are met.
- Manage, monitor and report to the Board on the performance of the Insurer's external auditors and the effectiveness of internal audit arrangements.
- Negotiating with external auditors to secure best possible terms and monitoring their performance ensuring they represent value for money and meet the needs of the business.
- Monitoring and reporting on changes to accounting standards, financial regulation and legislation and identifying any potential impact to the Insurer.
- Ensuring the internal audit programme has been communicated internally as required within the Insurer and externally as required to regulatory authorities and other interested parties.
- To assist the Board in discharging their corporate governance responsibilities.
- To ensure due care and skill is exercised in relation to compliance with statutory and regulatory requirements and that compliance is embedded in the culture of the Insurer, its core systems and processes and its management and employees.
- To ensure the reputation and integrity of the Insurer is maintained at the highest possible standard.
- To monitor, review and report to the Board of the Insurer that the Insurer is compliant and where not compliant that action has been taken to reinstate compliance.

Mike Christophers, the independent non-executive director, is the chair of the Audit and Risk Committee.

Investment Risk Committee Terms of Reference

Key responsibilities of the Investment Committee, as set out in the Terms of Reference are:

- To set up a liquidity/securities ratio policy which reflects the Company's liabilities and report to the Board, and make recommendations to the Board where change is required to meet the Investment Strategy and the Cash Flow Strategy.

- To identify threats, risks and issues to the Board which are or may impact on the forecast investment result, or reduce capital.

- Monitor the performance of the Company Investment Managers to ensure that investment returns fall within acceptable limits and that the Investment Managers meet the needs to business and provide value for money.

- Assess the recommendations made by the Treasurer and/or Investment Managers and report as appropriate to the Board.

- To provide the Board with a monthly report on investment performance.

- To review the governance process and policies in place on an annual basis and report appropriately to the Board.

- To monitor and report to the Board on agreed Key Performance Indicators.

- To maintain a rolling 12 month cash flow forecast identifying planned inflows and outflows against achieved actual.

- To monitor and ensure that excess funds are invested within 10 days of receipt in accordance with Company policy.

- Ensure the Treasurer provides a monthly report to the Committee within 10 days of the month end of all activity, including an overview of the reports from Investment Managers.

- Ensure assets and liabilities are appropriately matched in underlying local currency.

- Give due consideration to Solvency II, in respect of all investments decisions taken, and advise the Board accordingly on such matters.

Paul Cole is the Chair of the Investment Committee.

B 1.3 Changes During The Period

The have been no changes to the membership to the Board and the above sub-committees during the year.

B.1.4 Key Functions

Acasta has in place the four key functions as required by the Solvency II Directive. These are:

- Risk Management
- Compliance
- Actuarial
- Internal Audit

These functions are responsible for providing oversight of the relevant area and providing assurance to the Board on the operation of the Company's risk management framework. All functions are overseen by Directors of the business, thus ensuring they have the appropriate authority to carry out their roles.

B 1.4.1 Risk Function

The Board delegates oversight of the risk function to the Audit and Risk Committee. The Chair of the audit and risk committee is Mike Christophers.

The function holder is supported in his role by the outsourced service providers, including the Company's insurance manager and the third party administrator, who provide input into and assistance with risk management.

The Board has retained responsibility for risk management and the function therefore has the required authority to fill its role.

B 1.4.2 Compliance Function

Acasta outsources compliance services to its insurance manager, with the function overseen by Colin Peters.

The Board has approved a compliance monitoring programme, which is updated on an annual basis, and is intended to ensure that Acasta complies at all times with all relevant rules, regulations, legislation and guidance to which the Company is subject, both in Gibraltar and, where applicable, in the UK and other territories.

Being outsourced, the function is operationally independent from the other areas of the business and, while it reports to the Board, the Board is not able to influence the function or to exert other inappropriate pressures. The Compliance function is authorised to access all areas of the business and is therefore entitled to full and unrestricted access to all information, records, property, personnel and activities, including those residing with outsourced service providers.

The Compliance function formally reports to the Board on a quarterly basis.

B 1.4.3 Actuarial Function

The Actuarial Function has specific duties and responsibilities under Solvency II. Acasta outsources actuarial function holder support to Mazars LLP, with oversight from Mike Christophers as the Actuarial Function Holder. The outsourcing arrangement ensures that the actuarial function is operationally independent.

- Specific duties of the Actuarial Function include, but are not limited to:
- Coordinating the calculation of the firm's technical provisions
- Assessing the sufficiency and quality of the data used in the calculation of technical provisions against the data quality standards as set in Solvency II
- Informing the Board of the reliability and adequacy of the calculation of technical provisions
- Expressing an opinion on the overall underwriting policy
- Expressing an opinion on the adequacy of reinsurance arrangements
- Contributing to the effective implementation of the risk management system
- Preparing the Actuarial Function Report for the Board at least annually

B 1.4.4 Internal Audit

Acasta's Internal Audit function is overseen by Paul Cole. Internal Audit is responsible for evaluating the approach to risk management and governance, with particular emphasis on the internal control system.

Acasta outsources the Internal Audit function to PWC, who have the skills, knowledge and expertise to provide the services and are entirely independent from operational aspects of the business.

B 1.5 Remuneration Policy

Acasta does not have any employees other than the Directors of the Company. As at 31 December 2016 the Company has one Independent Non-Executive Director. The independent Non-Executive Director and Chairman of the Board are the only individuals to receive remuneration from the Company. All other Directors are remunerated elsewhere.

Acasta therefore does not have a separate Remuneration Committee, with responsibility for this area being retained by the Board.

The Independent Non-Executive received a fixed fee and there were no variable or performance-related elements to the remuneration. The remuneration of the Chairman is defined in the employment contract, Acasta does not provide any healthcare or medical plans or pensions.

B 1.6 Material Transactions

On 30the September 2016 the Company's parent subscribed for additional capital in the form of 1,400 ordinary fully paid up shares at £854 each in order to improve the company's solvency surplus to a more significant surplus position.

There were no other material transactions.

B 2. Fit and Proper Requirements

B 2.1 Requirements for Skills, Knowledge and Expertise

It is the responsibility of the Board to ensure that the individuals running the business or fulfilling key functions have the appropriate knowledge and skills to do so. To achieve this, an assessment takes place prior to appointment to a role and is reviewed annually by the Board. Additionally, the Board will review fitness and propriety on an ad hoc basis when becoming aware of a potential issue.

This assessment will in particular focus on the following areas:

- Understanding of Insurance and financial markets
- Knowledge of business model and strategy
- Understanding System of governance
- Financial analysis skills
- Actuarial analysis and management information
- Regulatory framework and requirements

B 2.2 Policies and Processes with regard to Fit and Proper Requirements

An assessment takes place prior to appointment to a role and is reviewed annually by the Board. Additionally, the Board will review fitness and propriety on an ad hoc basis when becoming aware of a potential issue.

Individuals are required to ensure their skills and knowledge are kept up-to-date. On an annual basis, each individual involved in the company listed above will be required to complete a self-certification form to evidence ongoing professional development.

All individuals carrying out key or significant functions for Acasta are required to demonstrate that they meet the Company's proper requirements with regard to their reputation and character. In order to assess whether this requirement is met, the following factors will be considered:

- the individual's character;
- the individual's personal behaviour;
- the individual's business conduct;
- any criminal aspects;
- any financial aspects;
- any regulatory aspects.

The compliance function ensures that appropriate Notification Documents are prepared for all individuals carrying out notifiable functions and submitted for regulatory approval. The compliance function is responsible.

B 3. Risk Management System including ORSA

B 3.1 Risk management System Overview

As set out in the company's Own Risk and Solvency Assessment, the Board has identified the following key risk areas for Acasta:

1. Capital Adequacy Risk
2. Market Risk
3. Liquidity Risk
4. Reputational Risk
5. Profitability Risk

These are further broken down into the following headings:

- Operational: AEL staff, computerised systems and data security, outsourced services
- Insurance: supply of business, underwriting, premium rates, policy cover, claims, records, customers, systems and controls, reputation
- Market: investments, capital and income
- Credit risk: premiums, reinsurers and investments
- Liquidity: counterparty risks, claims values
- Reserve risk: value of our claim provisions
- Regulatory Risk: impact of regulatory failures
- Capital Risk: consequences of not meeting our Solvency requirement
- Strategic Risk: suitability of business plan
- Brexit Risk: inability for the company to continue to passport

B 3.1.1 Risk Management Strategies, Objectives, Processes and Reporting

Governance arrangements position the Acasta Board at the apex of the risk management process, suitably supported by the Audit and Risk Committee. The Board, the Audit and Risk Committee, executive management have the following accountabilities in this policy:

- The Board approves and confirms that defined risks are complete and reflect the full range of business risks to which Acasta is exposed by reviewing the entire risk register on a six monthly basis and the top ten risks at each quarterly board meeting;
- The overall risk appetite is set by the Board and informed by its strategic objectives. The Board regularly looks at possible scenarios and examines their positive/adverse effects to ensure the continued suitability of the risk appetite;
- The Audit and Risk committee considers risk reports, including the results of stress tests and other management information in order to support the Board in its decision making on risk related issues. The Committee also makes recommendations to the Board regarding additions /modifications to the register as appropriate. In addition, the Committee uses the risk register to produce a summary of the principal risks facing the business which is reviewed and approved by the Board on a quarterly basis;

The Board is responsible for the day to day operation of Acasta's risk management processes and the production of management information that allows for timely and relevant decision making on risk related matters.

The Company sets risk appetite and tolerance limits for each category of risk and monitors performance on a quarterly basis.

B 3.1.2 Identification, Measurement, Monitoring, Management and Reporting of Risks

The Board retains responsibility for the identification and monitoring of the material risks inherent in the business. However, the Compliance function will report to the Audit and Risk Committee with in turn reports to the Board on a regular basis with regard to the most material risks as identified in the risk register.

The Internal Audit function will report to the Board as set out in its role and responsibility. In addition, as set out above, individuals have a duty to inform the Board of any weaknesses or failures.

The Audit and Risk Committee will meet regularly to discuss and review emerging risk and report ion any risk events in the period. The committee uses a risk register to document the risks faced by the company. All risks identified are recorded and assessed as to their impact that the likelihood of their occurrence, both on an inherent basis (before controls and mitigations) and on a residual basis (after taking account of appropriate controls and mitigations).

B 3.1.3 Implementation of Risk Management Function

The Audit and Risk Committee is responsible for the risk management function. While the Company relies on its outsourced service providers for elements of the day-to-day operation of risk management, oversight and control remains with the Committee. This ensures that risk management is fully integrated into Acasta's business and its decision-making processes.

The Acasta risk management process is described in section 3 (a) above. Day to day responsibility for risk management rests with the Board. The audit and risk committee has oversight of the company's risk process and is responsible for advising the board on risk issues including the company's risk appetite and risk strategy. The Board has ultimate responsibility for these matters. Regular reporting to the Board and board discussions on risk policies and issues ensures that the board:

- understands and approves the full range of risks to the business;
- can consider the most significant risks facing the business, on an on-going basis;
- understands risk developments, the key issues arising and any regulatory changes which may affect these risks;
- understands the possible effects on shareholder value of deviations to expected performance;
- knows how the business will manage a crisis, and
- knows whether the risk management process is working.

The outputs from the company's existing risk process have formed a key input into the production of the ORSA, including the company's existing documented strategy, risk appetite and risk register. In addition, the company's outsourcing policy and the key management and compliance information received from its intermediaries were key inputs.

The company performs a business planning process before the start of each financial year, a key output from which is a detailed budget for the current year and a three year forecast, being the company's business planning horizon. Key inputs to this process are updated claims assumptions based on statistical information and current market trends, detailed expense budgets, and our view of current and forecast economic, legislative and regulatory developments. The current business plan was a key input to the ORSA.

In the event of a material change in the business during the year, the Audit and Risk Committee will review the ORSA as appropriate.

B 3.2 Relationship Between Solvency Needs, Risk Profile, Capital Management and Risk Management

The ORSA enables the Board to assess the Company's capital needs over the planning horizon. The ORSA is carried out taking due account of Acasta's specific risk profile. This includes risks explicitly captured in the Standard Formula, as well as risks which are either not captured or not able to be The capital management policy has been established to ensure that the company has in place the appropriate levels and quality of capital both as required by the SCR calculation and as determined by the ORSA. The policy aims to ensure that appropriate plans are in place to enable the Company to meet its capital requirements both in the immediate and the medium-term future and that all items of own funds comply with the relevant rules, regulations and legislation.

The risk management function takes due account of the available capital, the Company's risk profile, future business plans and the outcome of the ORSA in an iterative cycle.

B 4. Internal Control System

B 4.1 Internal Control System

Acasta is committed to managing its business in a risk-focused manner. In order to achieve this, appropriate controls have been put in place to reduce risks where possible. Risk management and the adherence to the internal controls are an integral part of the business culture.

Responsibility for establishing an appropriate internal control environment rests with the Audit and Risk Committee and the Board. Responsibility for adherence to internal controls rests with all individuals involved in the management of the business.

The internal control policy is targeted at ensuring that:

- Processes and procedures exist for the identification and assessment of risks
- Appropriate processes and procedures are in place to control identified risks
- Individuals involved in the business are trained and aware of their role with regard to internal controls
- Appropriate monitoring and review processes are in place

Key controls that operate to mitigate risks are recorded in the Company's risk register. The internal control framework is subject to review by Acasta's internal audit function.

B 4.2 Compliance Function

The compliance function is an integral and significant element of Acasta's business, responsible for ensuring the Company complies with all relevant rules, regulations, guidance and legislation with regard to both Gibraltar and overseas requirements. The compliance function also reports to the Board on any relevant changes in the legal environment in which the Company operates.

Acasta outsources its Compliance function to its insurance manager, with a named Compliance Officer having overall responsibility. The compliance function has established a Compliance Monitoring Programme which is approved by the Board on an annual basis. Compliance formally reports to the Board on a quarterly basis with regard to the tasks carried out during the quarter.

While the provision of compliance services has been outsourced, this remains under the oversight of the Acasta Audit and Risk Committee, in particular the function holder, and the Board retains full responsibility.

B 4.2.1 Independence and Authority of Compliance Function

Due to the outsourced nature of the compliance function, the function is operationally independent from the other areas of the business.

The compliance function is authorised to access all areas of the business and is therefore entitled to full and unrestricted access to all information, records, property, personnel and activities, including those residing with outsourced service providers.

The Board considers and approves the compliance monitoring programme on an annual basis to ensure that all relevant areas are captured and receives the quarterly compliance reports, but does not otherwise seek to instruct or influence the Compliance function.

B 5. Internal Audit Function

B 5.1 Implementation of the Internal Audit Function

Internal Audit is an objective and independent activity, whose role is to help management achieve the Company's objectives by constantly improving the effectiveness of the Company's operations. It is responsible for evaluating management's approach to risk management and governance, with particular emphasis on systems of internal control. It investigates the manner in which the Company's processes and controls operate in order to assess their effectiveness in ensuring compliance with strategy and policies.

Acasta's Internal Audit function covers all aspects of the Company's business. In particular, it will consider:

- Governance and business planning
- Underwriting and policy administration
- Claims handling and reserving
- Investment
- Finance/Accounting
- IT

Acasta has outsourced the internal audit function to Price Waterhouse Coopers

A number of internal processes and procedures will be taken into account by the outsourced provider in discharging their duties:

- The Board carries out an internal review of the governance, risk management and business planning systems and processes, including its own procedures, on an annual basis
- Employees of Acasta Europe Limited will carry out periodic agent audits and report to the Audit and Risk Committee, these audits to be conducted at least annually
- Internal Audit will liaise with and leverage the work of the external auditors

After each audit, appropriate reports are produced.

- An initial report is produced for discussion with management in the relevant area. The draft report should be produced no later than four weeks of the audit work finishing.
- Management's responses and proposed actions will be noted and an agreed final report will be issued. The final report should be issued no later than four weeks of the draft report being agreed.
- The final report will be submitted to the Board for review at the next meeting.

B 5.2 Independence and Objectivity of the Internal Audit Function

Internal Audit is outsourced to an external accountancy firm with the required skill set and experience and is not involved in any operational aspects of the business. This ensures that the function is independent, objective, and impartial and not subject to influence from the Board or management.

Internal Audit is authorised to review all areas of the Company and its business and is therefore entitled to have full and unrestricted access to all information, records, property, personnel and activities. Staff and management (even if not staff of the Company) have a duty to make all requested information available promptly and to assist with any enquiries.

The Board will approve the audit plan and is free to request additional areas to be reviewed by internal audit. In addition the Board receives and reviews the reports produced by the function. However, the Board does not otherwise seek to instruct or influence the Internal Audit team.

Additionally the internal audit function reports any findings independently to the Independent non-executive Director, and should during the course of any internal audit discover a matter that requires further investigation; such matters will be reported to the independent non-executive director.

B 6. Actuarial Function

The role of the Actuarial Function is to provide the Board with an independent perspective on key insurance aspects of the Company's operations. This will ensure that the Board is fully informed of matters that may impact the business.

Acasta's Actuarial Function covers all aspects of the business with regard to insurance risks. This encompasses:

- Underwriting
- Reinsurance
- Other risk mitigations
- Reserving
- Capital
- Data

Acasta outsources the Actuarial Function services to Mazars LLP who provide the services under oversight of the Actuarial Function Holder and ultimately the Board.

The Actuarial Function is responsible for the following areas:

- Oversight and validation of the calculation of technical provisions
- Assessment of the appropriateness of methodologies and assumptions used and consistency with Articles 76 to 83
- Explanation of any material changes in data, methodologies or assumptions
- Assessment of the sufficiency and quality of the data and consistency with data quality standards
- Recommendations to improve data quality where required
- Back-testing of best estimates against actual experience, reporting of material deviations and proposals to improve calculation
- Opinion on overall underwriting policy
- Opinion on adequacy of reinsurance arrangements

The Actuarial Function reports its findings to the Board at least annually, covering all areas for which it is responsible. The report should be appropriate to assist the Board in its decision-making process and to identify to the Board areas where improvements are required. The report should also identify any material uncertainty about data accuracy and explain the approach taken in light of this uncertainty.

B 7. Outsourcing

B 7.1 Outsourcing Policy

Acasta is a small insurance company run by a Board of directors and Sub-committees and operates a model whereby most of the services required are outsourced. While this creates additional risk, it enables the Company to operate in the most effective manner.

Acasta has a separate outsourcing policy. This sets out the processes and procedures that will be followed when deciding to outsource a particular activity. This includes details on risk management and the contractual arrangements.

In addition, it is the Company's policy that all significant outsourced functions should be subject to fitness and propriety requirements. This will be demonstrated following the procedures previously set out and via a separate self-assessment questionnaire.

The purpose of the outsourcing policy is to ensure that all outsourcing will:

- Support AEICL business strategy and key objectives.
- Provide customers with an experience at least as good – or better – than an in-house alternative.
- Enable AEICL to deliver a service experience to customers at a cost consistent with AEICL's cost objectives/budget/business plan.
- Enable AEICL to exercise control over outsourced service providers to ensure that any risks are properly identified, understood and appropriately mitigated.
- Enable AEICL to demonstrate as required that its responsibilities as a regulated firm in respect of outsourced activities are being effectively discharged.

Acasta's outsourcing policy sets out the following:

- The definition of outsourcing
- Responsibility for implementation and operation of the policy and consequent controls and processes
- The criteria for outsourcing
- Due diligence on potential providers
- Establishment of appropriate contractual arrangements which clearly define responsibilities and allow adequate supervision and control
- Establishment of appropriate contingency planning, including terminating or exiting the arrangement
- Periodic audit requirements
- Records of outsourced arrangements
- The approval process
- Contract and legal requirements
- Risk assessment and risk mitigation measures
- Monitoring and on-going requirements

B 7.2 Outsourced Functions and Activities

The following table sets out the key functions outsourced by Acasta:

Function/Services	Jurisdiction
Policy administration and processing including provision of management information	United Kingdom
Claims handling, reserving and settlement	United Kingdom, France, Germany, Austria, Czech Republic, Poland, Spain, Slovakia
Accounting and financial services	Gibraltar
Assistance with risk management	Gibraltar
Compliance services	Gibraltar United Kingdom (YCM)
Company secretarial services	Gibraltar
Actuarial function services	United Kingdom
Internal audit	Gibraltar

B 8. Any Other Information

B 8.1 Adequacy of Systems of Governance

Acasta is a small company with the directors closely involved in all key aspects of the business. The Company does however write multiple lines of business in serval jurisdictions. The majority of business is concentrated around a small number of intermediaries. The systems of governance have therefore been established taking due account of the principle of proportionality, being appropriate to the size, nature and scale of the operations.

The Board has in place a process of regularly evaluating the effectiveness of the systems of governance. In addition, governance falls within the remit of both internal and external audit and the risk management function continuously assesses relevant legislation, guidance, advice and best practice to ensure that the systems of governance are updated and maintained at all times.

B 8.2 Any Other Material Information

There is no other material information to report as at 31 December 2016.

C. Risk Profile

Acasta's governance framework sets out the type and level of risk which the Company is willing to accept in the achievement of its strategic objectives. This framework provides both qualitative and quantitative measures and limits, which are taken into account in making key business decision.

The company's appetite is for the business to focus mainly on insurance risks that have a relatively low sum insured. As a result the Acasta's business mix is one that gives rise to low value attritional claims rather than large exposures to a single risk event. Additionally the company writes several lines of business in multiple territories and so has diversified exposure to individual schemes or lines of business.

With regard to investments, Acasta pursues to strategy which is focussed on capital preservation and asset and liability management by currency in order to minimise currency exposure, thus adopting a careful and conservative investment policy.

Acasta's risk profile at 31 December 2016 is set out in the table below:

Risk Category	% of SCR at 31 December 2016
Insurance Risk	80%
Counterparty (Credit) Risk	4%
Market Risk	6%
Operational Risk	10%
Total	**100%**

C 1. Underwriting Risk

C 1.1 Material Risks

Acasta's seeks to write a varied portfolio of risks in a number of territories. The nature of the risks being written means the company is not exposed to Catastrophe risks. The larger insurance risks attach to the Commercial ATE policies and in such circumstance the limit of liability is defined in the schedule of insurance.

Reinsurance is arranged where necessary in accordance with our risk appetite.

The company aims to carefully balance profitability with volumes, taking into account both the overarching strategies of achieving positive returns throughout the underwriting cycle. It is the role of the Claims and Underwriting Committee to review the underwriting performance of business and take action as appropriate.

The following are the key underwriting risks identified by management:

- Risks priced too low, resulting in unprofitable business being written
- Claims handlers not handling claims correctly giving rise to claims cost leakage and unprofitable business
- Concentration of business around a small number of managing general agents
- Under-reserving for claims, resulting in deteriorating performance and inappropriate decision making
- Increase in frequency of claims, resulting in financial loss
- Fraudulent claims which are undetected, resulting in excessive claims cost
- Inappropriate reinsurance strategy or lack of availability of appropriate reinsurance, resulting in insufficient protection or excessive

For several years, the company has utilised the services of an independent actuary to carry out annual reviews of reserves. It is Acasta's policy to reserve to at least actuarial best estimate and, where considered appropriate by the Board, carry a further management load to allow for uncertainty.

The company currently writes several schemes under Miscellaneous Financial Loss Class (Class 12). The Board are of the view that such risks do not expose the company to catastrophe risk. Risks under this class fall into three main categories. The first category is in respect of policyholders Excess Reimbursement cover where Acasta does not provide the primary insurance cover but provides indemnity to the policy holder for compulsory or voluntary excesses on the primary policy. The second category of risk is in respect of Landlords Rent Guarantee on residential properties where the cover provided is limited to six months rental income; this scheme is geographically diversified. The third type is business that is a highly diversified Brown and White Goods and Motor Vehicle extended warranty book. As such no catastrophe risk charge has been calculated in the company's SCR for Class 12 business.

C 1.2 Material Risk Concentrations

The Company writes a portfolio of business across several territories and licence classes.

Acasta's business comprises of a diversified range of schemes in the UK and Europe.

The Directors therefore do not consider there to be any material underwriting risk concentration.

C 1.3 Risk Mitigations

Acasta's seeks to have a diversified portfolio of schemes across several licence classes and territories.

For larger exposures suitable reinsurance protection is in place.

In addition, Acasta further mitigates underwriting risk through the following:

- Regular review of performance information
- Regular audits of agents/intermediaries
- Strict control over premiums changes and collection
- Appointment of experienced independent third party claims handler for certain schemes.
- Annual independent actuarial reviews
- Regular updates of the risk register, including reporting of any risk events
- Stress testing of loss ratios as part of the ORSA process

C 1.4 Stress and Sensitivity Testing

Acasta carries out stress and sensitivity testing as part of the ORSA process, which is carried out at least annually. This considers stresses both with regard to business volumes, future loss ratios and the run off of existing reserves. This showed that the greatest sensitivity arises from changes in future loss ratios on the Miscellaneous Financial Loss class, in line with the management focus on the profitability of new business being generated.

C 2. Market Risk

Market risk arises from changes in the income generated by investments or from changes in the value of such investments and includes:

- Interest rate risk
- Spread risk
- Equity risk
- Currency risk
- Property risk
- Concentration risk

Acasta pursues a conservative investment policy, focused on the preservation of capital. As a result, the Company has no investments in equities, only limited investment in property and aims to hedge any currency risk within agreed parameters. Property investments are limited to a single residential property located in Gibraltar that is rented out via a local agent on a short term basis.

The company outsources investment management to carefully selected and experienced investment manager who operate under an approved investment policy and within agreed guidelines. As well as setting limits with regard to the type of investments and the rating of counterparties, the policy sets a benchmark return and imposes limits on exposure to single counterparties. The Investment Committee meets on a regular basis to assess the performance of the portfolio and recommend any changes which may need to be made.

The main market risks to which the Company is exposed are:

- Loss in the value of investments or categories of investments due to market factors
- Foreign exchange losses due to a mismatch of assets and liabilities in base currency
- Inappropriate investment guidelines which do not meet the Company's requirements

C 2.1 Material Risk Concentrations

The company has in place a diversified investment portfolio and is therefore not exposed to any material market risk concentration.

With regard to the property held, this represents a single property in Gibraltar and therefore does not represent a risk concentration.

C 2.2 Risk Mitigations

Acasta mitigates market risk through the following mechanisms:

- Regular review of investment performance
- Investment policy with agreed limits
- Diversification within the investment portfolio

C 2.3 Prudent Person Principle

Acasta pursues a conservative investment policy, which ensures investments are limited to relatively standard and easily understood products, the performance of which the company is able to readily monitor and manage. The investment policy balances capital preservation with investment return and sets limits with regard to rating and other measures, taking into account the nature and duration of the Company's liabilities. In addition, the policy requires appropriate diversification of exposure within the portfolio.

Acasta only utilizes derivatives for hedging purposes and these are fully taken into account in the ongoing performance of the portfolio. The derivative hedges are used to hedge interest rate risk within the investment portfolio and hedge any mismatches in currency between the company's assets and insurance liabilities. With the exception of property, the company's policy is to hold investments that are traded regularly and therefore have a ready market value and are highly liquid.

Occasionally, the Company may choose to invest in funds which themselves invest in more unusual or complex instruments, potentially including derivatives and securitised investments or other instruments. In such a case, the Company will carry out appropriate diligence on the investment or fund manager to ensure that they have the required skill, knowledge, understanding and experience to manage any additional risk which may arise from such investments.

Acasta does not directly undertake any unusual or non-routine investment activities. However, should any such investments be proposed, the Investment Committee will:

- Assess the impact on the Company's risk profile, consider whether a revised ORSA is required as a result and make the necessary recommendation to the Board;

- Ensure that appropriate skills are in place to manage and monitor the investment activity – either internally or within the investment manager;
- Demonstrate to the Board how the proposed investment activity will improve the portfolio as a whole.

C 2.4 Stress and Sensitivity Testing

Acasta includes stress testing of market risk in its ORSA process, in particular with regard to a shock to the risk free interest rate used to discount cash flows under Solvency II and a shock to the bond market resulting in a fall in value of the investments.

While such stresses will impact the Company's capital position, these can be managed within risk appetite.

The company, in conjunction with it's appointed investment managers, will periodically model various simulated stress tests on the investment portfolio, for example back testing the impact of historically events such as the Asian crisis, a Lehman type default event, or emerging market debt default.

C 3. Credit Risk

C 3.1 Material Risks

Credit risk arises from the risk that parties who owe money to Acasta are unwilling or unable to pay the amounts due to the Company. Credit risk for Acasta arises from a number of sources:

- Banking counterparties
- Reinsurance counterparties
- Issuers of fixed income securities
- Premiums due from intermediaries
- Premiums due from solicitors
- Recoveries due from third parties

Acasta aims to minimise the credit risk arising from its operations through the careful section of counterparties and close management and control of amounts due to the Company.

C 3.2 Material Risk Concentrations

Acasta's credit risk exposures during the year were diversified as set out below:

- Surplus cash was invested in a diversified investment portfolio reducing the company's exposure to RBS International
- With the exception of profit commission due, the company had reinsurance payables not receivables
- Acasta's bond portfolio is diversified between issuers
- The Company uses a number of different intermediaries in distributing its products

C 3.3 Risk Mitigations

The company mitigates credit risk through a number of mechanisms:

- Ensuring distribution is via multiple intermediaries
- Carrying out periodic audits of intermediaries
- Establishing and monitoring credit terms for intermediaries
- Using an experienced reinsurance intermediaries
- Ensuring reinsurance counterparties are appropriately rated

- Monitoring reinsurance recoveries
- Ensuring banking counterparties are appropriately rated

C 3.4 Stress and Sensitivity Testing

Acasta's most significant exposure to credit risk arises from exposure to individual exposure to intermediaries and it's operational banking counterparty. Hence the credit risk arising from these arrangements needs to be appropriately managed.

Receivables from intermediaries are mitigated through short credit terms and regular audits

The risk or reduced receivables are modelled in the company's ORSA process.

C 4. Liquidity Risk

C 4.1 Material Risks

Liquidity risk is the risk of losses from an inability for Acasta to pay its liabilities as they fall due. The Company has a low level of liquidity risk, due to the nature of its investment portfolio and the amount of funds held with banks, with only a small amount invested in property and no fixed terms deposits in excess of one month duration. The Company therefore does not have any material liquidity risk exposure.

C 4.2 Material Risk Concentrations

There are no material liquidity risk concentrations due to the diversified nature of Acasta's investment portfolio.

C 4.3 Risk Mitigations

Liquidity risk is mitigated through the carefully structured and diversified investment portfolio and the funds held with banks.

C 4.4 Stress and Sensitivity Testing

Liquidity risk is not subject to separate stress and sensitivity testing as the risk is not considered to be material to Acasta.

C 4.5 Expected Profit in Future Premiums

EPIFP is calculated by applying the current loss ratio, as advised by the independent external actuary, to the premiums receivable. These future claims are translated into cash flows using historical claims payment patterns. Expenses are deducted, based on current experience. The resulting cash flows are discounted using the EIOPA risk-free yield curve.

C 5. Operational Risk

C 5.1 Material Risks

Operational risk arises from failed internal processes, procedures or controls, from personnel or systems failures, from external events or from a failure to comply with legislation, regulations or other obligations. Reputational risks have also been considered in this category.

Due to Acasta's small size these are concentrated in the hands of a small number of senior members of the management team. Equally, the company is very reliant on a small number of outsourced service providers.

Acasta has identified the following key operational risks:

- A key service provider is unable to continue to provide the required services to Acasta
- Failure to appropriately identify and manage conflicts of interest
- Failure of provision of information from intermediaries
- Failure to handle claims appropriately
- Failure to manage sub agents appropriately
- Passporting rights not preserved post UK exit of the European Union
- Bad publicity for jurisdiction due to adverse media, company failure or similar event
- Breach of GFSC or other regulatory requirements or expectations
- Potential breach of requirements in any jurisdictions by brokers/partners/outsource providers

Operational risks are identified, assessed and set out in the company's risk register, along with appropriate controls. There is a process for regular reporting of risk events.

The risk register is discussed on a regular basis by the Acasta Audit and Risk Committee, with input from all relevant functions and activities within the business.

C 5.2 Material Risk Concentrations

There are no material risk concentrations.

C 5.3 Risk Mitigations

Acasta has a strong internal control framework to mitigate operational risk. This encompasses the following key controls in managing operational risk:

- Regular audits of key service providers
- Four-eyes controls over all key operational areas
- Appropriate Disaster Recovery and Business Continuity Plans
- Review management information
- Monitoring and audit intermediaries
- Monitoring and audit of the claims handler
- Establishment and maintenance of a conflicts of interest register
- Involvement of Directors in all key operational areas of the business
- Board discussion of all negative publicity
- Regular dialogue with key stakeholders, including regulators and intermediaries
- Monitoring limits on complaints
- Monitoring and reporting by the Compliance function

C 5.4 Stress and Sensitivity Testing

Operational risk is included in the Standard Formula, with an appropriate risk charge calculated. In addition, a number of operational risks would directly impact underwriting risk and are therefore also captured. As part of the ORSA process, Acasta also considers those risks which may not be fully captured in the Standard Formula, in particular the exposure to outsourced service providers and various reputational risks. These risks are managed through appropriate controls and other mitigating actions, such as close involvement of the Board in all key operational decision.

The key sensitivity, as outlined above, is that the Company will no longer be able to passport into the EEA once the Brexit process is concluded. The Board is currently reviewing the company's domicile in this respect along with other potential solutions.

C 6. Other Material Risks

In June 2016, the UK voted to leave the EU and the process for exit commenced in March 2017. The ultimate outcome of the exit negotiations will remain unknown for some time, thereby exposing Acasta to a period of material uncertainty. As the majority of the company's income stream is generated outside of the UK, this event could potentially have a profound effect on the company. The Board continues to monitor developments as they occur to ensure that actions are taken to mitigate any potential adverse impact as far as possible.

D. Valuation for Solvency Purposes

The following bases, methods and assumptions have been used in valuing each material class of assets of Solvency II purposes.

The material classes of assets as at 31 December 2016, except for reinsurance technical provisions, are as set out in the table below:

Description	Solvency II Value	GAAP Value
	£'000	£'000
Intangible Asset	-	0
Property	500,000	425,132
Government Bonds	196,483	196,483
Corporate Bonds	3,190,222	3,190,222
Collateralised securities		
Collective Investment Undertakings	844,558	819,591
Derivatives		-
Deposits other than cash equivalents	462,510	462,510
Insurance and Intermediaries Receivables		22,638,015
Receivables (trade, not insurance)		
Cash and cash equivalents	3,671,050	3,671,050
Deferred Acquisition Costs		34,336
Any Other Assets		1,183,931

D 1. Assets

D 1.1 Intangible Asset

The company does not hold any intangible assets

D 1.2 Property

As at 31 December 2016, Acasta held property valued at £425,132 in the GAAP accounts on a historical costs basis. This property a residential investment property used to generate rental income.

The property was revalued at open market value in April 2017 by a RICS qualified valuer and this value is used for Solvency II purposes. No significant estimates or judgements have been made in arriving at the valuation.

D 1.3 Bonds

At the year end, Acasta had a total of £3,190,222 invested in corporate bonds, and £196,483 in Government Bonds. The Company's investment portfolio is managed by external investment manager with monthly reporting to Acasta setting out the composition and the performance of the portfolio.

Investments are valued at fair value, being the market prices for identical assets in active markets, and the valuations are the same for GAAP and Solvency II purposes. No significant judgements or estimates are used, and there has been no change in the basis of recognition and valuation.

D 1.4 Collateralised Securities

The company holds no collateralised securities

D 1.5 Collective Investment Undertakings

At 31 December 2016 Acasta held €483,704 (£414,292). These are funds which are actively traded and therefore have readily ascertainable market values and assets are valued at market value both for GAAP and for Solvency II, with no significant estimate or judgements being utilised. There has been no change in the valuation and recognition basis during the year.

At 31 December 2016 Acasta held £430,266 in a short term money market fund. This fund is actively traded and therefore has a readily ascertainable market values and assets are valued at market value both for GAAP and for Solvency II, with no significant estimate or judgements being utilised. There has been no change in the valuation and recognition basis during the year.

D 1.6 Derivatives

At 31 December 2016 Acasta held a short position in Eurex Eurobund Futures with a March 2017 expiry with a nominal value of €600,000 and a market value of €984,900 (£981,898). This position is used to hedge the interest rate risk arising from holding corporate bonds in the investment portfolio. These futures are actively traded and therefore have readily ascertainable market values and assets are valued at market value both for GAAP and for Solvency II, with no significant estimate or judgements being utilised. There has been no change in the valuation and recognition basis during the year.

On 19 December 2016 Acasta entered into a forward sale of €2,000,000 to buy £1,710,080 for settlement on 21st March 2017. As at 31 December 2016 the current forward value was £1,685,113. The investment policy of the company is such that the currency forward positions are rolled forward prior to settlement date and adjusted as appropriate in order to ensure the assets and liabilities of the company are closely matched. The currency forward counterparty is a highly rated bank. The currency forward market is an active and liquid market and therefore the forward has a readily ascertainable market value for GAAP and for Solvency II, with no significant estimate or judgements being utilised. There has been no change in the valuation and recognition basis during the year.

In the Solvency II balance sheet the asset and liability balances arising from these derivatives are netted off against each other and give rise to a net liability of £24,967.

D 1.7 Deposits, Cash and Cash Equivalents

At the year end, Acasta held £3,671,050 either in term deposits, or in cash and cash equivalents with banking counterparties.

Deposits, cash and cash equivalents are valued at fair value, based on the actual balances held, and Acasta receives monthly statements.

The valuation of these assets is the same for GAAP and Solvency II and no estimates or judgements have been used. There has been no change in the basis on which these items are valued and recognised.

D 1.8 Insurance and Intermediaries Receivables

Insurance and intermediaries receivable items represent premiums owed to Acasta from its brokers, and including IPT. At the year end, the Company was owed £22,638,015. Contracts with the brokers set out payment terms and at 31 December 2016 no amounts were overdue.

Premiums receivable are valued at fair value, being the amounts recoverable, and as no amounts are overdue, there have been no significant estimates or judgements made in arriving at the valuation. There has been no change in the valuation and recognition basis during the year.

While the assets are valued on a consistent basis both for GAAP and Solvency II, for Solvency II valuation purposes such assets are set against technical provisions to the extent that they are not overdue.

D 1.9 Receivables (trade, not insurance)

The company does not have any trade receivables.

D 1.10 Deferred Acquisition Costs

Deferred acquisition costs represent commission and similar expenses directly related to the acquisition of policies, which are deferred over the period relating to the underlying unearned premiums. At 31 December 2016, Acasta had £34,336 of deferred acquisition costs.

The Solvency II balance sheet is prepared on the basis of best estimates of future cash flows. Deferred acquisition costs do not result in future cash flows and these amounts are therefore excluded from the Solvency II balance sheet. There has been no change in the recognition and valuation basis during the year.

D 1.11 Other Assets

Other assets on a GAAP basis include Other Debtors (£220k), Tangible Fixed Assets (£58k), Prepayments (£9k), and a notional interest rate futures margin balance (£844k).

D 2. Technical provisions

Technical Provisions represent the insurance liabilities as at the reporting date. Acasta's gross and net Technical Provisions by business line are set out in the table below:

	Fire and other Damage to Property	Legal Expenses	Assistance	Miscellaneous Financial Loss
Gross Best Estimate Technical Provisions	- 705,368	- 3,452,111	-	3,988,977
Reinsurance Recoverables	-	- 660,229	-	-
Net Technical Liabilities	- 705,368	- 2,791,882	-	3,988,977
Risk Margin	58,040	162,169		292,131

D 2.1 Bases, Methods and Assumptions

D 2.1.1 Best Estimate

The starting point for the valuation of technical provisions is the best estimate of claims costs, both on earned and on unearned exposure, for all business written at the valuation date. This assessment is carried out by the independent, external actuary.

Management then apply payment patterns to the actuarial best estimate, based on historical information and reasonable assumptions and judgements, to convert the best estimate to future cash flow. In respect of deferred ATE premiums receipts, management takes a best estimate of future cash flow receipts based on actuarial best estimates of won and lost cases, and then applies and estimate pattern in respect of the timings of the receipts.

D 2.1.2 Expenses

The cost of running of the existing insurance obligations is estimated, on the basis that the company will continue to write other business. This is based on the current levels of expenditure and takes due account of decreasing activity in the existing business lines.

D 2.1.3 Events Not in Data

There may be possible future events which are not reflected in the historical data of the Company or the market. Such events are referred to as Events Not in Data (“ENIDs”).

Acasta considers a number of scenarios and events which could occur and assesses their potential impact. Where this assessment concludes that the negative impact of ENIDs (i.e. increasing reserves) is greater than the potential positive impact (i.e. decreasing reserves), the Company makes provision for such events.

At 31 December 2016, management reached the conclusion that no provision for ENIDs was required.

D 2.1.4 Bound but not Incepted

Acasta may be contractually obligated to write certain business at the year end, although the risks will not incept until the following year. For example, Dommage Ouvrage business bound in 2016 but not yet on risk until a future date at a point when the insured property is completed. This may, however, be wholly or partially offset through future cancellations of existing business on other lines of business.

D 2.1.5 Discounting

Cash flows are discounted using the risk free interest rate structure as provided on a monthly basis by EIOPA. As the company writes business in several currencies, but the current SCR model used by the company can only handle cash flows in one currency, the technical provisions used in the SCR are discounted by translating all amounts in to the reporting currency (GBP) at the appropriate foreign exchange rate and then the GBP discount rates are applied. This simplification produces an estimated impact of discounting on the technical provisions since a significant proportion of the company’s business is written in Euro. Management have reviewed the position Q4 2016 and observed that the impact on the SCR is immaterial.

D 2.1.6 Risk Margin

The risk margin is calculated using simplification method 3. This assumes that future SCRs are proportional to the best estimate technical provisions over time and projects future SCRs at this rate. A cost of capital rate of 6% is applied to each SCR estimate and discounted back using EIOPA yield curves.

D 2.1.7 Reinsurance Recoverables

Acasta has reinsurance recoverables arising from its Quota Share arrangements. Such items are calculated on a consistent basis with gross technical reserves, reflecting best estimates of both future won and lost cases on the After the Event deferred Legal Expense book of business, converted to cash flows and discounted at the appropriate risk free rate.

Amounts due from and payments due to reinsurers are included in the technical provision to the extent they are not overdue. The calculation also makes allowance for the possibility of insurer default, based on the counterparty's rating and the level of exposure.

D 2.1.8 Simplifications

No material simplifications have been used in the calculation of technical provisions.

D 2.2 Uncertainty

Technical provisions require judgement and estimations and therefore contain an element of uncertainty. Key areas of uncertainty in Acasta's technical provisions are:

- Outstanding reserves: Reserves on reported claims are based on reasonable estimates, reflecting information known at the balance sheet date. Ultimate settlement of these claims may differ from estimates.
- Future losses: Future losses arise on both expired and unexpired risks and the estimation of these losses is based on actuarial assumptions. Such assumptions will take account of past performance and known or anticipated future changes, and may ultimately prove to differ from actual experience.
- Future cash receipts on deferred premium ATE business. Such receipts are based on estimated future levels of successfully concluded cases based on actuarial best estimates. Ultimate settlement of these cases may differ from estimates.
- Other estimates: Technical provisions include assumptions as to expenses, events not in data and bound but not incepted risks. While these assumptions are prepared on a best estimate basis, reflecting historical experience where appropriate, they could ultimately prove to be inappropriate.
- Legislative and market factors: The UK legal framework has been subject to material changes in the past in respect of personal injury claims and insolvency practices, encompassing legislative, economic and behavioural changes. Similar changes in the future are difficult to predict, but could ultimately impact best estimates and future cash flow.
- Certain types of business written in France are compulsory types of insurance under French law. As such this type of business maybe exposed to changes in the legislative framework in France.

Acasta seeks to minimise the level of uncertainty through a robust process involving external actuarial advice. Claims performance is closely monitored to ensure that changes in trends are identified and appropriately reflected in future projections.

D 2.3 Differences between Solvency II and GAAP Valuation

The starting point for both Solvency II and GAAP valuation of technical provisions is the actuarial best estimate reserves. Key difference between the valuation bases are:

- GAAP valuation of gross reserves may include a management load. Solvency II valuation is required to be at best estimate and any management load is removed

- GAAP valuation includes unearned premium, being the premium which reflects the unexpired risk exposure. Under Solvency II, the unearned premium is replaced by future claims expected to arise on this unearned exposure
- GAAP reserves do not include run-off expenses
- GAAP reserves to not include events not in data
- GAAP reserves do not make allowance for bound but not incepted business
- GAAP reserves are calculated without a risk margin
- Insurance and intermediaries receivables are set against total gross technical provisions for Solvency II valuation purposes, to the extent that they are not overdue, while they are shown as a separate item on the balance sheet for GAAP reporting
- Reinsurance receivables and payables are set against technical provision reinsurance recoverables for Solvency II valuation purposes, to the extent that they are not overdue, while they are shown as a separate items on the balance sheet for GAAP reporting

The table below shows the movement from GAAP technical provisions to Solvency II technical provisions.

	Gross Technical Reserves	Reinsurance Recoverables	Total
	£'000	**£'000**	**£'000**
GAAP Reserves	14,871	568	14,303
Remove Unearned Premium	(8,705)		(8,705)
Claims on Unexpired Risks	3,341		3,341
Receivables/Payables	(10,002)	(1,236)	(8,766)
Run-off Expenses and Other Adjustments	394		394
Effect of Discounting	(14)	8	(22)
Risk Margin	512		512
Solvency II Technical Provisions	398	(660)	1,058

D 2.4 Transitional Adjustments

Acasta has not used any transitional adjustments with regard to the matching adjustment, volatility adjustment, transitional risk free interest rate term structure or transitional deduction.

D 2.5 Changes Over The Period

There have been no changes in the assumptions made since the previous period, other than the fact that this is the first time technical provisions have been reported under both a GAAP and a Solvency II basis.

D 3. Other Liabilities

The following bases, methods and assumptions have been used in valuing each material class of liabilities for Solvency II purposes.

The material classes of liabilities as at 31 December, except for gross technical provisions, are as set out in the table below:

Description	Solvency II Value	GAAP Value
	£'000	£'000
Insurance & intermediaries payables	-	9,620
Reinsurance payables	-	935
Derivatives	25	-
Payables (trade, not insurance)	-	347
Deferred Co-insurance commission	-	-
Deferred Reinsurance commisison	-	-

D 3.1 Insurance and Intermediaries Payables

For several years the company has written After the Event legal expense business on a deferred premium basis. The majority of the premium debtors in the GAAP balance sheet relate to deferred premium amounts on cases that have not yet concluded and as such these premiums are not yet due. Similarly for a significant portion of this business there are commission amounts due to introducers and intermediaries that will not fall payable until the premiums are collected by Acasta.

The balance is valued at fair value, being the amount that is due for settlement. The key estimate in deriving the balance is the actuarial best estimate of failed cases, as this drives the ultimate premium receipts and commissions payable in the SCR calculations.

For the majority of the non ATE business the premium payment terms are relatively short, and hence the premium debtor amounts are typically receivable with 1 year of inception of the policy.

The valuation basis is the same for GAAP and Solvency II purposes and there have been no changes in the valuation approach during the year.

D 3.2 Reinsurance Payables

At 31 December 2016 Acasta had £935k of reinsurance payables on a GAAP basis, being payments due under the Quota Share reinsurance arrangements representing reinsurer's share of premiums net of claims commissions payable to intermediaries for ATE cases which have not yet been settled. Settlements are made in arrears on a monthly basis as and when cases successfully conclude and Acasta receives the premiums.

These amounts are valued at fair value, being the actual amounts payable.

There have been no changes in the valuation and recognition basis during the year, and there are no difference in the underlying valuation for GAAP and Solvency II. However, for Solvency II purposes these items, to the extent they

are not considered overdue, are set against technical provisions reinsurance recoverables, whereas under GAAP they are shown separately on the balance sheet.

D 3.3 Other Liabilities and Payables (trade, not insurance)

As at 31 Dec 2016 Acasta has £740,483 of trade payables expected to fall due within the next 12 months. These amounts are predominantly in respect of amounts held in Escrow that fall payable to managing agents depending on the underwriting results of the underlying scheme. Additionally there are further payables falling due to the UK service company, directors, and other service providers included within this amount

These amounts are valued at fair value, being the actual amounts payable.

There have been no changes in the valuation and recognition basis during the year, and there are no difference in the underlying valuation for GAAP and Solvency II.

E. Capital Management

E 1. Own funds

E1.1 Management of Own Funds

E 1.1.1 Objectives, Policies and Processes in Managing Own Funds

Acasta has in place a Capital Management Policy to ensure that the Company has the appropriate levels and quality of capital to meet both the SCR and the internal view of capital as determined by the ORSA. The intention is for capital requirements to be met in both the immediate and medium-term future.

The capital requirements and own funds to meet these requirements are considered on at least an annual basis during the company's ORSA process, but are reviewed periodically in the event of a material change in the business or material variances to the budget. Additionally the capital position of the company is monitored during the year through the quarterly regulatory reporting process. The Board discusses the Company's capital position at all meetings as part of its risk management processes and monitors ongoing performance through monthly management accounts.

There have been no changes in capital management policies or processes during the period.

E 1.1.2 Time Horizon for Business Planning and Material Changes

Acasta's business planning period for capital management encompasses a three year time horizon, with emphasis on the current and next year. Given that by it's very nature and forecast contains a degree of uncertainty which has been exacerbated by the material uncertainty created by Brexit and the position of Gibraltar insurers to continue to passport into the UK, the Board considers a three year time horizon to be appropriate. There have been no changes in the planning time horizon over the year.

E 1.2 Description of Own Funds

E 1.2.1 Structure, Amount and Quality of own funds

Acasta currently only has basic own funds and no ancillary own funds. Own funds are comprised entirely of Share Capital, Share Premium and the Reconciliation Reserve and therefore all qualify as Tier 1 funds. The table below set out Acasta's own funds at 31 December 2016, together with movements during the period:

	Share Capital	Share Premium	Reconciliation Reserve	Total Own Funds
	£'000	£'000	£'000	£'000
At 1 January 2016	30,000	2,232,000	2,958,062	5,220,062
Capital Injections during the Period	1,400	1,194,200		1,195,600
Movement in Reconciliation Reserve			1,010,716	1,010,716
At 31 December 2016	31,400	3,426,200	3,968,778	7,426,378

The Company's Reconciliation Reserve effectively represents retained earnings on a Solvency II valuation basis. There are no foreseeable dividends.

E 1.2.2 Terms and Conditions of Own Funds

Acasta's own funds are fully comprised of Tier 1 funds and have no terms or conditions attached and there are no restrictions affecting the availability and transferability of the Company's Own funds. The own funds are not redeemable and do not carry any guaranteed dividend or other return.

E 1.2.3 Difference in Own Funds between Financial Statements and Solvency II Valuation

The difference in the valuation of own funds as shown in the Financial Statements compared to the Solvency II valuation is due to the valuation differences in the underlying assets and liabilities, as set out in the table below:

	Own Funds
	£'000
Own Funds per Financial Statements	6,445
Difference in Valuation of net Technical Provisions	1,216
Removal of Deferred Acquisitions and Processing Costs	(34)
Difference in Valuation of Property	75
Removal of Prepayments and Other Net Payables	(275)
Own Funds per Solvency II Valuation	7,426

E 2. Solvency Capital Requirement and Minimum Capital Requirement

E 2.1 SCR and MCR

Acasta's SCR and MCR coverage is set out below:

Own Funds	7,426,378
Solvency Capital Requirement	7,258,492
SCR Coverage	102.3%
Minimum Capital Requirement	3,241,800
MCR Coverage	229.1%

All capital is Tier 1 and therefore fully eligible to cover the SCR and MCR.

The Company has been fully complaint with the SCR and MCR requirements during the reporting period.

E 2.2 SCR by Risk Module

The following table sets outs Acasta's SCR broken down by risk module:

SCR Risk Category	
Market Risk	412,284
Counterparty Risk	319,580
Non-Life Underwriting Risk	6,242,951
Diversification	448,370
Basic Solvency Capital Requirement	**6,526,445**
Operational Risk	732,047
Solvency Capital Requirement	7,258,492

E 2.3 Simplifications

No simplified calculations have been used in applying the standard model and no undertaking specific parameters have been used.

E 2.4 Inputs Used to Calculate the MCR

The following inputs have been used to calculate the Company's MCR:

			Net (of reinsurance) best estimate technical provisions		Net (of reinsurance) written premiums in the last 12 months
			£'000		**£'000**
Fire and Other Damage to Property			564		1,205
General Liability			539		-
Credit and Surety			-		-
Legal Expense			8,476		3,536
Assistance			303		153
Miscellaneous Financial Loss			10,427		10,385
					£'000
Linear MCR					2,229
SCR					6,940
Combined MCR					2,229
Absolute Floor of the MCR					3,332
Minimum Capital Requirements					3,332

E.2.5 Changes over the Period

This is the first period over which the SCR and MCR have been reported.

E 3. Compliance with Minimum Capital Requirement or Solvency Capital Requirement

The Company has complied with the MCR and SCR at all times during the reporting period. The Board are not expecting any material changes to solvency surpluses during the planning period

Balance sheet

S.02.01.01.01

		Solvency II value	Statutory accounts value
		C0010	C0020
Assets			
Goodwill	R0010		0.00
Deferred acquisition costs	R0020		34,335.62
Intangible assets	R0030	0.00	0.00
Deferred tax assets	R0040	0.00	0.00
Pension benefit surplus	R0050	0.00	0.00
Property, plant & equipment held for own use	R0060	0.00	0.00
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	5,193,773.11	5,093,938.11
Property (other than for own use)	R0080	500,000.00	425,132.00
Holdings in related undertakings, including participations	R0090	0.00	0.00
Equities	R0100	0.00	0.00
Equities - listed	R0110	0.00	0.00
Equities - unlisted	R0120	0.00	0.00
Bonds	R0130	3,386,704.64	3,386,704.64
Government Bonds	R0140	196,482.81	196,482.81
Corporate Bonds	R0150	3,190,221.82	3,190,221.82
Structured notes	R0160	0.00	0.00
Collateralised securities	R0170	0.00	0.00
Collective Investments Undertakings	R0180	844,558.48	389,325.48
Derivatives	R0190	0.00	0.00
Deposits other than cash equivalents	R0200	462,510.00	892,776.00
Other investments	R0210	0.00	0.00
Assets held for index-linked and unit-linked contracts	R0220	0.00	0.00
Loans and mortgages	R0230	0.00	0.00
Loans on policies	R0240	0.00	0.00
Loans and mortgages to individuals	R0250	0.00	0.00
Other loans and mortgages	R0260	0.00	0.00
Reinsurance recoverables from:	R0270	-660,229.40	567,722.12
Non-life and health similar to non-life	R0280	-660,229.40	567,722.12
Non-life excluding health	R0290	-660,229.40	567,722.12
Health similar to non-life	R0300	0.00	0.00
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	0.00	0.00
Health similar to life	R0320	0.00	0.00
Life excluding health and index-linked and unit-linked	R0330	0.00	0.00
Life index-linked and unit-linked	R0340	0.00	0.00
Deposits to cedants	R0350	0.00	0.00
Insurance and intermediaries receivables	R0360	0.00	22,638,014.68
Reinsurance receivables	R0370	0.00	0.00
Receivables (trade, not insurance)	R0380	0.00	0.00
Own shares (held directly)	R0390	0.00	0.00
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	0.00	0.00
Cash and cash equivalents	R0410	3,671,049.68	3,671,050.45
Any other assets, not elsewhere shown	R0420	331,072.21	1,183,930.71
Total assets	R0500	8,535,665.60	33,188,991.69

Balance sheet (Continued)

S.02.01.01.01 (Continued)

		Solvency II value	Statutory accounts value
		C0010	C0020
Liabilities			
Technical provisions – non-life	R0510	343,837.88	14,870,746.30
Technical provisions – non-life (excluding health)	R0520	343,837.88	14,870,746.30
Technical provisions calculated as a whole	R0530	0.00	
Best Estimate	R0540	-168,501.67	
Risk margin	R0550	512,339.55	
Technical provisions - health (similar to non-life)	R0560	0.00	0.00
Technical provisions calculated as a whole	R0570	0.00	
Best Estimate	R0580	0.00	
Risk margin	R0590	0.00	
Technical provisions - life (excluding index-linked and unit-linked)	R0600	0.00	0.00
Technical provisions - health (similar to life)	R0610	0.00	0.00
Technical provisions calculated as a whole	R0620	0.00	
Best Estimate	R0630	0.00	
Risk margin	R0640	0.00	
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	0.00	0.00
Technical provisions calculated as a whole	R0660	0.00	
Best Estimate	R0670	0.00	
Risk margin	R0680	0.00	
Technical provisions – index-linked and unit-linked	R0690	0.00	0.00
Technical provisions calculated as a whole	R0700	0.00	
Best Estimate	R0710	0.00	
Risk margin	R0720	0.00	
Other technical provisions	R0730		0.00
Contingent liabilities	R0740	0.00	0.00
Provisions other than technical provisions	R0750	0.00	0.00
Pension benefit obligations	R0760	0.00	0.00
Deposits from reinsurers	R0770	0.00	0.00
Deferred tax liabilities	R0780	0.00	0.00
Derivatives	R0790	24,967.00	0.00
Debts owed to credit institutions	R0800	0.00	0.00
Financial liabilities other than debts owed to credit institutions	R0810	0.00	0.00
Insurance & intermediaries payables	R0820	0.00	9,619,558.26
Reinsurance payables	R0830	0.00	935,285.06
Payables (trade, not insurance)	R0840	0.00	347,135.17
Subordinated liabilities	R0850	0.00	0.00
Subordinated liabilities not in Basic Own Funds	R0860	0.00	0.00
Subordinated liabilities in Basic Own Funds	R0870	0.00	0.00
Any other liabilities, not elsewhere shown	R0880	740,483.20	971,133.32
Total liabilities	R0900	1,109,288.09	26,743,858.10
Excess of assets over liabilities	R1000	7,426,377.51	6,445,133.59

Non-Life & Accepted non-proportional reinsurance

S.05.01.01.01

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)				Total
		Fire and other damage to property insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	
		C0070	C0100	C0110	C0120	C0200
Premiums written						
Gross - Direct Business	R0110	2,201,203.45	6,884,278.80	4,733.70	11,079,158.55	20,169,374.50
Gross - Proportional reinsurance accepted	R0120					0.00
Gross - Non-proportional reinsurance accepted	R0130					0.00
Reinsurers' share	R0140		733,974.23			733,974.23
Net	R0200	2,201,203.45	6,150,304.56	4,733.70	11,079,158.55	19,435,400.26
Premiums earned						
Gross - Direct Business	R0210	407,368.49	6,187,536.80	3,083.69	8,163,874.72	14,761,863.69
Gross - Proportional reinsurance accepted	R0220					0.00
Gross - Non-proportional reinsurance accepted	R0230					0.00
Reinsurers' share	R0240					0.00
Net	R0300	407,368.49	6,187,536.80	3,083.69	8,163,874.72	14,761,863.69
Claims incurred						
Gross - Direct Business	R0310	343,341.41	2,793,580.57	2,004.40	6,728,777.71	9,867,704.08
Gross - Proportional reinsurance accepted	R0320					0.00
Gross - Non-proportional reinsurance accepted	R0330					0.00
Reinsurers' share	R0340		136,425.16			136,425.16
Net	R0400	343,341.41	2,657,155.40	2,004.40	6,728,777.71	9,731,278.92
Changes in other technical provisions						
Gross - Direct Business	R0410					0.00
Gross - Proportional reinsurance accepted	R0420					0.00
Gross - Non- proportional reinsurance accepted	R0430					0.00
Reinsurers'share	R0440					0.00
Net	R0500	0.00	0.00	0.00	0.00	0.00

Non-Life & Accepted non-proportional reinsurance

S.05.01.01.01 (Continued)

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)				Total
		Fire and other damage to property insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	
		C0070	C0100	C0110	C0120	C0200
Expenses incurred	R0550	-266.81	2,616,856.72	0.00	1,347,633.23	3,964,223.15
Administrative expenses						
Gross - Direct Business	R0610					0.00
Gross - Proportional reinsurance accepted	R0620					0.00
Gross - Non-proportional reinsurance accepted	R0630					0.00
Reinsurers' share	R0640					0.00
Net	R0700	0.00	0.00	0.00	0.00	0.00
Investment management expenses						
Gross - Direct Business	R0710					0.00
Gross - Proportional reinsurance accepted	R0720					0.00
Gross - Non-proportional reinsurance accepted	R0730					0.00
Reinsurers' share	R0740					0.00
Net	R0800	0.00	0.00	0.00	0.00	0.00
Claims management expenses						
Gross - Direct Business	R0810					0.00
Gross - Proportional reinsurance accepted	R0820					0.00
Gross - Non-proportional reinsurance accepted	R0830					0.00
Reinsurers' share	R0840					0.00
Net	R0900	0.00	0.00	0.00	0.00	0.00
Acquisition expenses						
Gross - Direct Business	R0910	-266.81	2,328,030.59		39,205.78	2,366,969.56
Gross - Proportional reinsurance accepted	R0920					0.00
Gross - Non-proportional reinsurance accepted	R0930					0.00
Reinsurers' share	R0940					0.00
Net	R1000	-266.81	2,328,030.59	0.00	39,205.78	2,366,969.56
Overhead expenses						
Gross - Direct Business	R1010		288,826.13		1,308,427.45	1,597,253.59
Gross - Proportional reinsurance accepted	R1020					0.00
Gross - Non-proportional reinsurance accepted	R1030					0.00
Reinsurers' share	R1040					0.00
Net	R1100	0.00	288,826.13	0.00	1,308,427.45	1,597,253.59
Other expenses	R1200					1,204,240.72
Total expenses	R1300					5,168,463.87

Non-life obligations for home country

S.05.02.01.01

		Home country	Country (by amount of gross premiums written) FR	Country (by amount of gross premiums written) GB	Total for top 5 countries and home country (by amount of gross
		C0080	C0090	C0090	C0140
Premiums written					
Gross - Direct Business	R0110		9,165,380.25	9,559,386.70	18,724,766.96
Gross - Proportional reinsurance accepted	R0120				0.00
Gross - Non-proportional reinsurance accepted	R0130				0.00
Reinsurers' share	R0140			733,974.23	733,974.23
Net	R0200	0.00	9,165,380.25	8,825,412.47	17,990,792.72
Premiums earned					
Gross - Direct Business	R0210		6,240,370.76	8,608,114.39	14,848,485.15
Gross - Proportional reinsurance accepted	R0220				0.00
Gross - Non-proportional reinsurance accepted	R0230				0.00
Reinsurers' share	R0240			733,974.23	733,974.23
Net	R0300	0.00	6,240,370.76	7,874,140.15	14,114,510.91
Claims incurred					
Gross - Direct Business	R0310		5,558,370.06	3,704,426.23	9,262,796.29
Gross - Proportional reinsurance accepted	R0320				0.00
Gross - Non-proportional reinsurance accepted	R0330				0.00
Reinsurers' share	R0340			136,425.16	136,425.16
Net	R0400	0.00	5,558,370.06	3,568,001.06	9,126,371.13
Changes in other technical provisions					
Gross - Direct Business	R0410				0.00
Gross - Proportional reinsurance accepted	R0420				0.00
Gross - Non-proportional reinsurance accepted	R0430				0.00
Reinsurers' share	R0440				0.00
Net	R0500	0.00		0.00	0.00
Expenses incurred	R0550		28,786.25	3,935,436.90	3,935,436.90
Other expenses	R1200				
Total expenses	R1300				3,935,436.90

Non-Life Technical Provisions

S.17.01.01

		Segmentation for: Direct business and accepted proportional reinsurance			
		Fire and other damage to property insurance	Legal expenses insurance	Miscellaneous financial loss	Total Non-Life obligation
		C0080	C0110	C0130	C0180
Technical provisions calculated as a whole	R0010	0.00	0.00	0.00	0.00
Direct business	R0020				0.00
Accepted proportional reinsurance business	R0030				0.00
Accepted non-proportional reinsurance	R0040				0.00
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050				0.00
Technical provisions calculated as a sum of BE and RM					
Best estimate					
Premium provisions					
Gross - Total	R0060	-900,256.53	-6,249,734.89	620,425.13	-6,529,566.29
Gross - direct business	R0070	-900,256.53	-6,249,734.89	620,425.13	-6,529,566.29
Gross - accepted proportional reinsurance business	R0080				0.00
Gross - accepted non-proportional reinsurance business	R0090				0.00
Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	R0100	0.00	0.00	0.00	0.00
Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses	R0110				0.00
Recoverables from SPV before adjustment for expected losses	R0120				0.00
Recoverables from Finite Reinsurance before adjustment for expected losses	R0130				0.00
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140				0.00
Net Best Estimate of Premium Provisions	R0150	-900,256.53	-6,249,734.89	620,425.13	-6,529,566.29
Claims provisions					
Gross - Total	R0160	194,889.00	2,797,623.51	3,368,552.11	6,361,064.62
Gross - direct business	R0170	194,889.00	2,797,623.51	3,368,552.11	6,361,064.62
Gross - accepted proportional reinsurance business	R0180				0.00
Gross - accepted non-proportional reinsurance business	R0190				0.00
Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	R0200	0.00	-660,658.51	0.00	-660,658.51
Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses	R0210		-660,658.51		-660,658.51
Recoverables from SPV before adjustment for expected losses	R0220				0.00
Recoverables from Finite Reinsurance before adjustment for expected losses	R0230				0.00
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240		-660,229.40		-660,229.40
Net Best Estimate of Claims Provisions	R0250	194,889.00	3,457,852.91	3,368,552.11	7,021,294.02
Total Best estimate - gross	R0260	-705,367.53	-3,452,111.38	3,988,977.24	-168,501.67
Total Best estimate - net	R0270	-705,367.53	-2,791,881.98	3,988,977.24	491,727.73
Risk margin	R0280	58,040.40	162,168.61	292,130.54	512,339.55

Non-Life Technical Provisions (Continued)

S.17.01.01 (Continued)

		Segmentation for: Direct business and accepted proportional reinsurance			Total Non-Life obligation
		Fire and other damage to property insurance	Legal expenses insurance	Miscellaneous financial loss	
		C0080	C0110	C0130	C0180
Amount of the transitional on Technical Provisions					
TP as a whole	R0290				0.00
Best estimate	R0300				0.00
Risk margin	R0310				0.00
Technical provisions - total					
Technical provisions - total	R0320	-647,327.13	-3,289,942.77	4,281,107.78	343,837.88
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	0.00	-660,229.40	0.00	-660,229.40
Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total	R0340	-647,327.13	-2,629,713.37	4,281,107.78	1,004,067.28
Line of Business: further segmentation (Homogeneous Risk Groups)					
Premium provisions - Total number of homogeneous risk groups	R0350				
Claims provisions - Total number of homogeneous risk groups	R0360				
Cash-flows of the Best estimate of Premium Provisions (Gross)					
Cash out-flows					
Future benefits and claims	R0370	741,241.08	0.00	2,539,516.00	3,280,757.07
Future expenses and other cash-out flows	R0380	11,649.10	0.00	86,924.60	98,573.70
Cash in-flows					
Future premiums	R0390	1,653,146.71	6,249,734.89	2,006,015.46	9,908,897.06
Other cash-in flows (incl. Recoverable from salvages and subrogations)	R0400				0.00
Cash-flows of the Best estimate of Claims Provisions (Gross)					
Cash out-flows					
Future benefits and claims	R0410	167,176.48	2,688,811.15	3,266,548.20	6,122,535.83
Future expenses and other cash-out flows	R0420	27,712.52	108,812.35	102,003.91	238,528.79
Cash in-flows					
Future premiums	R0430				0.00
Other cash-in flows (incl. Recoverable from salvages and subrogations)	R0440				0.00
Percentage of gross Best Estimate calculated using approximations	R0450				
Best estimate subject to transitional of the interest rate	R0460				0.00
Technical provisions without transitional on interest rate	R0470				0.00
Best estimate subject to volatility adjustment	R0480				0.00
Technical provisions without volatility adjustment and without others transitional measures	R0490				0.00

Total (no breakdown by currency)	Unit	GBP	
Non-life insurance claims			
S.19.01.01.01			

Line of business*	Z0010	Fire and other damage to property insurance
Accident year / Underwriting year*	Z0020	Underwriting year
Currency*	Z0030	Total
Currency conversion*	Z0040	Reporting currency

Gross Claims Paid (non-cumulative) - Development year (absolute amount)

		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160
Prior	R0100																
N-14	R0110																
N-13	R0120																
N-12	R0130																
N-11	R0140																
N-10	R0150											0.00					
N-9	R0160										68,676.59						
N-8	R0170																
N-7	R0180																
N-6	R0190																
N-5	R0200																
N-4	R0210																
N-3	R0220																
N-2	R0230			100,037.39													
N-1	R0240		140,451.86														
N	R0250	12,445.60															

Gross Claims Paid (non-cumulative) - Current year, sum of years (cumulative)

		In Current year	Sum of all years
		C0170	C0180
Prior	R0100	0.00	0.00
N-14	R0110	0.00	0.00
N-13	R0120	0.00	0.00
N-12	R0130	0.00	0.00
N-11	R0140	0.00	0.00
N-10	R0150	0.00	0.00
N-9	R0160	68,676.59	68,676.59
N-8	R0170	0.00	0.00
N-7	R0180	0.00	0.00
N-6	R0190	0.00	0.00
N-5	R0200	0.00	0.00
N-4	R0210	0.00	0.00
N-3	R0220	0.00	0.00
N-2	R0230	100,037.39	100,037.39
N-1	R0240	140,451.86	140,451.86
N	R0250	12,445.60	12,445.60
Total	R0260	321,611.44	321,611.44

Gross undiscounted Best Estimate Claims Provisions - Development year (absolute amount)

		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0310	C0320	C0330	C0340	C0350
Prior	R0100																
N-14	R0110																
N-13	R0120																
N-12	R0130																
N-11	R0140																
N-10	R0150																
N-9	R0160																
N-8	R0170																
N-7	R0180																
N-6	R0190																
N-5	R0200																
N-4	R0210																
N-3	R0220																
N-2	R0230			12,964.95													
N-1	R0240		105,013.13														
N	R0250	77,914.08															

Gross discounted Best Estimate Claims Provisions - Current year, sum of years (cumulative)

		Year end (discounted data)
		C0360
Prior	R0100	
N-14	R0110	
N-13	R0120	
N-12	R0130	
N-11	R0140	
N-10	R0150	
N-9	R0160	
N-8	R0170	
N-7	R0180	
N-6	R0190	
N-5	R0200	
N-4	R0210	
N-3	R0220	
N-2	R0230	12,797.93
N-1	R0240	104,325.39
N	R0250	77,765.69
Total	R0260	194,889.00

Total (no breakdown by currency)

Unit	GBP

Non-life insurance claims

S.19.01.01.01

Line of business*	Z0010	Legal expenses insurance
Accident year / Underwriting year*	Z0020	Underwriting year
Currency*	Z0030	Total
Currency conversion*	Z0040	Reporting currency

Gross Claims Paid (non-cumulative) - Development year (absolute amount)

		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160
Prior	R0100																
N-14	R0110																
N-13	R0120																
N-12	R0130																
N-11	R0140																
N-10	R0150											0.00					
N-9	R0160	0.00	30,297.45	72,841.17	43,728.10	16,106.06	30,493.10	740.00	36,000.00	37,332.00	68,676.59						
N-8	R0170	4,930.30	19,740.85	10,442.04	16,676.18	46,467.83	30,485.70	0.00	-4,684.23	9,508.02							
N-7	R0180	3,661.60	19,688.65	21,289.19	168,862.07	23,842.71	4,692.86	13,254.66	0.00								
N-6	R0190	1,505.41	45,633.12	45,414.71	40,735.48	10,297.25	20,500.00	-5,436.43									
N-5	R0200	10,775.45	16,393.36	42,042.60	880.00	20,970.90	-7,708.90										
N-4	R0210	0.00	149,303.35	98,707.94	127,262.72	-26,003.69											
N-3	R0220	5,250.00	164,286.99	662,097.55	389,927.39												
N-2	R0230	7,396.85	207,721.82	226,809.04													
N-1	R0240	22,233.57	198,108.39														
N	R0250	35,601.60															

Gross Claims Paid (non-cumulative) - Current year, sum of years (cumulative)

		In Current year	Sum of all years
		C0170	C0180
Prior	R0100	0.00	0.00
N-14	R0110	0.00	0.00
N-13	R0120	0.00	0.00
N-12	R0130	0.00	0.00
N-11	R0140	0.00	0.00
N-10	R0150	0.00	0.00
N-9	R0160	68,676.59	336,214.47
N-8	R0170	9,508.02	133,566.69
N-7	R0180	0.00	255,291.74
N-6	R0190	-5,436.43	158,649.54
N-5	R0200	-7,708.90	83,353.41
N-4	R0210	-26,003.69	349,270.32
N-3	R0220	389,927.39	1,221,561.93
N-2	R0230	226,809.04	441,927.71
N-1	R0240	198,108.39	220,341.96
N	R0250	35,601.60	35,601.60
Total	R0260	889,482.01	3,235,779.37

Gross undiscounted Best Estimate Claims Provisions - Development year (absolute amount)

		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0310	C0320	C0330	C0340	C0350
Prior	R0100																
N-14	R0110																
N-13	R0120																
N-12	R0130																
N-11	R0140																
N-10	R0150											-101,464.54					
N-9	R0160										102,672.63						
N-8	R0170									1,868.95							
N-7	R0180								5,395.44								
N-6	R0190							2,026.61									
N-5	R0200						24,786.13										
N-4	R0210					146,173.27											
N-3	R0220				520,177.19												
N-2	R0230			327,284.54													
N-1	R0240		454,313.09														
N	R0250	1,339,800.02															

Gross discounted Best Estimate Claims Provisions - Current year, sum of years (cumulative)

		Year end (discounted data)
		C0360
Prior	R0100	
N-14	R0110	
N-13	R0120	
N-12	R0130	
N-11	R0140	
N-10	R0150	-90,125.73
N-9	R0160	92,720.51
N-8	R0170	1,714.92
N-7	R0180	5,026.82
N-6	R0190	1,915.29
N-5	R0200	23,747.95
N-4	R0210	141,694.11
N-3	R0220	509,275.29
N-2	R0230	323,068.26
N-1	R0240	451,337.78
N	R0250	1,337,248.31
Total	R0260	2,797,623.51

Total (no breakdown by currency) | Unit | GBP

Non-life insurance claims

S.19.01.01.01

Line of business*	Z0010	Miscellaneous financial loss
Accident year / Underwriting year*	Z0020	Underwriting year
Currency*	Z0030	Total
Currency conversion*	Z0040	Reporting currency

Gross Claims Paid (non-cumulative) - Development year (absolute amount)

		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160
Prior	R0100																
N-14	R0110																
N-13	R0120																
N-12	R0130																
N-11	R0140																
N-10	R0150											0.00					
N-9	R0160																
N-8	R0170																
N-7	R0180																
N-6	R0190																
N-5	R0200	0.00	4,043.54	0.00	0.00	0.00	0.00										
N-4	R0210	3,095.00	29,457.60	2,050.00	2,272.00	0.00											
N-3	R0220	51,721.56	23,100.00	9,457.00	54,668.73												
N-2	R0230	590,953.56	487,846.80	621,196.72													
N-1	R0240	2,079,532.38	2,200,543.78														
N	R0250	2,207,499.00															

Gross Claims Paid (non-cumulative) - Current year, sum of years (cumulative)

		In Current year	Sum of all years
		C0170	C0180
Prior	R0100	0.00	0.00
N-14	R0110	0.00	0.00
N-13	R0120	0.00	0.00
N-12	R0130	0.00	0.00
N-11	R0140	0.00	0.00
N-10	R0150	0.00	0.00
N-9	R0160	0.00	0.00
N-8	R0170	0.00	0.00
N-7	R0180	0.00	0.00
N-6	R0190	0.00	0.00
N-5	R0200	0.00	4,043.54
N-4	R0210	0.00	36,874.60
N-3	R0220	54,668.73	138,947.30
N-2	R0230	621,196.72	1,699,997.09
N-1	R0240	2,200,543.78	4,280,076.16
N	R0250	2,207,499.00	2,207,499.00
Total	R0260	5,083,908.24	8,367,437.69

Gross undiscounted Best Estimate Claims Provisions - Development year (absolute amount)

		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0310	C0320	C0330	C0340	C0350
Prior	R0100																
N-14	R0110																
N-13	R0120																
N-12	R0130																
N-11	R0140																
N-10	R0150																
N-9	R0160																
N-8	R0170																
N-7	R0180																
N-6	R0190																
N-5	R0200																
N-4	R0210																
N-3	R0220				22,710.32												
N-2	R0230			-1,295,345.29													
N-1	R0240		1,558,256.01														
N	R0250	3,043,580.61															

Gross discounted Best Estimate Claims Provisions - Current year, sum of years (cumulative)

		Year end (discounted data)
		C0360
Prior	R0100	
N-14	R0110	
N-13	R0120	
N-12	R0130	
N-11	R0140	
N-10	R0150	
N-9	R0160	
N-8	R0170	
N-7	R0180	
N-6	R0190	
N-5	R0200	
N-4	R0210	0.00
N-3	R0220	22,234.36
N-2	R0230	-1,278,657.85
N-1	R0240	1,548,050.91
N	R0250	3,037,783.97
Total	R0260	3,329,411.39

Own funds

S.23.01.01

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	31,400.00	31,400.00			
Share premium account related to ordinary share capital	R0030	3,426,200.00	3,426,200.00			
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	0.00				
Subordinated mutual member accounts	R0050	0.00				
Surplus funds	R0070	0.00				
Preference shares	R0090	0.00				
Share premium account related to preference shares	R0110	0.00				
Reconciliation reserve	R0130	3,968,777.51	3,968,777.51			
Subordinated liabilities	R0140	0.00				
An amount equal to the value of net deferred tax assets	R0160	0.00				
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	0.00				
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230	0.00				
Total basic own funds after deductions	R0290	7,426,377.51	7,426,377.51	0.00	0.00	0.00
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	0.00				
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	0.00				
Unpaid and uncalled preference shares callable on demand	R0320	0.00				
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0.00				
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	0.00				
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	0.00				
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	0.00				
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	0.00				
Other ancillary own funds	R0390	0.00				
Total ancillary own funds	R0400	0.00			0.00	0.00
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	7,426,377.51	7,426,377.51	0.00	0.00	0.00
Total available own funds to meet the MCR	R0510	7,426,377.51	7,426,377.51	0.00	0.00	
Total eligible own funds to meet the SCR	R0540	7,426,377.51	7,426,377.51	0.00	0.00	0.00
Total eligible own funds to meet the MCR	R0550	7,426,377.51	7,426,377.51	0.00	0.00	
SCR	R0580	7,258,491.67				
MCR	R0600	3,241,800.00				
Ratio of Eligible own funds to SCR	R0620	1.023129577				
Ratio of Eligible own funds to MCR	R0640	2.290819148				

Own funds (Continued)

S.23.01.01 (Continued)

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	7,426,377.51
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	3,457,600.00
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	3,968,777.51
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	0.00
Total Expected profits included in future premiums (EPIFP)	R0790	0.00

Solvency Capital Requirement - for undertakings on Standard Formula

S.25.01.01

Article 112 (*)	Z0010	Regular Reporting

Basic Solvency Capital Requirement

		Net solvency capital requirement	Gross solvency capital requirement	Allocation from adjustments due to RFF and Matching adjustments
		C0030	C0040	C0050
Market risk	R0010	412,284.38	412,284.38	
Counterparty default risk	R0020	319,579.94	319,579.94	
Life underwriting risk	R0030	0.00	0.00	
Health underwriting risk	R0040	0.00	0.00	
Non-life underwriting risk	R0050	6,242,950.69	6,242,950.69	
Diversification	R0060	-448,370.40	-448,370.40	
Intangible asset risk	R0070		0.00	
Basic Solvency Capital Requirement	R0100	6,526,444.62	6,526,444.62	

Calculation of Solvency Capital Requirement

		Value
		C0100
Adjustment due to RFF/MAP nSCR aggregation	R0120	
Operational risk	R0130	732,047.05
Loss-absorbing capacity of technical provisions	R0140	
Loss-absorbing capacity of deferred taxes	R0150	
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency Capital Requirement excluding capital add-on	R0200	7,258,491.67
Capital add-on already set	R0210	
Solvency capital requirement	R0220	7,258,491.67
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	
Method used to calculate the adjustment due to RFF/MAP nSCR aggregation (*)	R0450	No adjustment
Net future discretionary benefits	R0460	

Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

S.28.01.01

Linear formula component for non-life insurance and reinsurance obligations

		MCR components
		C0010
MCRNL Result	R0010	2,665,019.83

Background information

		Background information	
		Net (of reinsurance/SPV) best estimate and	Net (of reinsurance) written premiums in
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020		
Income protection insurance and proportional reinsurance	R0030		
Workers' compensation insurance and proportional reinsurance	R0040		
Motor vehicle liability insurance and proportional reinsurance	R0050		
Other motor insurance and proportional reinsurance	R0060		
Marine, aviation and transport insurance and proportional reinsurance	R0070		
Fire and other damage to property insurance and proportional reinsurance	R0080	0.00	2,201,203.45
General liability insurance and proportional reinsurance	R0090		
Credit and suretyship insurance and proportional reinsurance	R0100		
Legal expenses insurance and proportional reinsurance	R0110	0.00	6,150,304.56
Assistance and proportional reinsurance	R0120		4,733.70
Miscellaneous financial loss insurance and proportional reinsurance	R0130	3,988,977.24	11,079,158.55
Non-proportional health reinsurance	R0140		
Non-proportional casualty reinsurance	R0150		
Non-proportional marine, aviation and transport reinsurance	R0160		
Non-proportional property reinsurance	R0170		

Linear formula component for life insurance and reinsurance obligations

		C0040
MCRL Result	R0200	0.00

Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity (Continued)

S.28.01.01 (Continued)

Total capital at risk for all life (re)insurance obligations

		Net (of reinsurance/SPV) best estimate and	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210		
Obligations with profit participation - future discretionary benefits	R0220		
Index-linked and unit-linked insurance obligations	R0230		
Other life (re)insurance and health (re)insurance obligations	R0240		
Total capital at risk for all life (re)insurance obligations	R0250		

Overall MCR calculation

		C0070
Linear MCR	R0300	2,665,019.83
SCR	R0310	7,258,491.67
MCR cap	R0320	3,266,321.25
MCR floor	R0330	1,814,622.92
Combined MCR	R0340	2,665,019.83
Absolute floor of the MCR	R0350	3,241,800.00
Minimum Capital Requirement	R0400	3,241,800.00

Templates to be submitted – Solo:

- S.02.01.02
- S.05.01.02
- S.05.02.02
- S.12.01.02
- S.17.01.02
- S.19.01.21
- S.22.01.21
- S.23.01.01
- S.25.01.21
- S.25.02.21
- S.25.03.21
- S.28.01.01
- S.28.02.01