Acasta European Insurance Company Limited
Focus Holdings (Gibraltar) Limited

Solvency & Financial Condition Report

For year ended 31st December 2019

Contents

Executive Summary

HIGHLIGHTS
• Solvency II Capital Requirement ('SCR') coverage of 111% as at 31 December 2019 (2018: 133%). • Gross written premium increased to £59.0m (2018: £36.5m). • Maintained a strong reinsurance programme with A rated reinsurers. • Shareholders injected a further £5m capital during the period. • The Company is in a strong position to continue to grow and diversify its business thereby mitigating any future volatility, including the impact of Coronavirus.

This report relates to the Group which is made up of Focus Holdings (Gibraltar) Limited ('FHGL' or 'the Group'), an insurance holding company, and Acasta European Insurance Company Limited ('AEICL' or 'the Company'). AEICL is a 100% subsidiary of FHGL. The purpose of this report is to satisfy the public disclosure requirements under the Financial Services (Insurance Companies) (Solvency II Directive) Act (the Solvency II Act in Gibraltar) including the Delegated Regulations of the European Parliament. The elements of the disclosure relate to business performance, governance, risk profile, solvency and capital management.

At 31st December 2019 we had an SCR coverage of 111% (2018: 133%). The decrease is due primarily to the strengthening of reserves and growth in the business, offset by additional capital received during the year.

The Company is continuing to focus on a diversified range of low volatility niche products where the Company can differentiate itself by service rather than price alone.

Following the decision of the United Kingdom to leave the European Union in 2016, the Company has continued its operational planning to minimise the impact to customers and the Company. The Company placed the majority of its European business into run off during 2019, and the remainder in early 2020.

High quality underwriting and pricing is critical for all insurers. During 2018 the Company took a number of actions to improve the quality of the business, which included cancelling books of business which were contributing to either a deterioration of claims expense experience, greater volatility or long-term uncertainty. The Company has had to take further action during 2019 to address some continued underperformance in certain parts of the Warranty and GAP business. This corrective action has included premium rate increases and cancelling further underperforming schemes. The Company has experienced some deterioration in the delegated Legal Expenses business during 2019. However, there has been an improvement in cancellation rates for more recent underwriting years. We expect the performance to improve during 2020. Surety Bonds in UK and Ireland have seen deterioration during 2019. This is partly due to an improved claims reporting process, resulting in some outstanding claims being recalculated with claims being reserved at the full bond value. Management are continuing to work with underwriters, loss adjustors and professional surveyors to improve the performance.

The Company's policy, in line with 2018, is to use at least the external actuary's reserve best estimates in the management accounts and solvency calculations. The reserve review as at December 2019 resulted in a need to increase reserves in some areas. The Company has been subject to a full external audit of the figures going into this Solvency and Financial Condition Report.

We continue to strengthen the corporate governance framework including the risk management function. The Boards are committed to ensuring that the Group's business is managed in a risk-focused manner at all times. The risk management philosophy is an integral part of its business culture and the decision-making processes and drives the manner in which the Group seeks to achieve its objectives. The governance and risk frameworks are detailed in this report. There have been no significant changes in the reporting period.

Keith Wardell **Date: 2nd June 2020**
Chief Executive Officer
Acasta European Insurance Company Limited

A. Business & Performance

1. Business

1.1. This report relates to Focus Holdings (Gibraltar) Limited ('FHGL') and Acasta European Insurance Company Limited ('AEICL' or 'the Company'). AEICL is an insurance Company licensed in Gibraltar and limited by shares.

1.2. FHGL is a non-regulated holding company domiciled in Gibraltar. Group supervision is carried out by AEICL's regulator:

Gibraltar Financial Services Commission
PO Box 940
Suite 3, Atlantic Suites
Gibraltar
Tel: +350 200 40283
www.fsc.gi

1.3. FHGL's and AEICL's external auditor is:

RSM Gibraltar Limited
21 Engineer Lane
Gibraltar
GX11 1AA
https://www.rsm.global/gibraltar

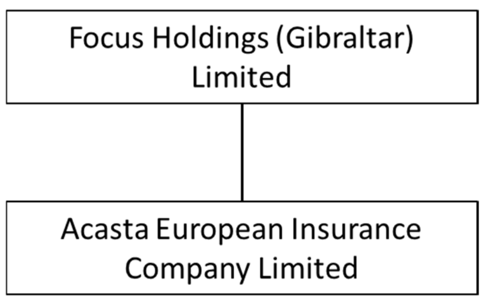
FHGL and AEICL prepare their audited financial statements in accordance with Generally Accepted Accounting Principles in Gibraltar ('GAAP').

1.4. FHGL shareholders with qualifying holdings at 31 December 2019:

Peter Done
Lea Ann Done-Jackson
Nicola Done-Orrell

AEICL is 100% owned by Focus Holdings (Gibraltar) Limited.

1.5. The FHGL structure is shown below:



1.6. The Company writes business across several licence classes in multiple territories and in several different currencies. The table below shows the business licence by class for the year to December 2019:

Class	Type of insurance business	Jurisdiction
1	Accident	France, Spain, UK
2	Sickness	France, Spain, UK
8	Fire and natural forces	UK
9	Damage to property	France, Poland, UK
13	General liability	France, Ireland, UK
15	Suretyship	France, Ireland, Spain, UK
16	Miscellaneous financial loss	Austria, Belgium, Czech Republic, France, Germany, Hungary, Ireland, Luxembourg, Poland, Slovakia, Spain, UK, Australia
17	Legal Expenses	France, Ireland, Poland, UK
18	Assistance	Poland, UK

1.7. The material undertaking in the Group is AEICL as FHGL is solely a holding company. AEICL's results and net assets are as follows:

Undertaking	Profit/(Loss) after tax £m		Total Assets £m		Net Assets £m	
	2018	2019	2018	2019	2018	2019
AEICL	5.8	(1.7)	94.4	158.1	14.5	17.8

1.7.1. FHGL is a non-trading insurance holding Company.

1.7.2. AEICL's source of profit is from underwriting activities and investment income which is explained in further detail in this report.

2. Underwriting Performance

2.1. The Company reported a technical loss of £(2,050)k (2018: £5,843k).

2.2. Total gross written premiums increased to £59.0m (2018: £36.5m).The premium written in the year ended 31 December 2019 is shown below by class of business and jurisdiction.

	Damage to Property	General Liability	Suretyship	Miscellaneous Financial Loss	Legal Expenses	Assistance	Total
Territory	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Australia							
Austria				732			732
Belgium				14			14
Czech Republic				1,439			1,439
France	279	8		9,037			9,324
Germany				1,699			1,699
Hungary				38			38
Ireland	458	315	(63)	721			1,431
Poland				971			971
Slovakia				329			329
Spain			3,698	244			3,942
United Kingdom	2,610	356	1,869	31,402	2,791	28	39,056
Total	**3,348**	**679**	**5,504**	**46,625**	**2,791**	**28**	**58,975**

2.3. The majority of premiums written are single premium policies except commercial ATE policies. Commercial ATE policies are single premiums, but each premium has four stages commencing with stage 1 from inception to stage 4 when a case is heard at court. Premiums are therefore uplifted as each stage is reached. Settlement within the relevant stage requires payment on a successful outcome of the applicable premium. There are also some policies that are paid by instalment.

2.4. The Company continued its growth during 2019 with gross written premiums increasing to £59.0m (2018: £36.5m). Further detail on the material lines of business is described below.

2.5. Warranty business (motor, furniture and brown and white) performed strongly during 2019 with total gross written premiums increasing to £26.9m (2018 £15.4m). The Company has approximately 435,000 motor warranty policies in force. The policies range in duration from one month to three years and cover all mechanical and electrical failures. The Company has approximately 800,000 furniture warranty policies in force. Cover is provided in respect of staining, structural failure and accidental damage. The Company has approximately 90,000 brown and white warranty policies in force. Policies cover breakdown and accidental damage to domestic electrical appliances such as televisions, washing machines and freezers. We rely on the expertise of our professional administrators and claims managers, who are regularly audited, to manage warranty business. The duration of the policies ranges from one month to five years.

2.6. GAP gross written premiums increased to £15.8m during 2019. The Company has approximately 300,000 policies in force. The GAP business written includes financial gap, return to invoice and purchase price cover. The contracts are designed to cover the shortfall between a motor insurer's payment following a total loss and the amount paid for the vehicle by the policy holder. The policies are in force for between one and five years, although the majority are written on a three year basis.

2.7. The Company writes legal expenses insurance related to commercial and delegated lines. The Company only underwrites legal expenses insurance in the UK. The commercial legal expenses gross written premiums *w*ere £2.4m for 2019. In force business amounts to 167 policies. These contracts may relate to a range of legal issues, examples being contract dispute and professional negligence. The delegated legal expenses *g*ross written premiums were £0.4m for 2019. The Company has approximately 28,000 live deferred premium delegated policies in force.

2.8. Surety gross written premiums were £5.5m for 2019. Performance bonds are written in UK, Republic of Ireland and Spain. We also write gaming bonds in Spain. In line with the Company's risk appetite, UK and Irish business is reinsured on a 90% quota share basis by an A rated reinsurer. Spanish business is reinsured on an 80% quota share basis with a panel of A rated reinsurers.

2.9. Surety Bonds in UK and Ireland have seen deterioration during 2019. This is partly due to an improved claims reporting process, resulting in some outstanding claims being recalculated with claims being reserved at the full bond value. Management are continuing to work with underwriters, loss adjustors and professional surveyors to improve the performance.

2.10. The Company accepted a large volume of new business from one of its major producers which considerably increased income. This business required re-underwriting and the results, which will not be apparent for some time, are expected to be positive.

2.11. High quality underwriting and pricing is critical for all insurers. During 2018 the Company took a number of actions to improve the quality of the business, which included cancelling books of business which were contributing to either a deterioration of claims expense experience, greater volatility or long-term uncertainty. The Company has had to take further action during 2019 to address some continued underperformance in certain parts of the Warranty and GAP business. This corrective action has included premium rate increases and cancelling further underperforming schemes.

2.12. Following the failure of Lamp Insurance, the GFSC insisted on a change to our recognition of legal expense premiums and a strengthening of reserves. The Company has experienced some deterioration in the delegated legal expenses business during 2019. However, there has been an improvement in cancellation rates for more recent underwriting years.

2.13. During 2019, in order to manage its solvency capital position the Company entered into a quota share reinsurance treaty with A+ rated (AM Best) Swiss Re across several lines of business and maintained its other reinsurance contracts. Under the terms of the agreements the Company is entitled to receive various commissions and fees including placement fees, reinsurance commission and profit commission. A similar reinsurance programme is in place for 2020.

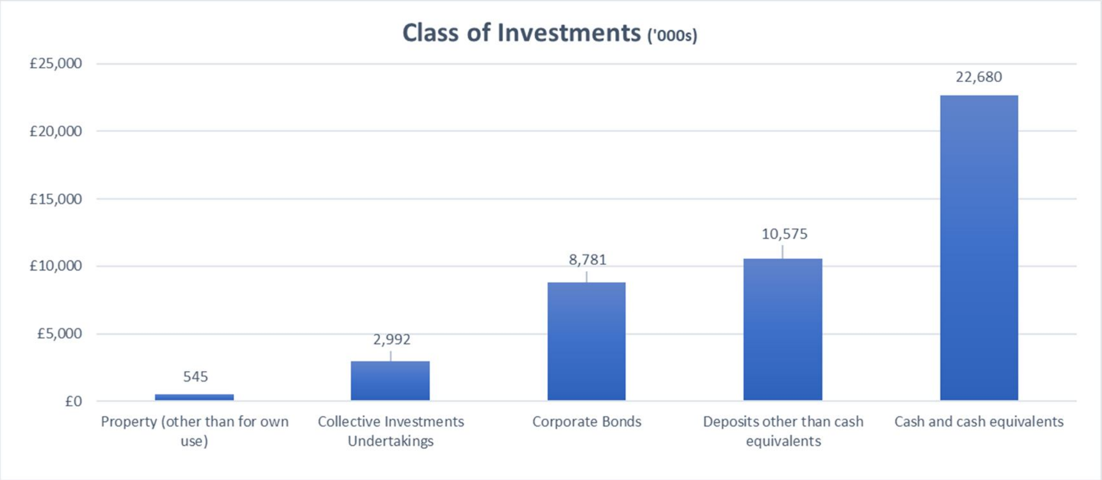
2.14. The Company's expense ratio is 24% and the Company is not expecting any significant changes to the operating expenditure of the Company during 2020. The Company expects the expense ratio to fall as earned premiums increase during 2020.

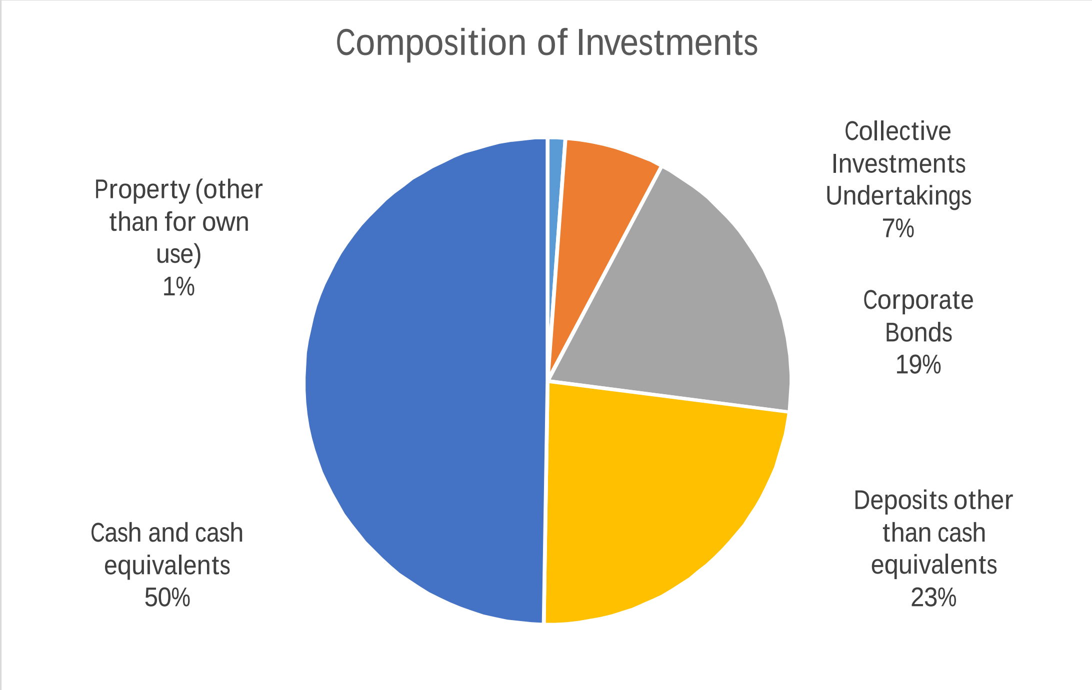
3. Investment Performance

3.1 FHGL's investments comprise the equity holdings in AEICL. AEICL employs an external investment manager, J Safra Sarasin (formerly Lombard Odier Darier Hentsch). They manage the investments in accordance with the Company's investment risk appetite. In order to minimise currency exposure assets and liabilities are held and matched in the same currency.

3.2 The investments held by the Company using SII valuation methods are as follows:

The Company's investment portfolio is valued at approximately £22.9 million. This investment portfolio comprises £10.6 million of short-term deposits, £3.0 million of investments in collective investment undertakings, £8.8 million in bonds and £0.55 million in property. Additionally, the Company holds £22.7 million of cash. This composition is graphically depicted in the charts overleaf.





4. Performance of Other Activities

4.1. There were other material income and expenses during the year other than described above.

5. Any Other Information

5.1. Covid-19: It is clear the coronavirus pandemic is having a severe global economic impact and the Company is not immune from this. Our immediate priorities remain the physical and emotional wellbeing of our employees and ensuring that our client facing teams continue to provide our usual excellent level of support and service to customers through a sustained period of uncertainty.

B. System of Governance

1. General Information on System of Governance

FHGL

Governance requirements are largely set by regulatory and legal requirements and oversight of AEICL is provided by the FHGL director on the AEICL Board. FHGL has no Committees or employees.

No dividends were paid to the shareholders during the reporting period.

The FHGL Board of Directors is comprised of two executive directors and four non-executive directors. Directors are either not remunerated or remunerated through service agreements held by AEICL.

AEICL

Board and Committee Structure

AEICL carries out its functions via the Board of Directors, a Committee and carefully selected, experienced, outsourced service providers.

The Directors of AEICL are:

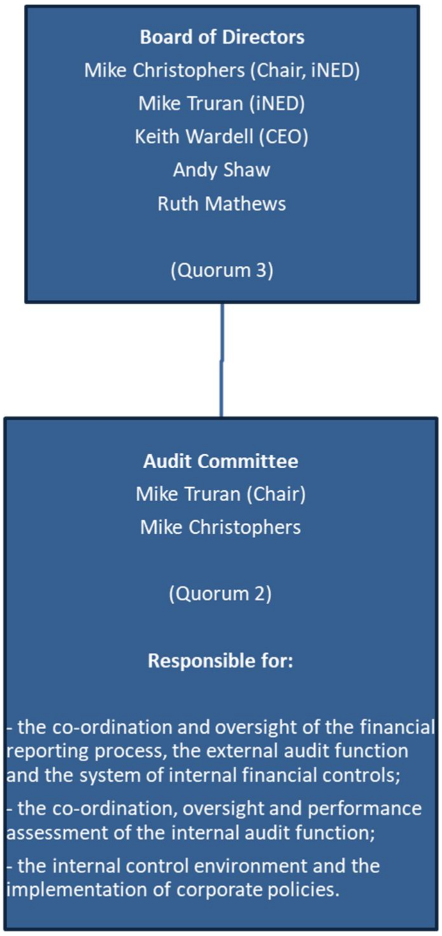
- Keith Wardell - Chief Executive Officer
- Ruth Mathews - Executive Director
- Andrew Shaw – Executive Director
- Michael Truran – Independent Non-Executive Director (from 17th December 2019)
- Michael Christophers – Chairman and Independent Non-Executive Director

Michael Gallagher was appointed as an Executive Director on 24 March 2020.

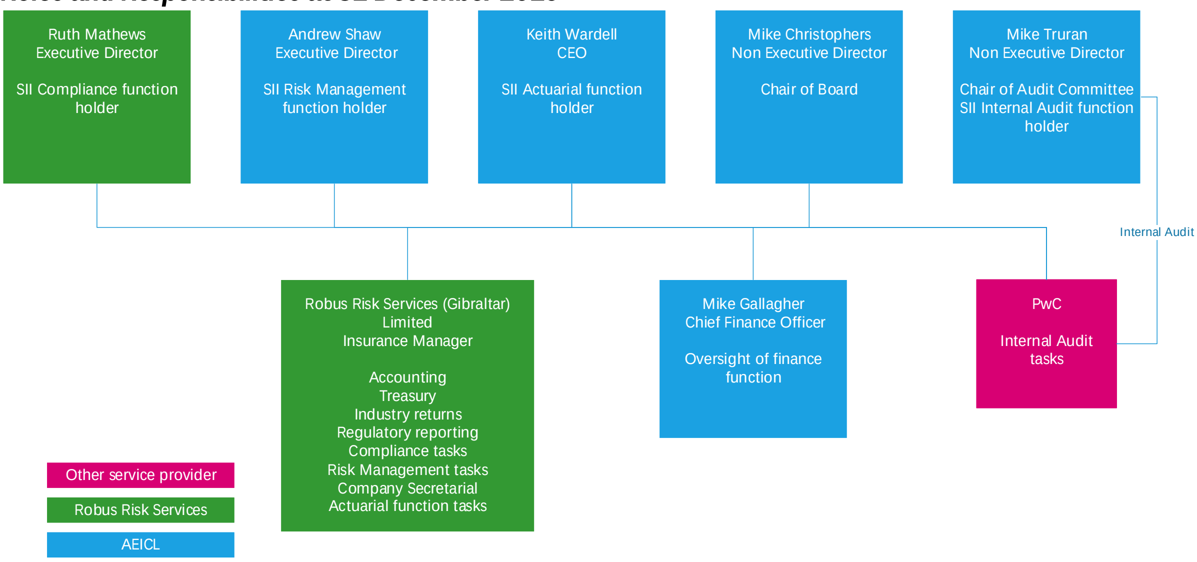
The Company's Board and Committee structure is set out below.

Terms of reference describe the purpose, responsibilities, membership and authority delegated from the Board to the Committee, and held by the Board. Relevant attendees are invited to the Committee as determined by the Committee.

Board and committee structure at 31 December 2019



Roles and Responsibilities at 31 December 2019



During 2019 the Board refined its governance structure by maintaining the Audit Committee as a separate Committee, but incorporating the other Committees/responsibilities (compliance, risk management, investments and underwriting and claims) within the Board.

On 2 April 2019 Keith Wardell stepped down as Chairman of the Board of AEICL and Mike Christophers, the independent non-executive Director, was appointed instead. A second independent non-executive Director, Michael Truran, was appointed 17 December 2019.

Mike Gallagher was appointed as a Director on 24 March 2020.

Material Intra-Group Transactions

During the year the holding Company invested additional capital in the operational insurance company, AEICL, amounting to £5 million. A further capital injection of £2 million took place in February 2020. Apart from the capital injection, there have been no other material intra-group transactions.

Fit and Proper Requirements

It is the responsibility of the Company Board to ensure that the individuals managing the business or fulfilling key functions have the appropriate knowledge and skills to do so. It ensures that it and all persons in a position of influence over the Company demonstrate and continuously act with honesty, integrity and professionalism and do not pose a risk to key stakeholders.

AEICL has a fit and proper policy and procedures which detail its controls around ensuring that the Company and the key individuals associated with it are fit and proper.

In order to ensure that it meets fit and proper requirements the Board must have the appropriate mix of executive and non-executive directors, and the appropriate mix of skills and experience (composition). The Board reviews its composition on an at least annual basis, or if a new appointment or replacement is being considered, to verify and demonstrate that the Board's skills encompass all areas of the business and particularly that the non-executive directors have sufficient technical knowledge and multiple skills to be able to effectively challenge the executive functions.

Evaluation of fit and proper is made on appointment of a director and an annual attestation of continued propriety is obtained on an annual basis.

The Company aims to instil a culture with strong communication and complete transparency between the directors and with all stakeholders to facilitate challenge.

The compliance function is responsible for ensuring that appropriate notification documents are prepared for all individuals carrying out regulated functions and submitted for regulatory approval.

2 Risk Management System including Own Risk and Solvency Assessment ('ORSA')

Risk Management System Overview

Risks identified are categorised, analysed, evaluated, and then treatment of the risk is determined (control, avoid or accept). These stages are recorded on the risk register which is then also utilised to monitor and review risks by the Board.

The business classifies its risks into the following categories:

- Underwriting risk
- Reserving risk
- Lapse risk
- Regulatory/legal risk

- Investment risk
- Liquidity risk
- Credit risk
- Concentration risk
- Operational risk
- Outsourcing risk
- Reputational risk
- Strategic risk
- Conduct risk

Risk Management Strategies, Objectives, Processes and Reporting

Governance arrangements position the AEICL Board at the apex of the risk management process, supported by the risk management key function holder. The Board and the key function holder have the following accountabilities in regard to risk management:

- The Board approves and confirms that defined risks are complete and reflect the full range of business risks to which AEICL is exposed by reviewing the entire risk register on a six-monthly basis and the top ten risks at each quarterly board meeting;
- Risk owners review their risks and associated controls on a quarterly basis and update them as necessary;
- The Board identifies any emerging risks that need to be investigated, evaluated and monitored;
- Risk appetites and tolerances are set by the Board and are informed by its strategic objectives; and
- The Board considers risk reports, including the results of stress tests and other management information, in order to inform its decision making on risk related issues.

The risk management function holder is responsible for the day-to-day operations of AEICL's risk management processes and the production of management information that allows for timely and relevant decision making on risk related matters by the Board.

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. The risk management function 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 reports to the Board as set out in its role and responsibilities, on the control of risk in the business. In addition, as set out above, individuals have a duty to inform the Board of any weaknesses or failures in control and any changes to existing, new, or emerging risks.

The risk management function holder meets regularly with risk owners to discuss and review emerging risks and report on any risk events in the period. Risk management 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).

Implementation of Risk Management Function

The risk management key function holder is responsible for the risk management function, reporting to the Board. Risk management tasks are outsourced to the Company's insurance manager. The key function holder is responsible for the outsourced relationship and for reviewing and challenging performance. The function holder is an Executive Director who ensures that risk management is fully integrated into AEICL's business and decision-making process.

The AEICL risk management process is described above. Day-to-day responsibility for risk management rests with the risk management function holder. The Board retains ultimate responsibility for risk management. 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 ongoing 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 from 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 risk process have formed a key input into the production of the ORSA including the Company's documented strategy, risk appetite and the risk register. In addition, the Company's outsourcing policy and management and compliance information received from its intermediaries were also key inputs.

The Company undertakes a business planning process before the start of each financial year, producing a detailed budget for the coming year and a three-year forecast. These, along with the business assumptions from the plan, market trends, expenses budgets, economic considerations and legislative and regulatory developments, all feed into the ORSA.

In the event of a material change in the business' risk profile during the year the Board will consider whether an ORSA is required to be conducted.

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 AEICL's specific risk profile. This includes risks explicitly captured in the Solvency II 'standard formula' as well as risks which are not adequately represented, or excluded from, the standard formula.

The capital management policy has been established to ensure that the Company has in place the appropriate levels and quality of both economic (ORSA) and regulatory (SCR) capital. 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 risk profile, future business plans and the outcome of the ORSA in an iterative cycle.

3 Internal Control System

FHGL

Internal controls are implemented at a level proportionate to the business, and are driven by regulatory and legal requirements, largely being reporting and accounting controls to enable the monitoring of the business. FHGL is subject to statutory audit which independently reviews it's internal control system.

AEICL

AEICL takes actions to manage risk and increase the likelihood that its objectives and goals will be achieved; these actions are its internal controls. Risk management and the adherence to internal controls are an integral part of the business culture.

As well as being a key risk response, internal controls are also part of the compliance framework, being the first line of defence in the 'three lines of defence' model that the Company continues to develop.

The Board is ultimately responsible for overseeing and maintaining the adequacy and effectiveness of the internal control system; however, responsibility for adherence to internal controls rests with all individuals involved in the business.

The Company has implemented policies which describe the Board's approach to key areas of the business, and procedures, where appropriate, which describe how the Board fulfils its policies and manages its key risks. In essence, they document the internal controls the Company has in place.

Policies are reviewed at least annually to ensure that they remain accurate and fit for purpose. The relevant area of the business is responsible for ensuring that their procedures are up to date and reflect how the business operates. As with the policies, they are reviewed at least annually.

Compliance Function

The compliance key function holder is responsible for the completion of compliance tasks although the tasks may be outsourced to the Company's insurance manager. The key function holder is also the Compliance Officer and has direct access to the Board.

The compliance function is responsible for identifying and evaluating compliance risk, overseeing the implementation of controls for the risks identified, and monitoring their efficacy through the compliance monitoring programme. The key function holder reports to the Board at each meeting and provides advice to the business when requested.

The compliance function also liaises with regulatory bodies and authorities and provides updates on changes in legislation and regulatory requirements.

The Board supports the compliance function and makes available such resource as is necessary and provides access to all relevant documentation and information from the business for the compliance function to fulfil its aims.

4 Internal Audit Function

Internal audit exists to provide the Company with independent assessments of the quality of internal controls and administrative processes and provide recommendations and suggestions for continuous improvement. It provides advisory services to management, conducts investigations on an ad hoc basis as requested by management, and has responsibility for assisting in the development and operation of the risk management framework.

The Board appointed internal audit key function holder has responsibility for the internal audit function and reports into the Audit Committee ('AC'). Internal audit tasks are outsourced to a third-party provider selected by the AC. PricewaterhouseCoopers ('PwC') have been engaged as internal auditors for AEICL. The results of PWC's audits are reviewed by the AC. The key function holder also has responsibility for co-ordinating this outsourcing and challenging the results.

The third-party provider prepares an internal audit plan for the following year which is based on a three-year plan and is developed using a risk-based approach to prioritise high risk areas and the extent and frequency of audits. The plan is approved by the AC and provided to the Board for information. The plan is subject to change throughout the year depending on the business and changing risk environment.

Audit reports are produced after each internal audit and provided to the AC for review with management responses. Any actions coming out of the audits are monitored to completion by the AC.

Internal audits will be conducted by appropriately skilled, experienced and independent persons to carry out the audit to the AC's standards.

To carry out its work effectively and to retain integrity of the function, internal audit acts independently of line management. The internal audit function holder is also the Chair of the AC and is responsible for the planning, management and performance of internal audit. The AC consists of two Non-Executive Directors.

The AC provides a quarterly report to the Board. Additional AC meetings are held when necessary and a report of these meetings is provided to the Board.

Internal audit reports may be requested by appointed external auditors.

5 Actuarial Function

The Board has appointed the CEO as the actuarial key function holder. Tasks of the function are outsourced to the contracted actuaries which report to the function holder. The function holder has responsibility for oversight of the outsourced relationship and co-ordinating and challenging the results.

The actuarial function is responsible for:
a) coordination of the calculation of technical provisions;
b) ensuring the appropriateness of the methodologies and underlying models used as well as the assumptions made in the calculation of technical provisions;
c) assessing the sufficiency and quality of the data used in the calculation of technical provisions;
d) comparing best estimates against experience;
e) informing the Board of the reliability and adequacy of the calculation of technical provisions;
f) expressing an opinion on the overall underwriting policy;
g) expressing an opinion on the adequacy of reinsurance arrangements;
h) contributing to the effective implementation of the risk management system.

Each of these activities is undertaken on at least an annual basis and the outcome reported to the Board in an internal actuarial report.

The Company engaged Mazars LLP to conduct a half year and full year independent actuarial review of reserves.

6 Outsourcing

Outsourcing is the use of a third party to perform activities on a continuing basis that would normally be undertaken by the Company. The third party to whom an activity is outsourced is a 'service provider'.

AEICL considers outsourcing where it believes that there is an advantage to the Company and customer by using a service provider, e.g. access to specialist resource, provision of services in the same jurisdiction as the customer, cost benefits.

The Board ensures that an outsourcing arrangement does not diminish the ability of the Company to fulfil its obligations to its customers or regulator, nor impede effective supervision by its regulator.

Fundamental responsibilities such as the setting of strategies and policies, oversight of the operation of the Company's processes, and the final responsibility for customers are not outsourced.

FHGL

FHGL is a holding company and has no operational activity. The company's management is outsourced to RRS, primarily consisting of the provision of the accounting function and company secretarial services.

AEICL

AEICL is reliant on a number of material service providers; due to the risk this presents, AEICL has an outsourcing policy which describes how it takes the decision to outsource, how a service provider is selected, and how the relationship is defined, managed and monitored. The Company takes a risk-based approach to all of these activities.

The key outsourced service providers used by AEICL are: -

Material Service Providers in the Reporting Period:

Service Provider	Service Provided	Jurisdiction Located
Acasta Europe Limited (AEL)	Data analysis and support Underwriting support Claims control and oversight Operational auditing Debtor control Sales and marketing and monitoring of performance	United Kingdom
Robus Risk Services (Gibraltar) Limited	Insurance management (compliance tasks, risk management tasks, accounting, banking and investments, regulatory reporting, internal actuarial tasks, company secretarial)	Gibraltar
CTC Limited	Provides, hosts and develops the policy administration system	United Kingdom
Pecometer	Hosts and develops the PELT and CRM IT system	United Kingdom
PwC Gibraltar Limited	Internal audit	Gibraltar
J Safra Sarasin	Investment management	Gibraltar
Various	Claims handling and policy administration outsourced under terms of business agreements to local agents.	Austria, Belgium, Czech Republic, France, Germany, Hungary, Ireland, Luxembourg, Poland, Slovakia, Spain, UK
Fiscal representatives	Local tax collection/reporting within a jurisdiction.	Austria, Belgium, Czech Republic, France, Germany, Hungary, Ireland, Luxembourg, Poland, Slovakia, Spain, UK

7 Adequacy of the System of Governance

AEICL aims to continuously improve its compliance and governance systems by ensuring that they are reviewed, evaluated and recommendations made to the Board(s) regarding enhancing and developing the systems, including the outcomes from compliance monitoring programmes, root cause analysis from complaints, breaches and risk events, and incremental development as the systems mature. It also considers relevant industry advice and guidelines, for example the UK Financial Reporting Council's corporate governance code, implementing these as appropriate for the size and complexity of the Company.

Internal audits and external audits provide independent evaluation of the Company's system of governance. Recommendations from these audits are considered by the AC.

The Company instigated and implemented a programme of governance improvements throughout 2019, as described above.

C. Risk Profile

1. Underwriting Risk

AEICL is the only company in the FHGL Group which is exposed to underwriting risk; the Group's underwriting risk is therefore the same as AEICL's.

Underwriting risk is a key risk to AEICL. In 2019 the Company wrote a mix of business across a number of European jurisdictions; however, the EU lines were put into run-off from October 2019 with no new EU business being written after February 2020. The core lines are motor warranty, after the event legal expenses (ATE) and commercial ATE, brown and white goods warranty, furniture warranty, GAP, surety and latent defects.

The Company regularly reviews the performance of product lines on a granular basis. Any product or producing agent that returns insufficient premiums and / or profits is examined and remediation action applied. In some cases the decision is taken to close an agency or cease to write a particular product.

The Company places quota share reinsurance to mitigate its underwriting risk and reduce its solvency requirement. This consisted of quota share reinsurance from 1 January 2019 to 31 December 2019 and from 1 January 2020 to 31 December 2020, across motor warranty, miscellaneous motor add on, brown & white goods warranty, furniture warranty and partial cover for GAP books. The reinsurer is Swiss Reinsurance Company, which is A+ rated.

The surety business written in the UK and Ireland is subject to a 90% quota share reinsurance from A rated Builders Re. The Surety business previously written in Spain is subject to a 75-80% quota share reinsurance led by A rated Munich Re / Swiss Re.

The very small travel insurance account is subject to a 100% quota share reinsurance agreement with a BBB rated reinsurer.

We withdrew from writing French construction business in 2018. The run-off of this business is 100% reinsured with an A rated reinsurer.

Underwriting risk is monitored by the Board and by the risk management key function holder via the risk management processes. It is assessed and monitored using key indicators such as written premium, claims reserves, loss ratio, claims frequency, administrative costs and large loss claims details.

The Company sells its insurance through intermediaries who have been granted limited authority via their terms of business agreements, under strict guidelines set by the Board. Intermediaries are monitored by the Board based on management information and are also subject to audits conducted by AEL on behalf of AEICL, to ensure adherence to contractual requirements including delegated underwriting authority parameters. These audits are conducted on a risk assessed basis. The results are reported to the Board which may make underwriting decisions based on the results.

The Company continually seeks to improve the methodology and granularity for identifying, assessing, managing and reporting on underwriting risk.

Setting delegated authority limits appropriate to the risk presented, and careful selection and close monitoring of intermediaries and books of business, are AEICL's primary methods of mitigating underwriting risk. The use of quota share and excess of loss reinsurance is also considered on a book by book basis in accordance with risk appetite.

2. Market Risk

FHGL

FHGL has no exposure to market risks as it holds funds in cash only.

AEICL

The Board is responsible for reviewing and monitoring market risk and maximising investment returns within the Company's risk appetites and tolerances. The Company engages an investment manager, J Safra Sarasin, to provide specialist knowledge and detailed investment analysis and make recommendations to the Board. J Safra Sarasin operates in accordance with the Company's investment risk appetite and guidelines.

AEICL pursues a conservative investment strategy, focussed 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.

Currency

The Company's decision to withdraw from European business will greatly reduce its exposure to currency risk.

The Company collects premiums mainly in Sterling and Euros with some payments in Polish Zloty and Czech Koruna. Investments are held in GBP and Euros. The Company holds a Euro cash account for Euro premium funds and claims payments to minimise the number of currency exchanges necessary, however it is exposed to currency risk as its reporting currency is GBP and the exchange rate affects the value of transactions and balances.

RRS monitors the EUR:GBP exchange rate on a quarterly basis or more regularly where there are significant movements in the currency pair, assesses the currency risk on behalf of AEICL, and will make recommendations via consultation with the Chief Financial Officer regarding when to make foreign exchange transactions to mitigate the risk. The Board evaluates the efficacy of the mitigating measures in place and evaluates other mitigating options if necessary.

Property

The Company has one property in Gibraltar whose value is not material to the risk profile. It therefore has minimal exposure to property risk.

Interest rate

Interest rate risk arises as a result of the impact of interest yield curves on future payments to be made in respect of claims and receipts from the Company's investments. The interest yield curves in the UK have decreased in the reporting period which reflects the decreases in base rates applied by the Bank of England. Continuing economic uncertainty in the UK and Europe around Brexit negotiations continues to keep rate expectations low in the UK.

The Company's exposure to interest rates arises primarily from bond portfolios (as bond values are susceptible to changes in interest rates) and the settlement of future claims (as the discount rates applied to claims settlement projections are impacted by interest yield curves).

Interest rate risk is assessed and monitored by the Board. The Company considers the prudent person principle (see 8) in considering the investment assets and how they match to the expected payment profile of the Company's technical liabilities. Maximum duration limits (seven years) are also imposed on conventional fixed income assets in order to ensure that interest rate exposure on the bond portfolio is appropriate, while the property portfolio assists in hedging against longer term changes in the interest rate yield curve. The Board reviews the effectiveness of the mitigating measures, considers how they could be improved, and makes recommendations as appropriate.

Concentration

The Board reviews the investment portfolio and assesses the concentration risk that the Company is exposed to to ensure that it is within the risk appetite. The concentration exposure arises in respect of positions taken in the Company's bond portfolio, property exposure and counterparties in respect of its cash holdings and reinsurance recoveries.

While the Company is exposed to concentration risk from all of the source described in the previous paragraph, the concentration risk charge under the standard formula is part of market risk and only takes into account the risk relating to bonds and property exposures. Concentration risk is assessed in respect to exposure to any single name. In respect to properties, concentration exposure is considered where the individual properties are part of the same building. Concentration exposure is calculated based on the proportion of the single name exposure relative to the investment assets as a whole.

Concentration risk has not materially changed over the reporting period as the investment profile has remained consistent.

Concentration risk in the bond portfolio is mitigated by limiting exposure to any one single name, the limit depending on the security of the issuer. Concentration risk on property acquisitions is easier to control since the concentration exposure is considered as part of the due diligence on acquisition.

Ongoing monitoring of concentration risk is undertaken by the Board and by the risk management framework, including assessing the efficacy of controls and whether they require improvement or additional mitigating measures are required, to ensure the risk remains within risk appetite.

Concentration of counterparties in respect of cash and reinsurance exposures is considered with credit risk in Section 3.

Spread

Spread risk is the sensitivity of the values of investments, primarily bonds and secured loans in respect of the Company, to changes in the level or in the volatility of credit spreads. As credit spreads will typically be narrower for well rated securities than for poorly rated securities (and for short duration rather than long duration securities), the Company considers credit quality limits to the conventional fixed income assets in their investment guidelines to the investment manager.

The investment policy and risk appetites are reviewed regularly to ensure that the mitigating guidelines in place are still appropriate for the Company and the risk environment in which it operates.

Ongoing monitoring of spread risk is undertaken by Board and by the risk management framework, including assessing the efficacy of controls and whether they require improvement or additional mitigating measures are required, to ensure the risk remains within risk appetite.

3. Credit Risk

FHGL

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. FHGL is exposed to very low levels of credit risk through amounts held with banks.

AEICL

Key areas where the Company is exposed to credit risk are:

- Reinsurers' share of insurance liabilities;
- amounts due from reinsurers in respect of claims already paid;
- amounts held with banks and other financial institutions;
- amounts due from insurance intermediaries (£9m due from AEL at 31st December 2019).

Reinsurance and Financial Institutions

All reinsurance and financial counterparties used have a credit rating of at least 'A-' except the travel reinsurer which is B++ rated. The Company partners with a limited number of counterparties, reducing exposure and mitigating contagion risk. On purchasing reinsurance, it also considers other ways of mitigating risk such as collateral or funds withheld arrangements.

Reinsurer credit ratings on the current and historical programmes are monitored on an ongoing basis and reported to the Board.

The Board recognises the concentration risk exposure to Ocean International Reinsurance Company Limited ('Ocean Re'), which has underwritten the whole account and French construction quota share reinsurance entered into in 2017, 2018. However, Ocean Re is rated A- and the Board considers the exposure to be acceptable. Its rating is monitored as described above.

A funds withheld account is in place on the whole account treaties.

Amounts due from insurance intermediaries

Credit risk arises from the use of insurance intermediaries, as premiums have to be collected from the policyholder and paid to AEICL. Credit risk therefore occurs when the policy has incepted but the policyholder has not yet paid (so the intermediary cannot pay the insurer for time on risk), and when the policyholder has paid, and funds are due from the intermediary.

Intermediary credit risk is mitigated by all intermediary relationships being governed by contractual agreements which specify payment terms. The Chief Financial Officer reviews amounts owed closely, and uses these to monitor and manage intermediaries' performance, escalating to the Board where necessary. Relationships with intermediaries are subject to coverholder audit and can be terminated if contractual payment terms are not met.

Credit risk is also identified, assessed and monitored by the Board through the risk management framework (see above for further details), which necessitates regular review and evaluation of the mitigation measures in place to ensure the risk remains within risk appetite.

4. Prudent Person Principle

The Group and Company are required to invest the assets used to cover the minimum capital requirement and the solvency capital requirement in accordance with the 'prudent person principle'.

The prudent person principle states that the assets must be invested in a manner that a 'prudent person' would - that is that the decisions are generally accepted as being sound by an informed person.

Anticipated cash requirements are forecast over a three-year horizon based on the three-year business plan taking into account the liquidity of assets. The bond portfolio is invested in highly liquid securities which, along with the cash and cash equivalents held, are designed to approximate the nature and duration of the insurance liabilities.

The assets of the Company are distributed as disclosed in Section A3 and transitions based on underlying exposure are detailed in Section D 1. There are no material other financial instruments held by FHGL.

5. Liquidity Risk

Liquidity risk is the risk that cash may not be available to pay the obligations when they are due.

FHGL

FHGL has liquid assets only so is not exposed to any liquidity risk.

AEICL

The Board is responsible for monitoring and managing liquidity risk, ensuring that AEICL has liquidity available to meet both immediate and foreseeable cash flow requirements. The Company's insurance manager is responsible for day-to-day operational liquidity management. The business is cash flow positive which means that premium income will normally more than offset claims outflows. The investment portfolios do not therefore tend to be called upon to meet claims.

The expected technical profit included in future premiums at the current expected loss ratios is £7,226k.

6 Operational Risk

FHGL

FHGL is exposed to a low level of operational risk, being a holding company, which outsources its operational functions to a company manager, RRS. This risk is mitigated by RRS having a comprehensive business continuity plan in place. It is also exposed to a low level of crime risk, which is mitigated through the operational procedures RRS has in place around the finance function (e.g. two authorisers on payments) which are reviewed as part of AEICL's external audit.

There have been no material changes to operational risk in the reporting period.

AEICL

AEICL is exposed to a low level of operational risk itself as it outsources the majority of its operational functions (the key service providers being RRS, AEL, CTC and Pecometer) i.e. it is exposed to outsourcing risk instead of operational risk.

AEICL's key operational risks are:

- External and internal fraud: AEICL carries out few operational processes itself, being reliant on outsourced service providers for these. This risk is controlled by having robust due diligence and monitoring procedures in place which encompass both employees/officers of the Company and external service providers. Internally a four-eyes policy is implemented to ensure that all transactions are verified and approved before sending. Nearly all material service providers are regulated companies in their respective jurisdictions. Internal controls are evaluated and improved via the internal audit process.

- IT systems risk: risk of data breach and/or inaccuracy or unavailability of management information. The Company's IT software (provided by CTC and Pecometer) is managed by AEL, who also monitor and manage data quality. This risk is controlled by ensuring that key service providers have robust business contingency plans in place, that software is in escrow, and by ensuring that there are controls in place to ensure data quality. The new Pecometer IT system is planned to be reviewed independently by internal audit during 2020.

Operational risk within AEICL is identified, assessed and monitored through the risk management processes which are overseen by the risk management function holder.

There have been no material changes to the operational risks the Company is exposed to over the reporting period.

7 Other Material Risks

Legislative Changes

The UK FCA and UK Competition Commission carry out regular reviews into the UK insurance market; for example during 2019 they published guidance and launched consultations on the general insurance distribution chain and the fair treatment of vulnerable customers. The Company considers any such consultations or resultant guidance and any changes it should make to ensure best practice.

There is a risk that, in reaction to the FCA's value chain work and the likely significant reduction in commissions charged by distributors, insurance solutions are replaced with service contracts. This could materially impact the warranty market, and volumes and opportunities available to AEICL; however, the Board acknowledges that there is little it can do to mitigate this risk and therefore it is accepted.

Cyber Risk

The Board is aware that the frequency of incidences of cyber-crime is increasing, having a significant deleterious effect on the reputation of the companies involved. These incidents include the sale of customer information and holding company information for ransom.

The Company is reviewing its controls around cyber risk as part of the implementation of the new IT system.

Covid-19

It is clear the coronavirus pandemic is having a severe global economic impact and the Company is not immune from this. Our immediate priorities remain the physical and emotional wellbeing of our employees and ensuring that our client facing teams continue to provide our usual excellent level of support and service to customers through a sustained period of uncertainty.

D. Valuation for Solvency Purposes

1. Assets

1.1 As at 31 December 2019 the Group held the following assets:

Asset Class	GAAP Accounts Value (£'000)	Look Through (£'000)	Reclassification for Solvency purposes (£'000)	Solvency Valuation Adj. (£'000)	Solvency Value (£'000)	Explanation of differences
Tangible fixed assets	21			(21)		1.2.1
Investments in properties	545				545	1.2.2
Investment in group undertakings						-
Reinsurer's share of technical provisions	54,342		(25,393)	(3,154)	25,795	1.2.6
Debtors arising out of insurance operations	35,528		(35,528)			1.2.10
Debtors arising out of reinsurance operations	6,981		(6,981)			1.2.10
Related party receivables						1.2.5
Deferred acquisition costs	80			(80)		1.2.9
Other debtors	90		(90)			1.2.10
Cash and cash equivalents	17,585		5,095		22,680	1.2.7
Deposits other than cash equivalents	15,600		(5,025)		10,575	1.2.7
Collective investment undertakings	2,992				2,992	1.2.4
Derivatives	15,340				15,340	1.2.12
Financial investments - corporate bonds	8,781				8,781	1.2.3
Financial investments - government bonds						1.2.3
Deferred taxation	177			36	213	1.2.11
TOTAL	**158,061**		**(67,922)**	**(3,219)**	**86,920**	

As at 31 December 2018 the Group held the following assets:

Asset Class	GAAP Accounts Value (£'000)	Look Through (£'000)	Reclassification for Solvency purposes (£'000)	Solvency Valuation Adj. (£'000)	Solvency Value (£'000)	Explanation of differences
Tangible fixed assets	33			(33)		1.2.1
Investments in properties	545				545	1.2.2
Investment in group undertakings						-
Reinsurer's share of unearned premiums	34,807		(15,557)	(19,250)		1.2.6
Reinsurer's share of claims outstanding	5,746		(2,742)	10,399	13,403	1.2.6
Debtors arising out of insurance operations	17,934		(17,934)			1.2.10
Debtors arising out of reinsurance operations	5,465		(5,465)			1.2.10
Related party receivables						1.2.5
Deferred acquisition costs	160			(160)		
Other debtors	108		(62)	(8)	38	1.2.10
Cash and cash equivalents	856		9,696		10,552	1.2.7
Deposits other than cash equivalents	16,245		(7,502)		8,743	1.2.7
Collective investment undertakings	1,830				1,830	1.2.4
Derivatives	2,212		5,907		8,119	1.2.12
Financial investments - corporate bonds	8,447		80		8,527	1.2.3
Financial investments - government bonds						1.2.3
Deferred taxation						-
TOTAL	**94,388**		**(33,579)**	**(9,052)**	**51,757**	

As at 31 December 2019 the Company held the following assets:

Asset Class	GAAP Accounts Value (£'000)	Look Through (£'000)	Reclassification for Solvency purposes (£'000)	Solvency Valuation Adj. (£'000)	Solvency Value (£'000)	Explanation of differences
Tangible fixed assets	21			(21)		1.2.1
Investments in properties	545				545	1.2.2
Investment in group undertakings						-
Reinsurer's share of technical provisions	54,342		(25,393)	(3,145)	25,795	1.2.6
Debtors arising out of insurance operations	36,765		(36,765)			1.2.10
Debtors arising out of reinsurance operations	5,744		(5,744)			1.2.10
Related party receivables	71				71	1.2.5
Deferred acquisition costs	80			(80)		1.2.9
Other debtors	90		(90)			1.2.10
Cash and cash equivalents	17,585		5,095		22,680	1.2.7
Deposits other than cash equivalents	15,600		(5,025)		10,575	1.2.7
Collective investment undertakings	2,992				2,992	1.2.4
Derivatives	15,340				15,340	1.2.12
Financial investments - corporate bonds	8,781				8,781	1.2.3
Financial investments - government bonds						1.2.3
Deferred taxation	177			36	213	1.2.11
TOTAL	**158,132**		**(67,922)**	**(3,291)**	**86,991**	

As at 31 December 2018 the Company held the following assets:

Asset Class	GAAP Accounts Value (£'000)	Look Through (£'000)	Reclassification for Solvency purposes (£'000)	Solvency Valuation Adj. (£'000)	Solvency Value (£'000)	Explanation of differences
Tangible fixed assets	33			(33)		1.2.1
Investments in properties	545				545	1.2.2
Investment in group undertakings						-
Reinsurer's share of unearned premiums	34,807		(15,557)	(19,250)		1.2.6
Reinsurer's share of claims outstanding	5,746		(2,743)	10,399	13,402	1.2.6
Debtors arising out of insurance operations	17,934		(17,934)			1.2.10
Debtors arising out of reinsurance operations	5,465		(5,465)			1.2.10
Related party receivables						1.2.5
Deferred acquisition costs	160			(160)		1.2.9
Other debtors	149		(61)	(8)	80	1.2.10
Cash and cash equivalents	856		9,696		10,552	1.2.7
Deposits other than cash equivalents	16,245		(7,502)		8,743	1.2.7
Collective investment undertakings	1,830				1,830	1.2.4
Derivatives	2,212		5,907		8,119	1.2.12
Financial investments - corporate bonds	8,447		80		8,527	1.2.3
Financial investments - government bonds						1.2.3
Deferred taxation						1.2.11
TOTAL	**94,429**		**(33,579)**	**(9,052)**	**51,798**	

Reclassifications for solvency purposes are reclassifications to the technical provisions, whereas solvency valuation adjustments are valuation differences applied on a line-by-line basis.

1.2. The valuation principles applied to these assets are consistent with those used in the GAAP accounts with the following exceptions:

1.2.1 Tangible and intangible assets - these are not recognised on the Solvency II balance sheet as they do not meet the valuation principles in Article 12 of the Commission Delegated Regulation (EU) 2015/35.

1.2.2 Property - property transactions which display debt-like features and are secured on underlying properties have been looked through and considered with bonds and secured loans on the Solvency II balance sheet.

1.2.3 Bonds and secured loans - financial instruments displaying debt-like features have been looked through on the Solvency II balance sheet and recorded as bonds and secured loans. Further, the valuation has been adjusted to include accrued interest, which is included within accrued income in the GAAP balance sheet.

1.2.4 Collective investment schemes - investments in financial instruments for which a full look-through has been unavailable have been reclassified to collective investment schemes.

1.2.5 Intermediary receivables - these have been reclassified to technical provisions.

1.2.6 Reinsurance share of unearned premiums and other technical provisions - these are not recognised on the Solvency II balance sheet as they are non-cash settled balances. Instead, the expected claims payable on unearned premiums are recorded within reinsurance share of technical provisions.

1.2.7 Cash and cash equivalents - financial instruments displaying features like debt or equity have been looked through on the Solvency II balance sheet and removed from cash and cash equivalents. The value of cash and cash equivalents has been adjusted to reflect accrued income.

1.2.8 Prepayments and accrued income - prepayments are not recognised on the Solvency II balance sheet as they are non-cash settled balances, whereas accrued income on cash and bonds has been reversed and included in the valuation of the underlying asset.

1.2.9 Deferred acquisition costs - these are not recognised on the Solvency II balance sheet as they are non-cash settled balances.

1.2.10 Other assets - other assets have been moved to technical provisions where they are technical in nature.

1.2.11 Deferred tax asset - valued based on the expected tax benefit once the valuation adjustments to transition to solvency valuations unwind.

1.2.12 Derivatives – these are reclassified under solvency to recognise exposures gross of any netting arrangements applied under GAAP accounting.

2. Technical Provisions

2.1 The GAAP accounts of both the Group and Company include provisions for claims incurred based on earned premiums which consider all reasonably foreseeable best estimates. This includes reserves for claims incurred plus a provision for claims incurred but not yet reported ('IBNR'). The Group and the Company also considers any amounts recoverable from reinsurance contracts in respect of its claims reserves and IBNR.

2.2 The technical provisions by line of business as at 31 December 2019 are as follows:

Line of business	Technical provisions (excluding risk margin) (£'000)	Risk margin (£'000)	Technical provisions (£'000)
Fire and other damage to property insurance	7,580	305	7,885
General liability insurance	3,664	187	3,851
Credit and suretyship insurance	11,969	542	12,511
Legal expenses insurance	(4,161)	112	(4,046)
Assistance	(18)		(18)
Miscellaneous financial loss insurance	24,745	1,457	26,202
Total	**43,779**	**2,603**	**46,382**

As at 31 December 2018 these were:

Line of business	Technical provisions (excluding risk margin) (£'000)	Risk margin (£'000)	Technical provisions (£'000)
Fire and other damage to property insurance	3,258	243	3,501
General liability insurance	5,425	341	5,766
Credit and suretyship insurance	1,301	120	1,421
Legal expenses insurance	(2,447)	164	-2,283
Assistance	2	1	3
Miscellaneous financial loss insurance	11,730	962	12,692
Total	**19,269**	**1,831**	**21,100**

Negative technical provisions arise where future premiums exceed provisions for claims.

2.3 The key areas of uncertainty around technical provisions are as follows:

2.3.1 Estimation of outstanding loss reserves (‘OSLR’) - while information about claims is generally available, assessing the cost of settling the claim is subject to some uncertainty.

2.3.2 Estimation of the losses relating to claims IBNR - this is generally subject to a greater degree of uncertainty than estimating the OSLR since the nature of the claims is not known at the time of reserving.

2.3.3 Estimation of claims arising on business which has not yet expired (‘unexpired risks’) - this is uncertain as the claims have not yet been incurred but are expected to be incurred on the business which the Company has written.

2.3.4 Market environment - changes in the market environment increase the inherent uncertainty affecting the business. Claims inflation, legal changes (especially on the ATE book), perceived regulatory risk and jurisdictional reputation have all impacted the company and the market environment in recent years.

2.3.5 Events not in data ('ENID loading') - estimating a provision for events not in data is subject to considerable uncertainty as the events being reserved have not been observed.

2.3.6 Run-off expenses - the estimation of the change in expense base for run-off of the Company is inherently uncertain due to the estimations around the period of the run-off, base costs and inflation.

2.3.7 Risk margin - the risk margin, being the margin payable to transfer the business to another insurance carrier, is uncertain due to the requirement to forecast future solvency capital requirements over the period of a run-off. This therefore shares the same uncertainties as the run-off expenses provision considered at 2.3.6, as well as the inherent uncertainties around forecasting future solvency capital requirements.

2.4 The Company manages the risks around these uncertainties via the following actions:

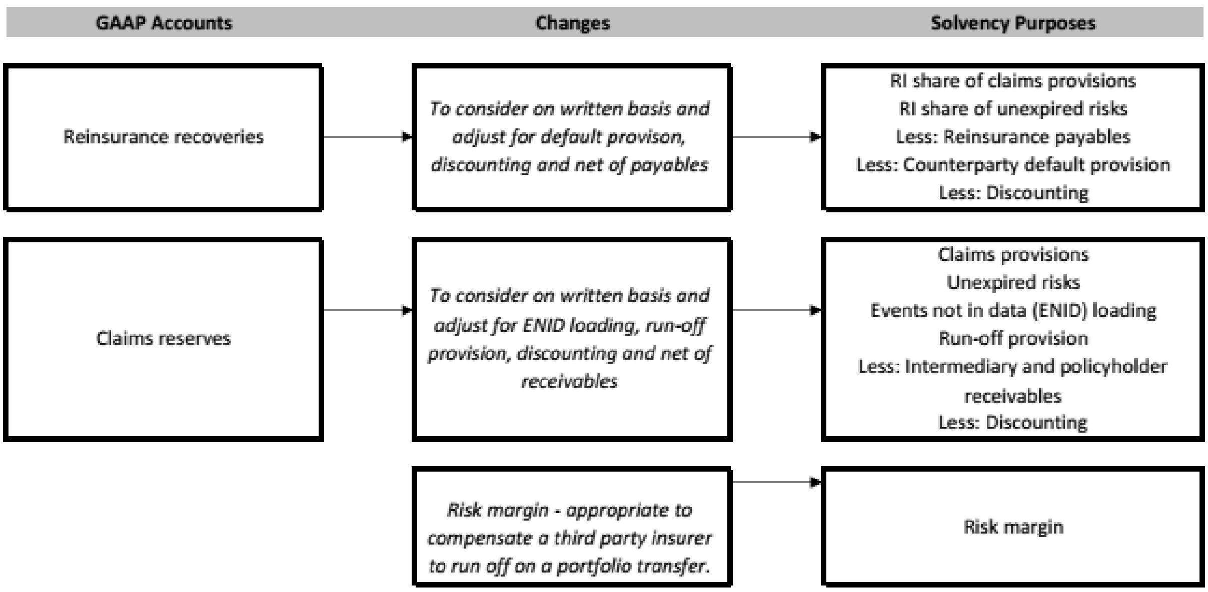
2.4.1 Ongoing monitoring of claims including regular reviews of claims handling functions.

2.4.2 Maintaining reinsurance arrangements to limit the impact of adverse claims development (see [2.8]).

2.4.3 Internal controls through the underwriting committee and actuarial function which monitor claims development and reinsurance arrangements.

2.4.4 Regular external actuarial reviews.

2.5 The changes required to transition from GAAP accounts to technical provisions for solvency purposes are noted below:



We consider each of these adjustments to transition from GAAP accounts to solvency technical provisions:

2.5.1 Claims provisions - In line with GAAP reserves the Company evaluates the claims provisions on a best estimate basis, albeit on a cash flow basis and with the removal of unearned premium reserves. The Company has considered whether adjustments may be required as a result of contract boundaries and has provided for bound but not incepted premiums and claims.

2.5.2 Reinsurance share of claims provisions – Expected proportional reinsurance recoveries are allowed for by the Group and Company on the same basis as the claims provisions in paragraph [2.5.1].

2.5.3 Unexpired risks - The Group and Company has estimated the claims which will be payable on unexpired risks (sometimes termed 'premium provisions' or the 'unexpired risk reserve') based on the ultimate loss ratios and large loss experience from the claims provisions. The premium provision as at 31 December 2019 is £55,748,483 (31 December 2018 £25,929,062).

The unexpired risk reserve in the GAAP accounts has been reversed for the purposes of the Solvency II balance sheet.

2.5.4 Reinsurance share of unexpired risks - The Group and Company has estimated the amounts recoverable on unexpired risks (sometimes termed 'premium provisions' or the 'unexpired risk reserve') based on the ultimate loss ratios and large loss experience from the claims provisions. The reinsurance share of premium provisions as at 31 December 2019 is £27,562,173 (31 December 2018 £9,877,276).

The reinsurance share of the unexpired risk reserve in the GAAP accounts has been reversed for the purposes of the Solvency balance sheet.

2.5.5 Intermediary and policyholder receivables - Intermediary and policyholder receivables are netted off the technical provisions for solvency purposes. The company recognises premium receivables in respect of risks that are bound but not incepted (BBNI) which are not included in the GAAP receivables and are netted off the technical provisions for solvency purposes. There are otherwise no valuation differences between GAAP accounts and intermediary and policyholder receivables for solvency purposes. The insurance receivables as at 31 December 2018 are £34,217,606 (31 December 2018 £17,933,968).

2.5.6 Other receivables and payables in technical provisions - Other receivables and payables, notably claims funds held by intermediaries and commissions payable to intermediaries, are netted off the technical provisions for solvency purposes. The Company has estimated the other receivables and payables which will be payable on premium provisions and added these to those recorded in the GAAP accounts in respect of the claims provisions. The net receivables as at 31 December 2019 were £nil, (31 December 2018 £nil).

2.5.7 Reinsurance payables - Net reinsurance payables are netted off the reinsurance recoveries for solvency purposes. There are no valuation differences between GAAP accounts and net reinsurance payables for solvency purposes. The reinsurance payables as at 31 December 2019 are £18,979,697 (31 December 2018 £4,249,315).

2.5.8 Events not in data loading (ENID) - Technical provisions for solvency purposes are required to allow for all possible events, including those that may not have been historically realised before. Such events not presented in a set of observable historical loss date are often called ENID. This is a difference in valuation methodology compared to the GAAP accounts which consider best estimates which can be reasonably foreseen, and therefore leads to a loading on the technical provisions to consider the probability weighted effect of events which have not previously been observed.

The Group and Company have undertaken an assessment of previously unobserved events for each line of business and sought to consider the probability weighted effect of such events. As such, the ENID loading applied by the Group and Company as at 31 December 2019 was £292,038 (31 December 2018, £115,937), driven primarily by dommages ouvrages and warranty books.

2.5.9 Counterparty default provision - The Group and Company have considered a provision for default by one or more of its reinsurance providers. The provision is based on the total exposure to the counterparty, the rating of the counterparty and the existence of any collateral arrangements with the counterparty. The Group and Company estimate the counterparty default provision and considers each of the exposures, net of collateral arrangements in existence, apply the estimated probability of default by rating, and derive a weighted average probability of default.

The Group and Company have calculated the weighted average probability of default of reinsurers as 0.06%, and thus the counterparty default adjustment is £29,797.

2.5.10 Run-off provision - Technical provisions for solvency purposes are required to take account of all expenses that will be incurred in servicing insurance obligations. This is commonly referred to as a ‘run-off’ provision as it therefore considers all future expenses which would be incurred to allow the existing obligations to run off.

The Group and Company have considered a run-off period of nine years to cover the longest running part of the book and estimated the level of future expenses based on the current level of expenses, considering the decrease in activity in the period, underlying expense inflation and an estimated minimum level of costs which would be incurred in any one year. The run-off provision applied by the Group and Company as at 31 December 2018 was £3,127,399, (31 December 2018 £2,932,685).

2.5.11 Discounting - Discounting has been applied in the technical provisions based on a weighted average of the yield curves as at 31 December 2019 as issued by the European Insurance and Occupational Pensions Authority (‘EIOPA’). The impact of discounting on the technical provisions is £879,869, and on the reinsurance share of technical provisions the impact of discounting is £555,414.

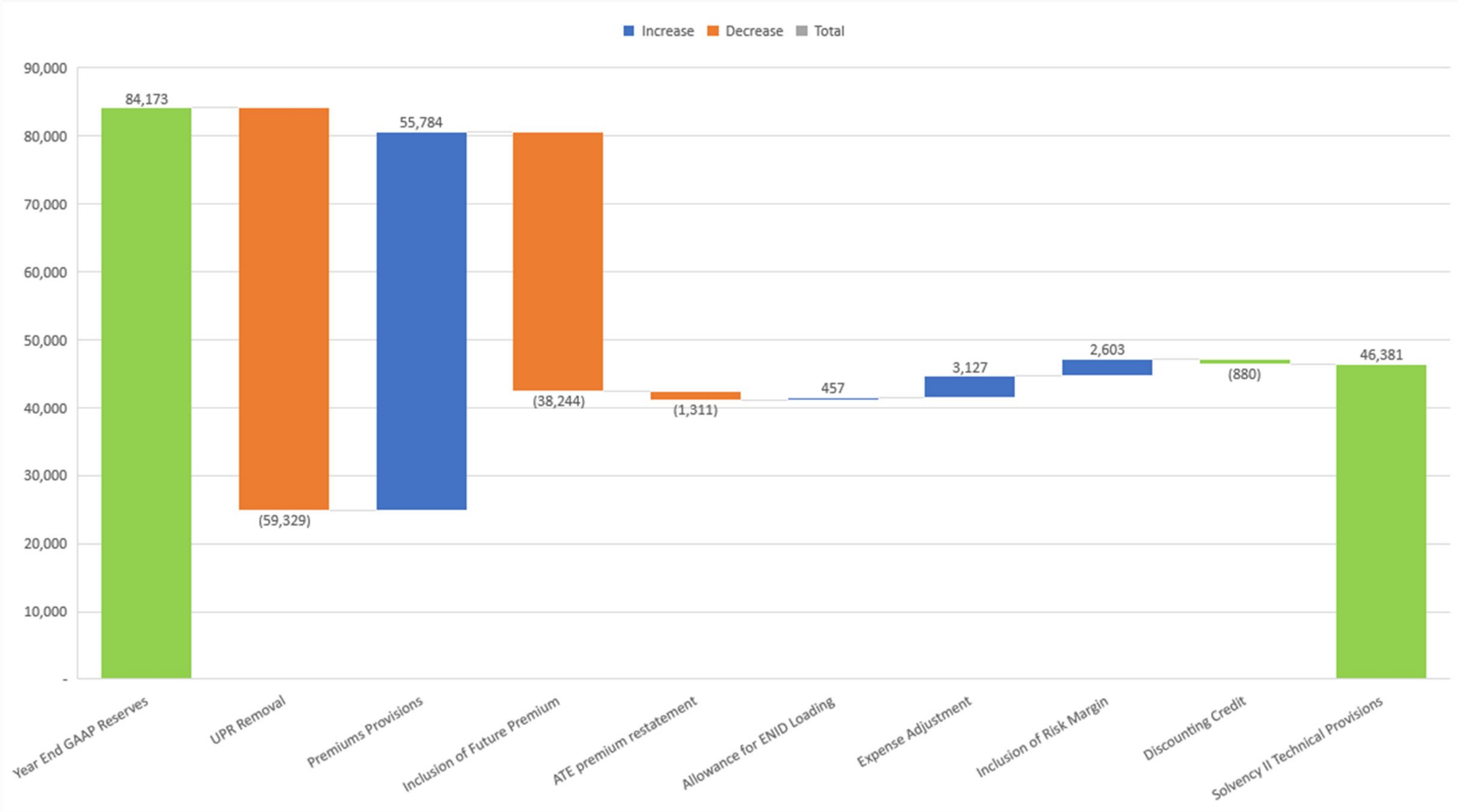
2.5.12 Risk Margin - The risk margin has been considered to ensure that the value of the technical provisions is equivalent to the amount that would be expected to have to be paid to a third-party insurance Company in order to take over and meet the insurance obligations of the Company. The risk margin has been calculated based on the estimated capital requirements to run off the Company's obligations and applying a cost of capital of 6%.

The capital required to run-off the portfolio is based on the future estimated SCRs, taking account of underwriting risk and reinsurance counterparty risk. This results in a risk margin of £2,602,972.

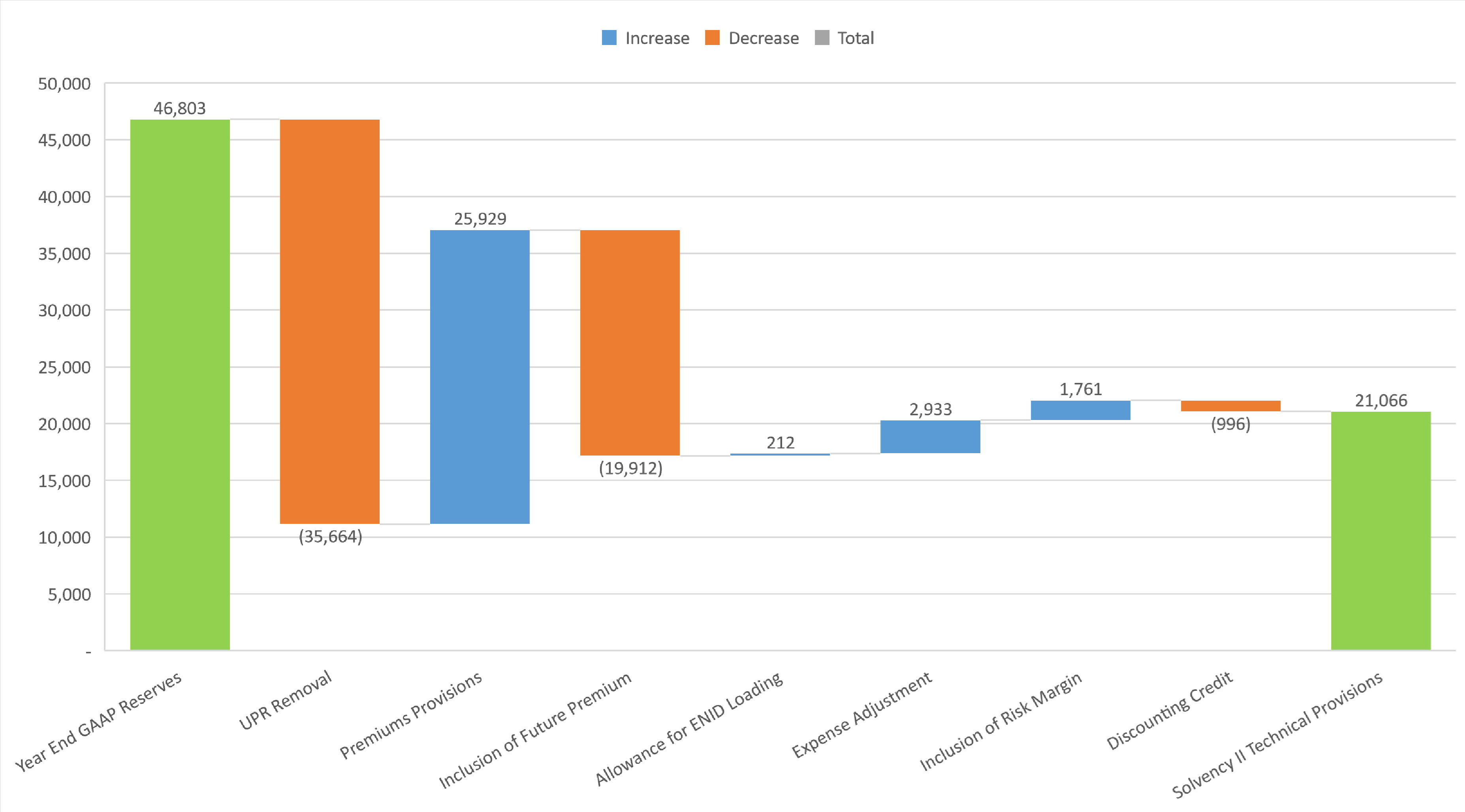
2.6 Neither the Group nor the Company have applied the matching adjustment, volatility adjustment, transitional risk-free interest term structure or the transitional deduction in calculating its technical provisions.

2.7 The changes to technical provisions highlighted above are reflected in the waterfall diagram below:

Waterfall diagram as at 31 December 2019



Waterfall diagram as at 31 December 2018



2.8 The key reinsurance arrangements in place at 31 December 2019 are as follows:

Class of Business	Territory	Reinsurer	Type	Share	Period of Cover (Start)	Period of Cover (End)
Commercial ATE	England and Wales	AmTrust International Insurance Ltd	Quota Share	50%	01-Apr-11	31-Mar-12
Commercial ATE	England and Wales	AmTrust International Insurance Ltd	Quota Share	50%	01-Apr-12	31-Mar-13
Commercial ATE	England and Wales	AmTrust International Insurance Ltd	Quota Share	50%	01-Apr-13	31-Mar-14
Commercial ATE	United Kingdom	WR Berkley Insurance (Europe) Ltd	Quota Share	50%	01-Aug-14	31-Jul-15
Commercial ATE	United Kingdom	WR Berkley Insurance (Europe) Ltd	Quota Share	50%	01-Aug-15	31-Jul-16
Commercial ATE	United Kingdom	WR Berkley Insurance (Europe) Ltd	Quota Share	50%	01-Jan-19	Effective
Travel	Worldwide	GBG Insurance Limited	Quota Share	100%	01-Nov-16	Effective
Surety Bonds	United Kingdom and Ireland	Builders Reinsurance Company SA	Quota Share	90%	01-Jan-17	Effective
Insurance Bonds	Open	Barents Re Reinsurance Company Inc.	Quota Share	100%	01-Oct-16	Effective
Surety Bonds	Spain	Swiss Reinsurance Company Munich Reinsurance Company DEVK Reinsurance Company Trans Re Beazley Qatar RE	Quota Share	80%	01-Oct-17	31-Jan-19
Surety Bonds	Spain	Beazley DEVK Reinsurance Company Trans Re	Quota Share	75%	01-Feb-19	31-Jan-20
French DO & DC	France	Ocean International Reinsurance Company Limited	Quota Share	100%	All years	All years
Whole account (except bonds, teacher sickness, rental guarantee and French construction books)	Worldwide	Ocean International Reinsurance Company Limited	Quota Share	100.00% 100%	01-Jan-17 01-Jan-18	31-Dec-17 31-Dec-18
Mechanical Breakdown Insurance (Motor Warranty), Miscellaneous Motor Add On, GAP (excluding Autoprotect dealers added from the 1st July and Motorway Direct), Household Appliance, and Furniture Warranty	Worldwide	Swiss Re Company Ltd Zurich	Quota Share	56%	01-Jan-19	31-Dec-19
Mechanical Breakdown Insurance (Motor Warranty), Miscellaneous Motor Add On, GAP (excluding Autoprotect dealers added from the 1st July and Motorway Direct), Household Appliance, and Furniture Warranty	Worldwide	Swiss Re Company Ltd Zurich	Quota Share	80%	01-Jan-20	31-Dec-20

3. Other Liabilities

3.1 As at 31 December 2019 the Group recorded the following classes of liabilities for solvency purposes:

Liability	GAAP Accounts Value (£'000)	Solvency Value (£'000)	Explanation of Differences
Reinsurance payables	32,499	0	Commissions payable to intermediaries reclassified to technical provisions (see [2.5.7])
Derivative	15,295	15,295	Not applicable
Payables (trade, not insurance)	7,733	7,813	Reclassification
Any other liabilities, not elsewhere shown	7	51	Reclassification

There have been no valuation adjustments for solvency purposes.

As at 31 December 2018 these were:

Liability	GAAP Accounts Value (£'000)	Solvency Value (£'000)	Explanation of Differences
Any other liabilities, not elsewhere shown	1,171	1,171	Not applicable
Reinsurance payables	4,249	0	Commissions payable to intermediaries reclassified to technical provisions (see [2.5.7])
Payables (trade, not insurance)	5,685	5,808	Deferred tax adjustment

3.2 As at 31 December 2019 the Company recorded the following classes of liabilities for solvency purposes:

Liability	GAAP Accounts Value (£'000)	Solvency Value (£'000)	Explanation of Differences
Reinsurance payables	32,499	0	Commissions payable to intermediaries reclassified to technical provisions (see [2.5.7])
Derivative	15,295	15,295	Not applicable
Payables (trade, not insurance)	7,733	7,813	Reclassification
Any other liabilities, not elsewhere shown	0	45	Reclassification

There have been no valuation adjustments for solvency purposes.

As at 31 December 2018 these were:

Liability	GAAP Accounts Value (£'000)	Solvency Value (£'000)	Explanation of Differences
Any other liabilities, not elsewhere shown	1,164	1,164	Not applicable
Reinsurance payables	4,249	0	Commissions payable to intermediaries reclassified to technical provisions (see [2.5.7])
Payables (trade, not insurance)	5,685	5,808	Deferred tax adjustment

There have been no valuation adjustments for solvency purposes.

4. Alternative Methods for Valuation

Not applicable for the Group or Company.

5. Any Other Information

Not applicable for the Group or Company.

E. Capital Management

1. Own Funds

1.1. The Company undertakes an ORSA exercise that also encompasses FHGL at least annually or when the risk profile of the Group or Company changes. The ORSA exercise incorporates the business planning process which is typically considered over a three-year time horizon.

1.2. The Company and Group classifies its own funds as tier 1, tier 2 or tier 3 depending on the characteristics of the capital. Tier 1 capital is the best form of capital for the purposes of absorbing losses.

The Group's own funds are as follows.

Own fund item	Tier	£'000	%
Ordinary share capital (gross of own shares) and associated share premium	1	9,248	53.21%
Preference share capital and associated share premium	1	5,000	28.77%
Reconciliation reserve	1	2,919	16.80%
Deferred tax asset	3	213	1.22%
		17,379	100%

The Company's own funds are as follows.

Own fund item	Tier	£'000	%
Ordinary share capital (gross of own shares) and associated share premium	1	8,458	48.45%
Preference share capital and associated share premium	1	5,000	28.64%
Reconciliation reserve	1	3,787	21.69%
Deferred tax asset	3	213	1.22%
		17,457	100%

The reconciliation reserve represents retained earnings and reconciliation adjustments from GAAP balance sheet to SII balance sheet.

1.3. The eligible capital which may be used towards meeting the Solvency Capital Requirement ('SCR') and Minimum Capital Requirement ('MCR') of the Company is as follows:

Own fund item	Tier	Eligible capital for the SCR 2019 (£'000)	Eligible capital for the MCR 2019 (£'000	Eligible capital for the SCR 2018 (£'000)	Eligible capital for the MCR 2018 (£'000)
Ordinary share capital (gross of own shares) and associated share premium	1	8,458	8,458	8,458	8,458
Preference share capital and associated share premium	1	3,061	3,061		
Preference share capital and associated share premium	2	1,939	1,417		
Reconciliation reserve	1	3,787	3,787	7,149	7,149
Deferred tax asset	3	213			
		17,457	16,723	15,607	15,607

Reported own funds for the Company at 31 December 2019 were £17,457k (all tier 1 and eligible capital).

2. Solvency Capital Requirements and Minimum Capital Requirements

2.1. The SCR of the Group as at 31 December 2019 was £15,676k.

2.2. The SCR of the Company as at 31 December 2019 was £15,676k. The MCR of the Company as at 31 December 2019 was £7,054k.

2.3. The SCR of the Company is made up as follows:

2.3.1. The Company is exposed to market risks derived predominately from the assets held by the Company to meet its insurance liabilities, although exposures to shocks in interest rates and currency rates also considered in the exposure from underwriting risks.

	2019		2018	
MARKET RISK	**Company (£'000)**	**Group (£'000)**	**Company (£'000)**	**Group (£'000)**
Interest rate risk	150	150	201	201
Spread risk	728	728	789	789
Equity risk	-	-	-	-
Currency risk	1,181	1,181	2,099	2,099
Property risk	136	136	136	136
Concentration risk	391	391	204	204
Market risk diversification	(870)	(870)	(896)	(896)
MARKET RISK TOTAL	**1,716**	**1,716**	**2,534**	**2,534**

2.3.2. The Company and Group are exposed to counterparty risks in the form of cash deposits and recoveries from reinsurers (type 1) and from receivables from intermediaries, policyholders and other debtors (type 2).

	2019		2018	
COUNTERPARTY RISK	**Company (£'000)**	**Group (£'000)**	**Company (£'000)**	**Group (£'000)**
Type 1 risk	2,292	2,292	957	957
Type 2 risk	832	832	1,046	1,046
Market risk diversification	(157)	(157)	(130)	(130)
COUNTERPARTY RISK TOTAL	**2,968**	**2,968**	**1,874**	**1,874**

2.3.3. The Company and Group are exposed to non-life underwriting risk as a result of the insurance policies it sells. The risks are based on volatility around earned premiums and claims reserves, and to catastrophe events to which the Company and Group may be exposed.

	2019		2018	
NON-LIFE UNDERWRITING RISK	**Company (£'000)**	**Group (£'000)**	**Company (£'000)**	**Group (£'000)**
Premium and reserve risk	11,175	11,175	8,025	8,025
Lapse risk	2,378	2,378	2,322	2,322
Catastrophe Risk	1,962	1,962	2,119	2,119
Non-life diversification	(3,459)	(3,459)	(3,367)	(3,367)
NON-LIFE UNDERWRITING RISK TOTAL	**12,056**	**12,056**	**9,098**	**9,098**

2.3.4. The final solvency capital requirement of the Company and Group is the aggregation of the market, counterparty and non-life underwriting risks, less a credit for diversification, and then an additional charge to represent the operational risks faced by the Company and Group.

	2019		2018	
SOLVENCY CAPITAL REQUIREMENT	**Company (£'000)**	**Group (£'000)**	**Company (£'000)**	**Group (£'000)**
Market risks	1,716	1,716	2,534	2,534
Counterparty risks	2,968	2,968	1,874	1,874
Non-life underwriting risks	12,056	12,056	9,098	9,098
Basic SCR diversification	(2,395)	(2,395)	(2,386)	(2,386)
Operational risks	1,331	1,331	656	656
SOLVENCY CAPITAL REQUIREMENT	**15,676**	**15,676**	**11,777**	**11,777**

2.4 Neither the Group nor the Company have utilised simplified calculations in applying the standard model and there has been no use of undertaking specific parameters in the non-life underwriting risk calculations.

2.5 The inputs used to calculate the MCR of the Company are as follows:

Line of business	Net (of reinsurance) best estimate and technical provisions calculated as a whole	Net (of reinsurance) written premiums in the last 12 months)
Fire and other damage to property	690,537	1,416,092
General Liability		666,546
Suretyship		-
Miscellaneous Financial Loss	27,387,301	27,556,341
Legal expenses		2,101,033
Assistance		18,464

2.6 This is the fourth period in which the Solvency Capital Requirement and Minimum Capital Requirement have been reported.

3. Any Other Information

The Directors do not consider that there is any further information which should be disclosed regarding the capital management of the Company.

F. Quantitative Reporting Templates

Quantitative Reporting Templates for Year Ended 31 December 2019

Focus Holdings (Gibraltar) Limited

S.02.01.02 - Balance sheet

		Solvency II value
	Assets	C0010
R0030	Intangible assets	0
R0040	Deferred tax assets	213
R0050	Pension benefit surplus	0
R0060	Property, plant & equipment held for own use	0
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	38,233
R0080	Property (other than for own use)	545
R0090	Holdings in related undertakings, including participations	0
R0100	Equities	0
R0110	Equities - listed	0
R0120	Equities - unlisted	0
R0130	Bonds	8,781
R0140	Government Bonds	0
R0150	Corporate Bonds	8,781
R0160	Structured notes	0
R0170	Collateralised securities	0
R0180	Collective Investments Undertakings	2,992
R0190	Derivatives	15,340
R0200	Deposits other than cash equivalents	10,575
R0210	Other investments	0
R0220	Assets held for index-linked and unit-linked contracts	0
R0230	Loans and mortgages	0
R0240	Loans on policies	0
R0250	Loans and mortgages to individuals	0
R0260	Other loans and mortgages	0
R0270	Reinsurance recoverables from:	25,795
R0280	Non-life and health similar to non-life	25,795
R0290	Non-life excluding health	25,795
R0300	Health similar to non-life	0
R0310	Life and health similar to life, excluding health and index-linked and unit-linked	0
R0320	Health similar to life	0
R0330	Life excluding health and index-linked and unit-linked	0
R0340	Life index-linked and unit-linked	0
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	0
R0370	Reinsurance receivables	0
R0380	Receivables (trade, not insurance)	0
R0390	Own shares (held directly)	0
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	22,680
R0420	Any other assets, not elsewhere shown	0
R0500	**Total assets**	86,920

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions – non-life	46,381
R0520	Technical provisions – non-life (excluding health)	46,381
R0530	TP calculated as a whole	0
R0540	Best Estimate	43,778
R0550	Risk margin	2,603
R0560	Technical provisions - health (similar to non-life)	0
R0570	TP calculated as a whole	0
R0580	Best Estimate	0
R0590	Risk margin	0
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	Technical provisions - health (similar to life)	0
R0620	TP calculated as a whole	0
R0630	Best Estimate	0
R0640	Risk margin	0
R0650	Technical provisions – life (excluding health and index-linked and unit-linked)	0
R0660	TP calculated as a whole	0
R0670	Best Estimate	0
R0680	Risk margin	0
R0690	Technical provisions – index-linked and unit-linked	0
R0700	TP calculated as a whole	0
R0710	Best Estimate	0
R0720	Risk margin	0
R0740	Contingent liabilities	0
R0750	Provisions other than technical provisions	0
R0760	Pension benefit obligations	0
R0770	Deposits from reinsurers	0
R0780	Deferred tax liabilities	0
R0790	Derivatives	15,295
R0800	Debts owed to credit institutions	0
R0810	Financial liabilities other than debts owed to credit institutions	0
R0820	Insurance & intermediaries payables	0
R0830	Reinsurance payables	0
R0840	Payables (trade, not insurance)	7,813
R0850	Subordinated liabilities	0
R0860	Subordinated liabilities not in Basic Own Funds	0
R0870	Subordinated liabilities in Basic Own Funds	0
R0880	Any other liabilities, not elsewhere shown	51
R0900	**Total liabilities**	69,541
R1000	**Excess of assets over liabilities**	17,379

S.05.01.02.01 - Premiums, claims and expenses by line of business - Table 1

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of Business for: accepted non-proportional reinsurance				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
	Premiums written																	
R0110	Gross - Direct Business	0	0	0	0	0	0	3,348	679	5,504	2,791	28	46,625					58,975
R0120	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0	0	0	0	0	0					0
R0130	Gross - Non-proportional reinsurance accepted													0	0	0	0	0
R0140	Reinsurers' share	0	0	0	0	0	0	1,931	13	5,613	690	10	19,069	0	0	0	0	27,326
R0200	Net	0	0	0	0	0	0	1,416	667	-110	2,101	18	27,556	0	0	0	0	31,649
	Premiums earned																	
R0210	Gross - Direct Business	0	0	0	0	0	0	2,067	1,933	4,113	2,791	27	24,379					35,310
R0220	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0	0	0	0	0	0					0
R0230	Gross - Non-proportional reinsurance accepted													0	0	0	0	0
R0240	Reinsurers' share	0	0	0	0	0	0	1,830	1,855	4,242	690	17	15,202	0	0	0	0	23,836
R0300	Net	0	0	0	0	0	0	237	78	-129	2,101	10	9,177	0	0	0	0	11,473
	Claims incurred																	
R0310	Gross - Direct Business	0	0	0	0	0	0	1,937	724	10,570	2,975	4	20,960					37,171
R0320	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0	0	0	0	0	0					0
R0330	Gross - Non-proportional reinsurance accepted													0	0	0	0	0
R0340	Reinsurers' share	0	0	0	0	0	0	1,707	683	9,265	236	1	12,625	0	0	0	0	24,517
R0400	Net	0	0	0	0	0	0	231	41	1,305	2,738	4	8,335	0	0	0	0	12,655
	Changes in other technical provisions																	
R0410	Gross - Direct Business	0	0	0	0	0	0	0	0	0	0	0	0					0
R0420	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0	0	0	0	0	0					0
R0430	Gross - Non- proportional reinsurance accepted													0	0	0	0	0
R0440	Reinsurers'share	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
R0500	Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
R0550	**Expenses incurred**	0	0	0	0	0	0	160	32	-687	423	1	2,310	0	0	0	0	2,239
R1200	**Other expenses**																	0
R1300	**Total expenses**																	2,239

S.05.02.01 - Premiums, claims and expenses by country

		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
R0010			GB	FR	ES	DE	CZ	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	Gross - Direct Business	0	39,041	9,324	3,942	1,699	1,439	55,445
R0120	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0130	Gross - Non-proportional reinsurance accepted	0	0	0	0	0	0	0
R0140	Reinsurers' share	0	16,104	3,766	4,126	905	784	25,685
R0200	Net	0	22,938	5,558	-184	794	655	29,761
	Premiums earned							
R0210	Gross - Direct Business	0	16,263	9,454	2,606	1,963	1,158	31,445
R0220	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0230	Gross - Non-proportional reinsurance accepted	0	0	0	0	0	0	0
R0240	Reinsurers' share	0	9,657	5,738	2,890	1,549	960	20,794
R0300	Net	0	6,606	3,716	-284	413	199	10,651
	Claims incurred							
R0310	Gross - Direct Business	0	23,199	8,808	1,541	2,283	429	36,259
R0320	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0330	Gross - Non-proportional reinsurance accepted	0	0	0	0	0	0	0
R0340	Reinsurers' share	0	15,203	4,357	1,033	1,641	140	22,375
R0400	Net	0	7,996	4,451	508	641	289	13,884
	Changes in other technical provisions							
R0410	Gross - Direct Business	0	0	0	0	0	0	0
R0420	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0430	Gross - Non- proportional reinsurance accepted	0	0	0	0	0	0	0
R0440	Reinsurers'share	0	0	0	0	0	0	0
R0500	Net	0	0	0	0	0	0	0
R0550	**Expenses incurred**	0	2,172	519	-929	95	80	1,936
R1200	**Other expenses**							0
R1300	**Total expenses**							1,936

		Home Country	Top 5 countries (by amount of gross premiums written) - life obligations					Total Top 5 and home country
		C0150	C0160	C0170	C0180	C0190	C0200	C0210
R1400			0	0	0	0	0	
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
	Premiums written							
R1410	Gross	0	0	0	0	0	0	0
R1420	Reinsurers' share	0	0	0	0	0	0	0
R1500	Net	0	0	0	0	0	0	0
	Premiums earned							
R1510	Gross	0	0	0	0	0	0	0
R1520	Reinsurers' share	0	0	0	0	0	0	0
R1600	Net	0	0	0	0	0	0	0
	Claims incurred							
R1610	Gross	0	0	0	0	0	0	0
R1620	Reinsurers' share	0	0	0	0	0	0	0
R1700	Net	0	0	0	0	0	0	0
	Changes in other technical provisions							
R1710	Gross	0	0	0	0	0	0	0
R1720	Reinsurers' share	0	0	0	0	0	0	0
R1800	Net	0	0	0	0	0	0	0
R1900	**Expenses incurred**	0	0	0	0	0	0	0
R2500	**Other expenses**							0
R2600	**Total expenses**							0

S.23.01.22 - Own funds

		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					
R0010	Ordinary share capital (gross of own shares)	61	61		0	
R0020	Non-available called but not paid in ordinary share capital at group level	0	0		0	
R0030	Share premium account related to ordinary share capital	9,187	9,187		0	
R0040	Iinitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	0	0		0	
R0050	Subordinated mutual member accounts	0		0	0	0
R0060	Non-available subordinated mutual member accounts at group level	0		0	0	0
R0070	Surplus funds	0	0			
R0080	Non-available surplus funds at group level	0	0			
R0090	Preference shares	5		5	0	0
R0100	Non-available preference shares at group level	0		0	0	0
R0110	Share premium account related to preference shares	4,995		4,995	0	0
R0120	Non-available share premium account related to preference shares at group level	0		0	0	0
R0130	Reconciliation reserve	2,919	2,919			
R0140	Subordinated liabilities	0		0	0	0
R0150	Non-available subordinated liabilities at group level	0		0	0	0
R0160	An amount equal to the value of net deferred tax assets	213				213
R0170	The amount equal to the value of net deferred tax assets not available at the group level	0				0
R0180	Other items approved by supervisory authority as basic own funds not specified above	0	0	0	0	0
R0190	Non available own funds related to other own funds items approved by supervisory authority	0	0	0	0	0
R0200	Minority interests (if not reported as part of a specific own fund item)	0	0	0	0	0
R0210	Non-available minority interests at group level	0	0	0	0	0
	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	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	0				
	Deductions					
R0230	Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activitie	0	0	0	0	0
R0240	whereof deducted according to art 228 of the Directive 2009/138/EC	0	0	0	0	
R0250	Deductions for participations where there is non-availability of information (Article 229)	0	0	0	0	0
R0260	Deduction for participations included by using D&A when a combination of methods is used	0	0	0	0	0
R0270	Total of non-available own fund items	0	0	0	0	0
R0280	**Total deductions**	0	0	0	0	0
R0290	**Total basic own funds after deductions**	17,379	12,167	5,000	0	213
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	0			0	
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0			0	
R0320	Unpaid and uncalled preference shares callable on demand	0			0	0
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0			0	0
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0			0	
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0			0	0
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0			0	
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0			0	0
R0380	Non available ancillary own funds at group level	0			0	0
R0390	Other ancillary own funds	0			0	0
R0400	**Total ancillary own funds**	0			0	0
	Own funds of other financial sectors					
R0410	Credit institutions, investment firms, financial institutions, alternative investment fund managers, UCITS management companies – total	0	0	0	0	
R0420	Institutions for occupational retirement provision	0	0	0	0	0
R0430	Non regulated entities carrying out financial activities	0	0	0	0	
R0440	Total own funds of other financial sectors	0	0	0	0	0
	Own funds when using the D&A, exclusively or in combination of method 1					
R0450	Own funds aggregated when using the D&A and combination of method	0	0	0	0	0
R0460	Own funds aggregated when using the D&A and a combination of method net of IGT	0	0	0	0	0
R0520	Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	17,379	12,167	5,000	0	213
R0530	Total available own funds to meet the minimum consolidated group SCR	17,167	12,167	5,000	0	
R0560	Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the	17,379	12,167	3,042	1,958	213
R0570	Total eligible own funds to meet the minimum consolidated group SCR	16,619	12,167	3,042	1,411	
	Consolidated Group SCR					
R0610	**Minimum consolidated Group SCR**	7,054				
R0630	**Ratio of Eligible own funds to the consolidated Group SCR (excluding other financial sectors and the undertakings included via D&A)**					
R0650	**Ratio of Eligible own funds to Minimum Consolidated Group SCR**	2.3559				
R0660	**Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)**	17,379	12,167	3,042	1,958	213
R0670	**SCR for entities included with D&A method**					
R0680	**Group SCR**	15,676				
R0690	**Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A**	1.1087				

		C0060
	Reconciliation reserve	
R0700	Excess of assets over liabilities	17,379
R0710	Own shares (held directly and indirectly)	0
R0720	Forseeable dividends, distributions and charges	0
R0730	Other basic own fund items	14,460
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0
R0750	Other non available own funds	0
R0760	**Reconciliation reserve before deduction for participations**	2,919
	Expected profits	
R0770	Expected profits included in future premiums (EPIFP) - Life business	0
R0780	Expected profits included in future premiums (EPIFP) - Non- life business	7,226
R0790	**Total Expected profits included in future premiums (EPIFP)**	7,226

S.32.01.22 - Undertakings in the scope of the group

C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
								Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	YES/NO	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
GB	213800HEGZ3KK1RYWY69	LEI	casta European Insurance Company Limite	2	limited company	2	Financial Services Co	100.0000	100.0000	100.0000	0	1	100.0000	1		1
GB	213800SAP8UHYTUNVU18	LEI	Focus Holdings (Gibraltar) Limited	5	limited company	2	0	0.0000	0.0000	0.0000	0	0	0.0000	1		1

S.25.01.22 - Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
R0010	Market risk	1,716		
R0020	Counterparty default risk	2,968		
R0030	Life underwriting risk	0		
R0040	Health underwriting risk	0		
R0050	Non-life underwriting risk	12,056		
R0060	Diversification	-2,395		
R0070	Intangible asset risk	0		
R0100	**Basic Solvency Capital Requirement**	14,345		

	Calculation of Solvency Capital Requirement	C0100
R0130	Operational risk	1,331
R0140	Loss-absorbing capacity of technical provisions	0
R0150	Loss-absorbing capacity of deferred taxes	0
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	0
R0200	**Solvency capital requirement excluding capital add-on**	15,676
R0210	Capital add-on already set	0
R0220	**Solvency capital requirement**	15,676
	Other information on SCR	
R0400	Capital requirement for duration-based equity risk sub-module	0
R0410	Total amount of Notional Solvency Capital Requirements for remaining part	0
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds	0
R0430	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	0
R0440	Diversification effects due to RFF nSCR aggregation for article 304	0
R0470	Minimum consolidated group solvency capital requirement	7,054
	Information on other entities	
R0500	Capital requirement for other financial sectors (Non-insurance capital requirements)	0
R0510	Capital requirement for other financial sectors (Non-insurance capital requirements) - Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	0
R0520	Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational retirement provisions	0
R0530	Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement for non- regulated entities carrying out financial activities	0
R0540	Capital requirement for non-controlled participation requirements	0
R0550	Capital requirement for residual undertakings	0
	Overall SCR	
R0560	SCR for undertakings included via D and A	0
R0570	**Solvency capital requirement**	15,676

Quantitative Reporting Templates for Year Ended 31 December 2019

Acasta European Insurance Company Limited

S.02.01.02 - Balance sheet

		Solvency II value
	Assets	C0010
R0030	Intangible assets	0
R0040	Deferred tax assets	213
R0050	Pension benefit surplus	0
R0060	Property, plant & equipment held for own use	0
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	38,233
R0080	Property (other than for own use)	545
R0090	Holdings in related undertakings, including participations	0
R0100	Equities	0
R0110	Equities - listed	0
R0120	Equities - unlisted	0
R0130	Bonds	8,781
R0140	Government Bonds	0
R0150	Corporate Bonds	8,781
R0160	Structured notes	0
R0170	Collateralised securities	0
R0180	Collective Investments Undertakings	2,992
R0190	Derivatives	15,340
R0200	Deposits other than cash equivalents	10,575
R0210	Other investments	0
R0220	Assets held for index-linked and unit-linked contracts	0
R0230	Loans and mortgages	0
R0240	Loans on policies	0
R0250	Loans and mortgages to individuals	0
R0260	Other loans and mortgages	0
R0270	Reinsurance recoverables from:	25,795
R0280	Non-life and health similar to non-life	25,795
R0290	Non-life excluding health	25,795
R0300	Health similar to non-life	0
R0310	Life and health similar to life, excluding health and index-linked and unit-linked	0
R0320	Health similar to life	0
R0330	Life excluding health and index-linked and unit-linked	0
R0340	Life index-linked and unit-linked	0
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	0
R0370	Reinsurance receivables	0
R0380	Receivables (trade, not insurance)	0
R0390	Own shares (held directly)	0
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	22,680
R0420	Any other assets, not elsewhere shown	71
R0500	**Total assets**	86,991

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions – non-life	46,381
R0520	Technical provisions – non-life (excluding health)	46,381
R0530	TP calculated as a whole	0
R0540	Best Estimate	43,778
R0550	Risk margin	2,603
R0560	Technical provisions - health (similar to non-life)	0
R0570	TP calculated as a whole	0
R0580	Best Estimate	0
R0590	Risk margin	0
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	Technical provisions - health (similar to life)	0
R0620	TP calculated as a whole	0
R0630	Best Estimate	0
R0640	Risk margin	0
R0650	Technical provisions – life (excluding health and index-linked and unit-linked)	0
R0660	TP calculated as a whole	0
R0670	Best Estimate	0
R0680	Risk margin	0
R0690	Technical provisions – index-linked and unit-linked	0
R0700	TP calculated as a whole	0
R0710	Best Estimate	0
R0720	Risk margin	0
R0740	Contingent liabilities	0
R0750	Provisions other than technical provisions	0
R0760	Pension benefit obligations	0
R0770	Deposits from reinsurers	0
R0780	Deferred tax liabilities	0
R0790	Derivatives	15,295
R0800	Debts owed to credit institutions	0
R0810	Financial liabilities other than debts owed to credit institutions	0
R0820	Insurance & intermediaries payables	0
R0830	Reinsurance payables	0
R0840	Payables (trade, not insurance)	7,813
R0850	Subordinated liabilities	0
R0860	Subordinated liabilities not in Basic Own Funds	0
R0870	Subordinated liabilities in Basic Own Funds	0
R0880	Any other liabilities, not elsewhere shown	45
R0900	**Total liabilities**	69,534
R1000	**Excess of assets over liabilities**	17,457

S.05.01.02.01 - Premiums, claims and expenses by line of business - Table 1

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of Business for: accepted non-proportional reinsurance				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
	Premiums written																	
R0110	Gross - Direct Business	0	0	0	0	0	0	3,348	679	5,504	2,791	28	46,625					58,975
R0120	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0	0	0	0	0	0					0
R0130	Gross - Non-proportional reinsurance accepted													0	0	0	0	0
R0140	Reinsurers' share	0	0	0	0	0	0	1,931	13	5,613	690	10	19,069	0	0	0	0	27,326
R0200	Net	0	0	0	0	0	0	1,416	667	-110	2,101	18	27,556	0	0	0	0	31,649
	Premiums earned																	
R0210	Gross - Direct Business	0	0	0	0	0	0	2,067	1,933	4,113	2,791	27	24,379					35,310
R0220	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0	0	0	0	0	0					0
R0230	Gross - Non-proportional reinsurance accepted													0	0	0	0	0
R0240	Reinsurers' share	0	0	0	0	0	0	1,830	1,855	4,242	690	17	15,202	0	0	0	0	23,836
R0300	Net	0	0	0	0	0	0	237	78	-129	2,101	10	9,177	0	0	0	0	11,473
	Claims incurred																	
R0310	Gross - Direct Business	0	0	0	0	0	0	1,937	724	10,570	2,975	4	20,960					37,171
R0320	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0	0	0	0	0	0					0
R0330	Gross - Non-proportional reinsurance accepted													0	0	0	0	0
R0340	Reinsurers' share	0	0	0	0	0	0	1,707	683	9,265	236	1	12,625	0	0	0	0	24,517
R0400	Net	0	0	0	0	0	0	231	41	1,305	2,738	4	8,335	0	0	0	0	12,655
	Changes in other technical provisions																	
R0410	Gross - Direct Business	0	0	0	0	0	0	0	0	0	0	0	0					0
R0420	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0	0	0	0	0	0					0
R0430	Gross - Non- proportional reinsurance accepted													0	0	0	0	0
R0440	Reinsurers'share	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
R0500	Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
R0550	**Expenses incurred**	0	0	0	0	0	0	160	32	-687	423	1	2,310	0	0	0	0	2,239
R1200	**Other expenses**																	0
R1300	**Total expenses**																	2,239

S.05.02.01 - Premiums, claims and expenses by country

		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
R0010			GB	FR	ES	DE	CZ	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	Gross - Direct Business	0	39,041	9,324	3,942	1,699	1,439	55,445
R0120	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0130	Gross - Non-proportional reinsurance accepted	0	0	0	0	0	0	0
R0140	Reinsurers' share	0	16,104	3,766	4,126	905	784	25,685
R0200	Net	0	22,938	5,558	-184	794	655	29,761
	Premiums earned							
R0210	Gross - Direct Business	0	16,263	9,454	2,606	1,963	1,158	31,445
R0220	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0230	Gross - Non-proportional reinsurance accepted	0	0	0	0	0	0	0
R0240	Reinsurers' share	0	9,657	5,738	2,890	1,549	960	20,794
R0300	Net	0	6,606	3,716	-284	413	199	10,651
	Claims incurred							
R0310	Gross - Direct Business	0	23,199	8,808	1,541	2,283	429	36,259
R0320	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0330	Gross - Non-proportional reinsurance accepted	0	0	0	0	0	0	0
R0340	Reinsurers' share	0	15,203	4,357	1,033	1,641	140	22,375
R0400	Net	0	7,996	4,451	508	641	289	13,884
	Changes in other technical provisions							
R0410	Gross - Direct Business	0	0	0	0	0	0	0
R0420	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0430	Gross - Non- proportional reinsurance accepted	0	0	0	0	0	0	0
R0440	Reinsurers'share	0	0	0	0	0	0	0
R0500	Net	0	0	0	0	0	0	0
R0550	**Expenses incurred**	0	2,172	519	-929	95	80	1,936
R1200	**Other expenses**							0
R1300	**Total expenses**							1,936

		Home Country	Top 5 countries (by amount of gross premiums written) - life obligations					Total Top 5 and home country
		C0150	C0160	C0170	C0180	C0190	C0200	C0210
R1400			0	0	0	0	0	
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
	Premiums written							
R1410	Gross	0	0	0	0	0	0	0
R1420	Reinsurers' share	0	0	0	0	0	0	0
R1500	Net	0	0	0	0	0	0	0
	Premiums earned							
R1510	Gross	0	0	0	0	0	0	0
R1520	Reinsurers' share	0	0	0	0	0	0	0
R1600	Net	0	0	0	0	0	0	0
	Claims incurred							
R1610	Gross	0	0	0	0	0	0	0
R1620	Reinsurers' share	0	0	0	0	0	0	0
R1700	Net	0	0	0	0	0	0	0
	Changes in other technical provisions							
R1710	Gross	0	0	0	0	0	0	0
R1720	Reinsurers' share	0	0	0	0	0	0	0
R1800	Net	0	0	0	0	0	0	0
R1900	**Expenses incurred**	0	0	0	0	0	0	0
R2500	**Other expenses**							0
R2600	**Total expenses**							0

S.17.01.02 - Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance						
		Fire and other damage to property insurance	**General liability insurance**	**Credit and suretyship insurance**	**Legal expenses insurance**	**Assistance**	**Miscellaneous financial loss**	**Total Non-Life obligation**
		C0080	C0090	C0100	C0110	C0120	C0130	C0180
R0010	**Technical provisions calculated as a whole**	0	0	0	0	0	0	0
R0050	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	0	0	0	0	0	0	0
	Technical provisions calculated as a sum of BE and RM							
	Best estimate							
	Premium provisions							
R0060	Gross	6,932	1,888	1,614	-7,672	-21	16,948	19,688
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	6,525	4,116	6,998	-666	-5	-4,686	12,282
R0150	Net Best Estimate of Premium Provisions	407	-2,228	-5,384	-7,006	-16	21,633	7,406
	Claims provisions							
R0160	Gross	648	1,775	10,355	3,511	3	7,797	24,090
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	365	1,413	8,986	706	0	2,043	13,513
R0250	Net Best Estimate of Claims Provisions	283	363	1,369	2,805	3	5,754	10,577
R0260	**Total Best estimate - gross**	7,580	3,664	11,969	-4,161	-18	24,745	43,778
R0270	**Total Best estimate - net**	691	-1,865	-4,016	-4,201	-13	27,387	17,983
R0280	**Risk margin**	305	187	542	112	0	1,457	2,603
	Amount of the transitional on Technical Provisions							
R0290	Technical Provisions calculated as a whole	0	0	0	0	0	0	0
R0300	Best estimate	0	0	0	0	0	0	0
R0310	Risk margin	0	0	0	0	0	0	0
	Technical provisions - total							
R0320	Technical provisions - total	7,885	3,851	12,511	-4,049	-18	26,202	46,381
R0330	Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	6,890	5,528	15,984	40	-5	-2,643	25,795
R0340	Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	995	-1,677	-3,473	-4,089	-13	28,844	20,586

S.19.01.21 - Non-life Insurance Claims Information

Total Non-Life Business

Z0020	Accident year / Underwriting year	**Z0020**	Underwriting year [UWY]

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

	Year	**0**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10 & +**	**In Current year**	**Sum of years (cumulative)**
		Development year												
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
R0100	**Prior**											3	3	3
R0160	**N-9**	2	46	45	41	10	21	-5	0	0	0		0	159
R0170	**N-8**	11	21	42	1	21	-8	6	-10	0			0	83
R0180	**N-7**	3	179	101	130	-26	97	30	7				7	521
R0190	**N-6**	58	188	672	445	519	133	29					29	2,044
R0200	**N-5**	600	696	948	900	401	87						87	3,632
R0210	**N-4**	2,112	2,539	2,085	1,031	583							583	8,351
R0220	**N-3**	2,258	6,203	3,050	2,102								2,102	13,614
R0230	**N-2**	2,756	11,463	5,706									5,706	19,925
R0240	**N-1**	3,913	7,870										7,870	11,783
R0250	**N**	7,079											7,079	7,079
R0260												**Total**	23,466	67,194

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

	Year	**0**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10 & +**	**Year end (discounted data)**
		Development year											
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
R0100	**Prior**											3	2
R0160	**N-9**	0	0	0	0	0	0	2	43	0	7		5
R0170	**N-8**	0	0	0	0	0	25	5	40	2			1
R0180	**N-7**	0	0	0	0	146	122	160	265				196
R0190	**N-6**	0	0	0	543	889	245	624					461
R0200	**N-5**	0	0	-958	205	40	240						154
R0210	**N-4**	0	2,115	388	610	204							141
R0220	**N-3**	4,460	3,113	1,913	922								788
R0230	**N-2**	6,775	4,529	4,167									4,135
R0240	**N-1**	438	10,136										10,277
R0250	**N**	8,273											7,930
R0260												**Total**	24,090

S.23.01.01 - Own funds

		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					
R0010	Ordinary share capital (gross of own shares)	44	44		0	
R0030	Share premium account related to ordinary share capital	8,414	8,414		0	
R0040	Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	0	0		0	
R0050	Subordinated mutual member accounts	0		0	0	0
R0070	Surplus funds	0	0			
R0090	Preference shares	5		5	0	0
R0110	Share premium account related to preference shares	4,995		4,995	0	0
R0130	Reconciliation reserve	3,787	3,787			
R0140	Subordinated liabilities	0		0	0	0
R0160	An amount equal to the value of net deferred tax assets	213				213
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above	0	0	0	0	0
	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	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	0				
	Deductions					
R0230	Deductions for participations in financial and credit institutions	0	0	0	0	0
R0290	**Total basic own funds after deductions**	17,457	12,245	5,000	0	213
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	0			0	
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0			0	
R0320	Unpaid and uncalled preference shares callable on demand	0			0	0
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0			0	0
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0			0	
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0			0	0
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0			0	
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0			0	0
R0390	Other ancillary own funds	0			0	0
R0400	**Total ancillary own funds**	0			0	0
	Available and eligible own funds					
R0500	Total available own funds to meet the SCR	17,457	12,245	5,000	0	213
R0510	Total available own funds to meet the MCR	17,245	12,245	5,000	0	
R0540	Total eligible own funds to meet the SCR	17,457	12,245	3,061	1,939	213
R0550	Total eligible own funds to meet the MCR	16,716	12,245	3,061	1,411	
R0580	**SCR**	15,676				
R0600	**MCR**	7,054				
R0620	**Ratio of Eligible own funds to SCR**	1.1136				
R0640	**Ratio of Eligible own funds to MCR**	2.3697				

		C0060
	Reconciliation reserve	
R0700	Excess of assets over liabilities	17,457
R0710	Own shares (held directly and indirectly)	0
R0720	Foreseeable dividends, distributions and charges	0
R0730	Other basic own fund items	13,670
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0
R0760	**Reconciliation reserve**	3,787
	Expected profits	
R0770	Expected profits included in future premiums (EPIFP) - Life business	0
R0780	Expected profits included in future premiums (EPIFP) - Non- life business	7,226
R0790	**Total Expected profits included in future premiums (EPIFP)**	7,226

S.25.01.21 - Solvency Capital Requirement - for undertakings on Standard Formula

			Gross solvency capital requirement	USP	Simplifications
			C0110	C0090	C0120
R0010	Market risk	**R0010**	1,716		
R0020	Counterparty default risk	**R0020**	2,968		
R0030	Life underwriting risk	**R0030**	0		
R0040	Health underwriting risk	**R0040**	0		
R0050	Non-life underwriting risk	**R0050**	12,056		
R0060	Diversification	**R0060**	-2,395		
R0070	Intangible asset risk	**R0070**	0		
R0100	**Basic Solvency Capital Requirement**	**R0100**	14,345		

	Calculation of Solvency Capital Requirement		C0100
R0130	Operational risk	**R0130**	1,331
R0140	Loss-absorbing capacity of technical provisions	**R0140**	0
R0150	Loss-absorbing capacity of deferred taxes	**R0150**	0
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	**R0160**	0
R0200	**Solvency capital requirement excluding capital add-on**	**R0200**	15,676
R0210	Capital add-on already set	**R0210**	0
R0220	**Solvency capital requirement**	**R0220**	15,676
	Other information on SCR		
R0400	Capital requirement for duration-based equity risk sub-module	**R0400**	0
R0410	Total amount of Notional Solvency Capital Requirement for remaining part	**R0410**	0
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds	**R0420**	0
R0430	Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	**R0430**	0
R0440	Diversification effects due to RFF nSCR aggregation for article 304	**R0440**	0

			Yes/No
	Approach to tax rate		C0109
R0590	Approach based on average tax rate	**R0590**	0

Calculation of loss absorbing capacity of deferred taxes

			LAC DT
			C0130
R0600	DTA	**R0600**	
R0610	DTA carry forward	**R0610**	
R0620	DTA due to deductible temporary differences	**R0620**	
R0630	DTL	**R0630**	
R0640	LAC DT	**R0640**	0
R0650	LAC DT justified by reversion of deferred tax liabilities	**R0650**	0
R0660	LAC DT justified by reference to probable future taxable economic profit	**R0660**	0
R0670	LAC DT justified by carry back, current year	**R0670**	0
R0680	LAC DT justified by carry back, future years	**R0680**	0
R0690	Maximum LAC DT	**R0690**	0

S.28.01.01 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

		C0010
R0010	MCRNL Result	8,855

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
R0020	Medical expenses insurance and proportional reinsurance	0	0
R0030	Income protection insurance and proportional reinsurance	0	0
R0040	Workers' compensation insurance and proportional reinsurance	0	0
R0050	Motor vehicle liability insurance and proportional reinsurance	0	0
R0060	Other motor insurance and proportional reinsurance	0	0
R0070	Marine, aviation and transport insurance and proportional reinsurance	0	0
R0080	Fire and other damage to property insurance and proportional reinsurance	691	1,416
R0090	General liability insurance and proportional reinsurance	0	667
R0100	Credit and suretyship insurance and proportional reinsurance	0	0
R0110	Legal expenses insurance and proportional reinsurance	0	2,101
R0120	Assistance and proportional reinsurance	0	18
R0130	Miscellaneous financial loss insurance and proportional reinsurance	27,387	27,556
R0140	Non-proportional health reinsurance	0	0
R0150	Non-proportional casualty reinsurance	0	0
R0160	Non-proportional marine, aviation and transport reinsurance	0	0
R0170	Non-proportional property reinsurance	0	0

Linear formula component for life insurance and reinsurance obligations

		C0040
R0200	MCRL Result	0

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
R0210	Obligations with profit participation - guaranteed benefits	0	
R0220	Obligations with profit participation - future discretionary benefits	0	
R0230	Index-linked and unit-linked insurance obligations	0	
R0240	Other life (re)insurance and health (re)insurance obligations	0	
R0250	Total capital at risk for all life (re)insurance obligations		0

	Overall MCR calculation	C0070
R0300	Linear MCR	8,855
R0310	SCR	15,676
R0320	MCR cap	7,054
R0330	MCR floor	3,919
R0340	Combined MCR	7,054
R0350	Absolute floor of the MCR	3,187

		C0070
R0400	**Minimum Capital Requirement**	7,054