

SOUTHERN ROCK INSURANCE COMPANY
LIMITED

Solvency and Financial Condition Report
Year End: 30 June 2025



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DEFINITIONS

AFH	Actuarial Function Holder	RCIC	Risk, Compliance, and Investment Committee
ADC	Adverse Development Cover	RMF	Risk Management Framework
ARC	Audit and Remuneration Committee	RMFH	Risk Management Function Holder
Committee	Committee of the Board	SCR	Solvency Capital Requirement
CPD	Continuing Professional Development	SFCR	Solvency and Financial Condition Report
EIOPA	European Insurance and Occupational Pensions Authority	SII	Solvency II
GAAP	Generally Accepted Accounting Principles	SRHL	Southern Rock Holdings Limited
GBP	Pounds Sterling	SRICL	Southern Rock Insurance Company Limited
GFSC	Gibraltar Financial Services Commission	TPs	Technical Provisions
Group	Southern Rock Holdings Limited, and its subsidiaries	UK	United Kingdom
IA	Internal Audit	ULR	Ultimate Loss Ratio
LPT	Loss Portfolio Transfer	URC	Underwriting and Reserving Committee
MGA	Managing General Agent	XOL	Excess of Loss
ORSA	Own Risk and Solvency Assessment		

INTRODUCTION

This report is the Solvency and Financial Condition Report (“SFCR”) for Southern Rock Insurance Company Limited (“SRICL”, the “Company”) as at 30 June 2025. SRICL is the principal trading subsidiary of Southern Rock Holdings Limited (“SRHL”, the “Group”). Both entities are registered in Gibraltar.

The purpose of the SFCR is to provide information on the capital position of the Company at the reporting period end, as required by the Solvency II Delegated Regulations. The structure of the report is determined by the Solvency II (“SII”) Directive and is split into sections to cover the Company’s business and performance, system of governance, risk profile, valuation methods used for solvency purposes and its capital management practices.

Unless stated otherwise, all amounts in this report are in GBP (Pounds Sterling).

EXECUTIVE SUMMARY

SECTION A: BUSINESS AND PERFORMANCE

The principal activity of SRICL was the underwriting of UK motor insurance risks, before it entered run-off on 30th June 2023. This report focuses on the activities and solvency of SRICL.

All the business, barring an insignificant amount that was written in Gibraltar with a local broker, was written in the UK motor insurance market. The policies were distributed via a Managing General Agent (“MGA”), Somerset Bridge Limited (SBL). SRICL underwrote a portion of all personal lines policies sold under the MGA SBL, a sister company by virtue of common ownership.

Following a strategic review, it was decided to reduce SRICL’s business, and a decision was made, with shareholder approval, for the entity to enter into run off. SRICL formally entered into run off at midnight on 30 June 2023. The business requested a Direction from the Gibraltar Financial Services Commission (“GFSC”) prohibiting the insurer from undertaking new business in accordance with Regulation 34(1)(a) of the Financial Services (Insurance Companies) Regulations 2020. This Direction was issued by the GFSC on 6 September 2023. It is planned to transfer the insurance business subject to regulatory and court approval to another Arch entity in December 2025.

As a result of the decision to enter into run-off, SRICL has underwritten no new business in the reported period.

For the period ended 30 June 2025, on a statutory accounting basis, SRICL will report a draft (unaudited) loss after taxation in its financial statements of £5.1m (2024: loss of £4.8m).

As at 30 June 2025, the Company’s solvency ratio of eligible own funds to Solvency Capital Requirement (“SCR”) was 45%, an reduction of 69 percentage points from the previous year end (2024: 114%). This reduction has been the result of strengthening of Technical Provisions and Sliding Scale commission adjustment with QS Reinsures and Co Insurers.

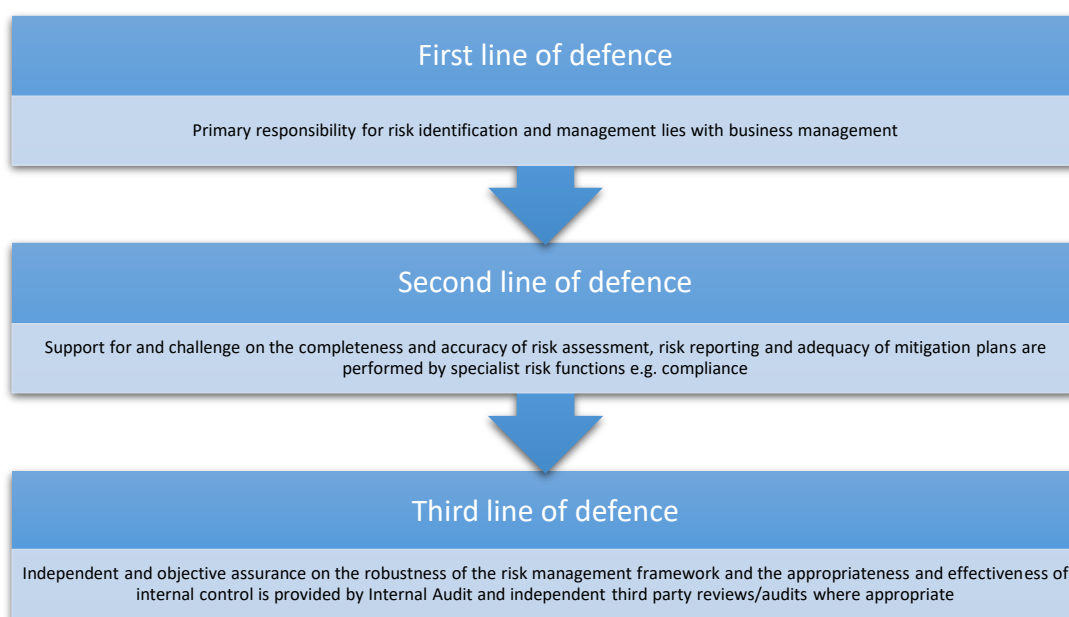
This situation has been early addressed by SRICL Board of Directors. A capital injection of £4m from Arch Group took place in September 2025. After this capital injection the Solvency Ratio increased to 116%.

SECTION B: SYSTEM OF GOVERNANCE

The SRICL Board is responsible for governance and control of the Company and has overall responsibility for setting strategy. SRICL has an established governance framework and has a clearly articulated and documented risk appetite. The SRICL Board ensures that its financial controls and risk management systems are embedded, while also ensuring that the Company is adequately resourced to execute its plans. The Non-Executive Directors bring a very broad level of experience and independent judgement to the Board and make a valuable contribution to the Company's objectives, communications with stake holders, and the desire to always put the policyholders' best interests first.

Following the decision to enter run off, SRICL has simplified its system of governance, with all sub-committees collapsed into the main Board as of 15 August 2023.

SRICL operates a three lines of defence system of governance.



Section B of this report describes the system of governance in place and explains the compliance with the requirements of the Solvency II legislation.

SECTION C: RISK PROFILE

SRICL operates a Risk Management Framework ("RMF") to ensure material risks are appropriately identified, monitored, and managed in line with the Company's objectives, while also ensuring the business is aligned with the regulatory requirements of Solvency II. An integral part of this framework is the Own Risk and Solvency Assessment ("ORSA"), which provides the Company with a key tool to assess and evaluate the risks it faces. Review periods for all risks are in place and are set via a scoring system.

As part of the risk management strategy, SRICL reduced its exposure to premium and reserve risk by entering a number of substantive reinsurance programmes with a panel of reinsurance partners. The firm's exposure was further reduced was by internal reinsurance arrangements with Arch Reinsurance Limited as below:

- 2017-2021: Arch Reinsurance Limited loss portfolio transfer ("LPT") and adverse development cover ("ADC"), after the application of inuring co and reinsurance cover
- 2022 and post: Arch Reinsurance Limited quota share (QS)

SRICL continues to use A rated reinsurers thus enabling the management of its reinsurance exposure to acceptable levels. The Company's Solvency Capital Requirement ("SCR") by risk module is as follows:

SCR	24/25 YE	25Q3
Market risk	902	1,053
Counterparty default risk	2,108	2,125
Life underwriting risk	169	159
Non-life underwriting risk	2,554	2,416
Diversification	-1,312	-1,364
Basic Solvency Capital Requirement	4,422	4,389
Operational risk	1,327	1,317
Solvency capital requirement	5,748	5,706

Section C of this report describes the risks to which the Company is exposed and how they are measured, monitored, and managed, including any specific risk mitigation actions that have been taken during the reporting period.

SECTION D: VALUATION FOR SOLVENCY PURPOSES

Under SII, assets and liabilities are required to be valued at fair value, which is the amount for which they could be exchanged with a third party in an arm's length transaction. The valuation principles are broadly the same as those applied under local Generally Accepted Accountancy Principles ("GAAP") (which the Company uses), with some notable exceptions such as the valuation of deferred acquisition costs and technical provisions – see section D.1 for further information.

SECTION E: CAPITAL MANAGEMENT

The SRICL Board considers the Company's capital requirements at all times. Given the firm's decision to enter run off and the expected future Part 23 / Part VII transfer by the end of the year, the target capital coverage of its SCR over this planning horizon is 110%.

Following the remedial capital injection of £4m in September 2025, the Board is confident that this target will be achieved and has regular capital discussions with its parent company.

A summary of the Company's capital position as at 30 June 2025 is shown in the table below:

Capital Management (£'000)	24/25 YE	25Q3
Tier 1 capital	-309	3,786
Tier 2 capital	4,000	4,000
Tier 3 capital	0	0
Total Eligible Own Funds SCR	2,565	6,639
Total Eligible Own Funds MCR	566	4,486
SCR	5,748	5,706
SCR ratio	45%	116%
MCR	3,500	3,500
MCR ratio	16%	128%

A. BUSINESS AND PERFORMANCE

A.1 BUSINESS

A.1.1 GENERAL BUSINESS INFORMATION

Name of the undertaking:	Southern Rock Insurance Company Limited
Address of its registered office:	Unit 3A-C, Leisure Island Business Centre Ocean Village Promenade Gibraltar, GX11 1AA +44 (0) 344 7765670 +350 200 02396 info@sricl.com
Legal Status:	Private Company Limited by Shares
Name of the financial supervisory authority:	Gibraltar Financial Services Commission
Contact details:	PO Box 940 Suite 3, Ground Floor Atlantic Suites Europort Avenue Gibraltar, GX11 1AA +350 20040283 information@fsc.gi
Name of external auditor:	BDO Gibraltar
Contact details:	5.20 World Trade Centre 6 Bayside Road Gibraltar, GX11 1AA +350 200 47300

A.1.2 MATERIAL LINES OF BUSINESS

The principal trading activity of SRICL was the underwriting of UK motor insurance risks. The majority of open claims are Third Party Liability.

SRICL is licensed and regulated by the Gibraltar Financial Services Commission (“GFSC”) under the Financial Services (Insurance Companies) Act and authorised to carry out services in the United Kingdom.

Following a strategic review, SRICL’s business was reduced, and formally entered run off at midnight on 30 June 2023.

A.1.3 COMPANY STRUCTURE

Arch Reinsurance Limited

Southern Rock Holdings Limited

Southern Rock Insurance Company Limited

Arch Reinsurance Limited (ARL), a subsidiary of Arch Capital Group Limited a company registered in Bermuda, owns 100% of the issued share capital of **Southern Rock Holdings Limited (SRHL)**, a company registered in Gibraltar. SRHL owns 100% of the issued ordinary share capital of **Southern Rock Insurance Company Limited (SRICL)**.

A.2 UNDERWRITING PERFORMANCE

A.2.1 FUTURE DEVELOPMENT PLANS

In 2023, a decision was made by the Board, with shareholder approval, for the entity to enter into run off. SRICL formally entered into run off at midnight on 30 June 2023. The business requested a Direction from the GFSC prohibiting the insurer from undertaking new business in accordance with Regulation 34(1)(a) of the Financial Services (insurance Companies) Regulations 2020. This Direction was issued by the GFSC on 6 September 2023. Subject to regulatory and court approval, it is planned to transfer the insurance business to another Arch entity in December 2025.

A.3 INVESTMENT PERFORMANCE

A.3.1 INVESTMENTS HELD

SRICL’s investment policy is conservative, retaining all assets as cash or cash equivalents to minimise risk.

B. SYSTEM OF GOVERNANCE

B.1 GENERAL INFORMATION ON THE SYSTEM OF GOVERNANCE

B.1.1 BOARD

SRICL Board

Key Areas

- Risk, Compliance and Investment
- Audit and Remuneration
- Underwriting and Reserving

The SRICL Board is ultimately responsible for leading and providing the strategic direction of the Company and for ensuring that a sound system of internal control and risk management is maintained over SRICL's activities. The SRICL Board ensures that the SRHL Board are aware of the development of the business.

Following the decision to enter run off, SRICL has simplified its system of governance as of 15 August 2023.

- The Risk, Compliance, and Investment Committee ("RCIC"), along with activities and responsibilities, has been subsumed into the SRICL Board.
- The Audit and Remuneration Committee ("ARC"), along with activities and responsibilities, has been subsumed into the SRICL Board.
- The Underwriting and Reserving Committee ("URC"), along with activities and responsibilities, has been subsumed into the SRICL Board.

The structure outlined in sections B.1.2 to B.1.5 was in place during the reporting period to 30 June 2025.

B.1.2 DIVISION OF RESPONSIBILITY BETWEEN THE SRHL/SRICL BOARD

The SRHL Board retains ultimate responsibility for its own governance and provides high level strategic guidance to its subsidiary SRICL, however it is not prescriptive in how SRICL should meet its obligations, and although the SRICL Board takes notice of strategic advice and input from the holding company, SRICL's Board is not in any way bound to follow it.

The SRICL Board has responsibility for the oversight of the business, defines the risk appetite and reviews key risks associated with the business on a regular basis. The SRICL Board also regularly reviews SRICL's progress and performance against its ORSA and puts in place plans to mitigate and address any material divergence. The composition and responsibilities of the SRICL Board satisfy the requirements outlined by the GFSC.

The SRICL Board and its sub-committees delegate day-to-day management of SRICL to the management team under the leadership of the Chief Executive Officer. In addition, the SRICL Board may appoint ad-hoc committees or working parties periodically to address issues of a more specific and/or short-term nature.

B.1.3 KEY AREAS

Risk, Compliance, and Investment

The SRICL Board is responsible to assess risk exposures and their impact with respect to the risk appetite set.

Board members have investment, business, and/or risk management expertise sufficient to evaluate the risks associated.

The SRICL Board's primary responsibilities are to:

- ensure that SRICL has an ongoing and appropriate process for identifying and evaluating risk and that any significant areas of risk and mitigating actions agreed and defined;
- develop a comprehensive understanding of the relationship between the operating budget, cashflow requirements and the investment policy;
- monitor and review the Company's Investment Policy and make investment recommendations to the Board;
- to review and monitor the effectiveness of the Company's Systems of Governance;
- implement and oversee appropriate risk management policies and procedures to manage risks (see section B3 for description of the firm's risk management system).

Underwriting and Reserving

The SRICL Board of Directors' role is to implement and maintain effective practices for reserving strategies, setting tolerance levels and review the performance of the internal and external actuarial functions, and the use of external actuarial services.

Primary responsibilities are to:

- approve, review, and monitor overall risk tolerances, including limits, and possible losses;
- approve and review Company underwriting policies and procedures;
- review reinsurance programs and practices;
- assess whether there is need for external evaluation of reserving mechanism, and make decisions regarding such appointments;
- where an independent actuary is appointed, monitor and review the effectiveness and quality of data sources in such a manner that the committee can either challenge or rely on reports issued;
- ensure that reserving activities are compliant with actuarial practice, accounting and regulatory standards;
- make decisions relating to parameters and any assumptions used in reserving strategies.

Audit and Remuneration

The SRICL Board of Directors' role is to implement and maintain effective practices for conducting both internal and external audits and review remuneration decisions and staffing levels, and external fees.

AUDIT

The main role and responsibilities include:

- monitoring of the integrity of the financial statements of SRICL and any formal announcements relating to SRICL's financial performance, and reviewing significant financial reporting judgements contained in them;
- implement and maintain risk management and financial controls;

- to put to the shareholders for their approval in a general meeting, in relation to the appointment, re-appointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor;
- review and monitoring of the external auditor’s independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements;
- development and implementing of policies on the engagement of the external auditor to supply non-audit services, considering relevant ethical guidance regarding the provision of non-audit services by the external audit firm;
- ensuring provision exists for staff to raise, in confidence, concerns about possible improprieties in matters of financial reporting or other matters and that arrangements are in place for the proportionate and independent investigation of such matters and for appropriate follow-up action;
- monitoring and review of the effectiveness of internal audit activities.

REMUNERATION – NON-EXECUTIVE DIRECTORS (NEDS)

NEDs, including the Chairman of the Board, receive a basic annual fee in respect of their Board duties and do not participate in any incentive or performance plans. Fees are reviewed annually taking into account the scope of Board duties, including participation on committees and other roles and general market trends. One NED also receives a consultancy fee in addition to the basic annual fee. Any out-of-pocket expenses (e.g. travel) are reimbursed to the NEDs.

B.2 FIT AND PROPER REQUIREMENTS

B.2.1 FIT AND PROPER POLICY

The Company’s ‘Fit and Proper’ Policy provides a framework to ensure that individuals running the business or fulfilling key functions have the necessary skills, appropriate knowledge and experience and are of good repute and integrity. SRICL meets these requirements by ensuring individuals are both fit and proper in line with the Policy and in accordance with the Gibraltar Financial Services Act 2019.

The Company assesses an individual’s fitness and propriety in several ways, including:

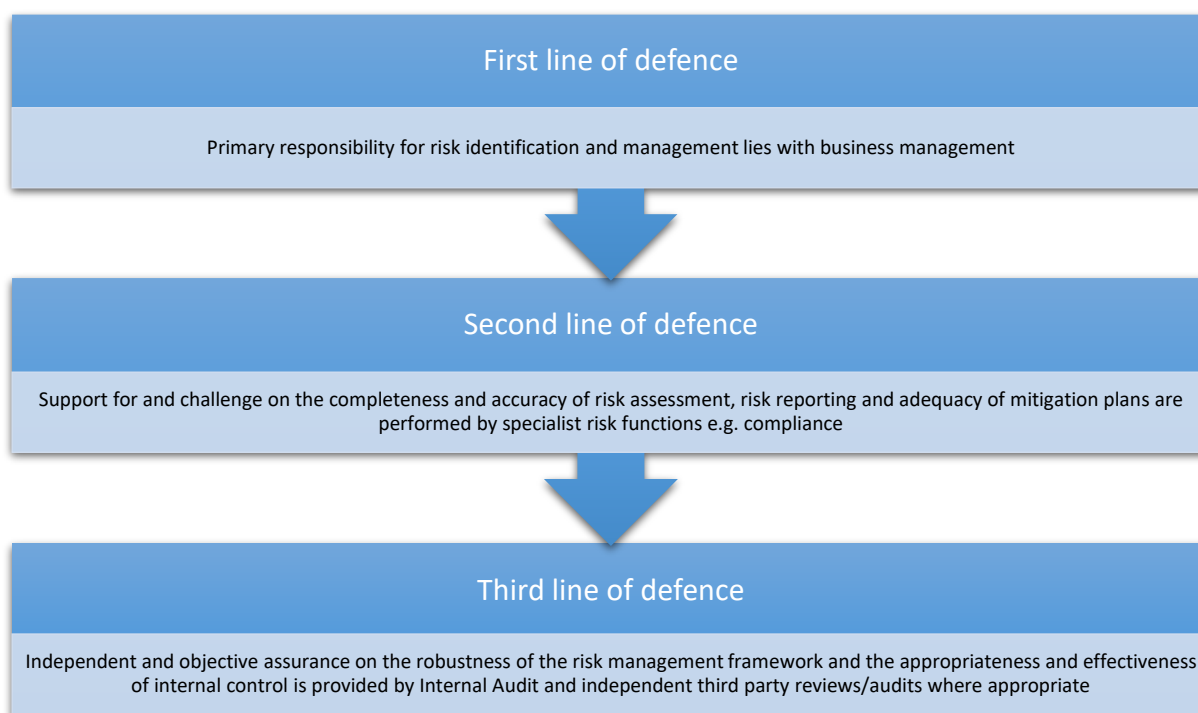
- Adopting a robust and rigorous selection process to assess the individual’s professional competence, in terms of technical and management skills, relative to the role;
- Carrying out background checks to confirm employment history, validation of professional and educational qualifications, financial soundness, and identity checks. The level of background checks is commensurate to the role and level of potential risk associated with it;
- On an annual basis, carrying out a review of each key function holder’s fitness and propriety and requiring key function holders to notify the Company of any changes which may impact their compliance with the Fit and Proper policy.

Members of the Board and sub-committees are required to ensure the skills and knowledge required to properly discharge their duties are kept up to date, including compliance with any relevant professional Continuing Professional Development (“CPD”) requirements.

B.3 RISK MANAGEMENT SYSTEM INCLUDING THE OWN RISK AND SOLVENCY ASSESSMENT

The Company's Risk Management Framework ("RMF") and ORSA process have been designed with the support of the Board, to ensure the Risk, Compliance, and Investment Committee and Board receives timely and appropriate reporting to understand, appropriately manage and mitigate the risks associated with the business objectives over the short, medium and longer term, together with the overall level of risk embedded within functional and operational processes and activities, including those which have been outsourced. Risk strategy, appetite and framework is laid out in a policy which is subject to annual review.

The Company operates a 'three lines of defence' system of governance:



The Risk Registers capture details of significant risks facing the business.

In addition, the Company, through the Board, sets risk appetites and tolerance limits for those most material risks that matter. This supports strategy setting, risk management, stakeholder value optimisation, and provides the boundaries for risk taking. The Risk Registers measure the performance of, and exposure to, each risk.

This risk appetite is set out through high-level qualitative and quantitative statements as an expression of the level of risk the organisation will accept. There are three primary concepts to note:

- The level and nature of risk the Company is willing to take.
- The level of risk that the Company can take - there could be risks that, while not desirable or sought, would be acceptable, at least temporarily, under certain scenarios.
- The maximum level of downside risk that the Company can absorb before putting it into financial distress or regulatory breach.

The Board receives updates on the status of the most material risks and is notified of any breaches of the Company's risk appetite levels.

Risk mitigation techniques are applied to each risk, and management actions are developed to monitor and mitigate the risk as far as possible.

Should risks materialise that breach the risk appetite, these are mitigated, as far as possible, by the actions listed in the Risk Register. When risks materialise that were previously unknown these are addressed in the first instance by the Risk Management Function Holder (“RMFH”), escalated to the Board if deemed appropriate.

B.4 INTERNAL CONTROL SYSTEM

INTERNAL CONTROL SYSTEM

The Company has embedded an internal control system that includes:

- the corporate governance framework, processes and controls;
- a financial control framework to ensure complete and accurate financial reporting;
- the appointment of key function holders to Actuarial, Compliance, Internal Audit (“IA”) and Risk Management; and
- independent assurance provided by the work performed by Internal Audit and external audits and reviews that are commissioned.

The Company’s Board of Directors review all internal and external audit reports, ensuring any risks identified are properly recorded, and that any action required is implemented and followed up to completion to ensure the risk is appropriately mitigated.

The internal control system is supported by a range of policies and procedures that the Company has developed to ensure all relevant staff and service providers are aware of the procedures, controls and standards that the Company adheres to. In addition, the Company has implemented a financial control framework designed to ensure that outputs from financial reporting are free from material misstatement, error, or omission, and are prepared in accordance with all relevant laws and financial reporting standards. Monthly management accounts for SRICL are subject to management review before submission to the Board and quarterly to the GFSC, while the Company’s annual report and accounts is subject to external audit and signed off by the Board prior to publication. The Risk department ensure that SRICL remains compliant with regulatory requirement.

B.5 INTERNAL AUDIT

INTERNAL AUDIT PLAN

As a result of SRICL entering in run-off and the future transfer of the Insurance Assets and Liabilities, Internal Audit plans have been reduced to the following items:

- Actuarial Reserving: the Company has engaged Willis Towers Watson, to carry out an independent actuarial review of reserves, the best estimate results of which are used to book SRICL’s reserves.
- Claims Handling: during the year the Company engaged an independent firm to carry out a review of the claims handling function, which provided the Board with assurance that claims are handled efficiently.

B.6 ACTUARIAL FUNCTION

The Actuarial Function Holder (“AFH”) has several responsibilities, ensuring that the methodologies, models, and assumptions used in calculating technical provisions and capital requirements are robust and consistently applied throughout the year.

Specific functions include:

- Calculations of provisions;
- Reinsurance recoveries;
- Solvency II reporting.

Direct contact with external service providers such as reinsurers, co-insurers, actuarial consultants, data providers, in respect of:

- Analysis of data used for assessment/analysis/modelling purposes;
- Analysis of provided data/services (e.g. modelling);
- Review of calculations of provisions, reinsurance recoveries;
- Prediction and monitoring of future Ultimate Loss Ratio.

B.6.1 THE MODEL SCOPE OF THE ACTUARIAL FUNCTION

The AFH, as defined by Article 48 of the Directive 2009/138/EC, is responsible for the following activities:

- Co-ordination and calculation of technical provisions (“TPs”), in terms of:
 - ensuring the appropriateness of methodologies used in the calculation of TPs;
 - assessing the sufficiency and quality of data used in the calculation of TPs;
 - comparing best estimates against experience;
 - informing management of the reliability and adequacy of TPs
- Expressing an opinion on the overall underwriting policy; (Not required as company is in Run-off)
- Expressing an opinion on the adequacy of reinsurance arrangements; and
- Contributing to the effective implementation of the risk management system.

The actuarial function also takes an active role in peer reviewing Solvency II submissions. The submissions are collated on behalf of SRICL by Arch Capital and reviewed on behalf of the AFH by SRICL’s actuary.

B.6.2 ACTUARIAL FUNCTION HOLDER’S REPORT

On an annual basis, the AFH produces a report for the Board that sets out the main tasks that have been undertaken during the year by the actuarial function, the results and outcomes of those activities and any recommendations for changes to future treatment.

B.7 OUTSOURCING

Prior to engaging with any service provider, the Company will:

- evaluate the risks associated with all existing and proposed outsourcing arrangements;
- develop a process for determining the materiality of arrangements;
- implement a program for managing and monitoring risks;
- ensure that the Board receives sufficient information to enable them to discharge their duties.

All outsourcing arrangements, whether intra-group or third party, are subjected to a materiality assessment. The Company recognises that outsourcing and intra-group arrangements will exhibit varying degrees of risk, and as such, the robustness of the management of outsourced risks is aligned to the materiality of that particular arrangement.

With respect to outsourcing arrangements that are deemed material, both the Risk Management Policy and the Outsourcing Policy will apply.

B.7.1 MATERIAL INTRA-GROUP OUTSOURCING ARRANGEMENTS

When entering into a material outsourcing arrangement with related parties or intra-group arrangement with another entity that is also a member of the Arch group, a general contract or outsourcing agreement must be in place. This will outline, among other things:

- the scope of the arrangement;
- the services to be supplied;
- the nature of the relationship between the Company and the service provider;
- procedures governing the subcontracting of services.

B.7.2 DUE DILIGENCE PROCESSES

Internal due diligence is conducted to determine: the nature and scope of the business activity to be outsourced; its relationship to the rest of the Company's activities; the management of the activity both currently and going forward.

When entering or substantially amending or renewing an outsourcing arrangement with a service provider that is a related party, the due diligence procedure will fully assess the risks associated with the outsourcing arrangement and address all relevant aspects of requirements from the service provider.

SRICL is responsible for implementing a due diligence process that addresses the qualitative aspects of the arrangement, particularly those pertaining to the unique operational requirements of the business. This includes but is not limited to:

- procedures governing the subcontracting of services;
- an appropriate business continuity plan covering the outsourced service;
- a process for monitoring and oversight;
- legislative requirements relating to conduct and governance;
- annual review of the commerciality of the agreements including any intra-group cross-charging.

B.7.3 MONITORING AND OVERSIGHT

The Head of Compliance is responsible for implementing and overseeing procedures to monitor and control outsourcing risks in accordance with SRICL's Outsourcing and Risk Management Policies.

SRICL maintains a centralised list of all its material outsourcing arrangements. This list is updated on an ongoing basis and forms part of the documentation delivered to the Board. The following table sets out the outsourced functions that are critical to the Company.

Company Name	Outsourced function	Country
Somerset Bridge Limited	SRICL Staff moved to the Gibraltar Branch of the UK company. Provides Underwriting, Claims, Actuarial, Risk Pricing, Product Distribution services, Claims Handling Services.	Gibraltar/UK
Somerset Bridge Shared Services Limited	Provides accounts payable, HR, IT and security, payroll and finance.	UK

B.8 ANY OTHER INFORMATION

There is no other material information regarding the system of governance to be disclosed.

C. RISK PROFILE

This section sets out the key risks to which the Company is exposed and provides a review of the key risk drivers, any risk mitigation techniques used, and highlights any material changes in risk exposure since the last SFCR.

C.1 RISKS SUMMARY

CURRENT SOLVENCY

The breakdown of SRICL's SCR (on a 'solo' basis) and overall solvency margin as at year end 30 June 2025 is shown in the table below:

Main Risks Summary (2025 YE SCR)

Risk	Definition	Key Volume Measures	SCR (£m)
Standard Formula Risks			
Underwriting Non-Life	The risk of loss or of adverse change in the value of insurance liabilities due to inadequate pricing and provisioning assumptions	▪ Net Claims Reserves (NL+Life)	2.6
Underwriting Life			0.2
Counterparty	The risk of possible losses due to unexpected default, or deterioration in the credit standing, of the counterparties and debtors of the Group over the following 12 months	▪ Type 1: Banks accounts and Reinsurance balances ▪ Type 2: Broker balances	2.1
Market	The risk arising from the level or volatility of market prices of financial instruments which have an impact upon the value of the assets and liabilities of the undertaking	▪ SBGL intercompany loan ▪ Assets and Liabilities cash flows	0.9
Operational	The risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events	▪ Basic SCR (excl. Op risk)	1.3
Total SCR			5.7
Non-Standard Formula Risks			
Liquidity	The risk that the Group either does not have sufficient financial resources available to enable it to meet its obligations as they fall due, or can secure such resources only at excessive cost		
Outsourcing	The risk of operational or other errors arising from the outsourcing provider that leads to financial loss or reputational damage to the Group		
Own Funds (RI commission)	The risk of severely adjusting the Quota Share ("QS") RI Sliding Scale commission due to changes in historical Ultimate Loss Ratios ("ULRs")		

Individual risks have been reviewed in detail in the section below. SRICL Board of Directors has continuously derisked the company in preparation for a proposed Part 7/23 transfer, which is subject to regulatory and court approval.

C.2 UNDERWRITING AND RESERVING RISK

Non-life underwriting risk is broken down into the following sub-modules:

- **Premium and reserve risk** – the risk of loss, or adverse change in the value of insurance liabilities, resulting from fluctuations in the timing, frequency and severity of insured events, and in the timing and amount of claim settlements;
- **Lapse risk** – the risk of loss or adverse change in insurance liabilities due to an unanticipated change in the rate of policy lapses, terminations or renewals;
- **Catastrophe risk** – the risk that a single event, or series of events, of major magnitude usually over a short period of time leads to a significant deviation in actual claims from the total expected claims.

Life underwriting risk main driver is the Longevity Risk – the risk of our current Periodic Payment Orders claimants survives beyond the current expectations.

SCR – Underwriting Risk

SCR (£'000)	2025 YE
Non-life premium and reserve risk	2,554
Life Underwriting Risk	169

ANALYSIS

The two main volume measures are:

- Net claims reserves of £9.5m

SRICL is protected by non-proportional excess of loss (“XoL”) treaties with a low retention level and the most recent years retention level has been £1m historically, since 2021 the retention has increased up to £2m.

SRICL claims liabilities are also protected by internal reinsurance agreements:

- 2017-2021: Arch Reinsurance Limited loss portfolio transfer (LPT) and adverse development cover (ADC), after the application of inuring co and reinsurance cover
- 2022 and post: Arch Reinsurance Limited quota share (QS)

Both the LPT/ADC and QS treaties cede a 90% share of losses after inuring reinsurance. For underwriting years 2017-2021, in addition to losses being 90% ceded, an adverse development cover also provides protection against losses settling above the transferred amount.

The potential impact of high lapses is not considered significant and lapse rates continue to follow historic trends, with no indication that current wider economic conditions are impacting performance.

Catastrophe risk only relates to the forecasted losses attached to the business due to be earned. This risk will shrink significantly during the coming months as the business enters run-off.

C.3 COUNTER-PARTY DEFAULT RISK

Counter-party default risk is split into 2 types. Type 1 is composed by Cash at Banks and Reinsurance Recoveries; the rest of counter-party balances will be considered as type 2. Additionally, type 2 risks are split on balances due for less than 90 days or above.

SCR – Counterparty Risk

SCR (£'000)	2025 YE
Type 1	2,108
Type 2	0
Total counter-party default risk	2,108

ANALYSIS

SRICL holds cash with NatWest and only deals with A-rated (or above) reinsurance partners, which mitigates the risk of loss.

For 2022 onwards net of XoL losses are 90% quota shared with Arch Reinsurance Limited, a related party.

With regards XoL cover, SRICL deals with a range of A (or above) rated reinsurance partners.

The co and reinsurance counter-party balances will reduce over the business planning period, which will in turn reduce the capital charge.

C.4 MARKET RISK

Market risk is broken down into the following sub-modules:

- **Interest rate risk** – the risk of loss or adverse change in the value of assets and liabilities due to unanticipated changes in interest rates and their volatility
- **Equity risk** – the risk of loss or adverse change in the value of assets and liabilities due to unanticipated changes in the market prices of equities
- **Property risk** – the risk of loss or adverse change in the value of assets and liabilities due to unanticipated changes in the market prices of real estate
- **Spread risk** – the risk of loss or adverse change in the value of assets and liabilities due to unanticipated changes in the credit spreads over the risk-free interest rate term structure
- **Currency risk** – the risk of loss or adverse change in the value of assets and liabilities due to unanticipated changes in the market values of currencies
- **Concentration risk** – the risk of loss or adverse change in the value of assets due to either a lack of diversification in the asset portfolio or from large exposure to default risk by a single issuer of securities

SCR – Market Risk

SCR (£'000)	2025 YE
Interest rate risk	860
Equity risk	0
Property risk	0
Spread risk	79
Market risk concentration	0
Currency risk	0
Total market risk	902

ANALYSIS

Interest rate risk

SRICL assets and liabilities cash flows are materially matched as a significant proportion of assets are reinsurance recoveries, which are well aligned to gross claims liabilities.

The inter-company loan has not been included in the interest rate capital requirement. If this asset was included the SCR would reduce, which inherently introduces prudence into the SCR. It is estimated that inclusion of the intercompany loan in the interest rate capital requirement would improve the SCR ratio by 5ppt.

Spread risk

The Group's exposure to spread risk is low in relative terms. The capital charge in relation to spread risk is the result of Gross vs. RI reserves cash flows.

Currency risk

The Group has limited exposure to a high level of currency risk, as most assets and liabilities are denominated in pounds sterling.

C.5 OPERATIONAL RISK

Since 2004, when SRICL was first established, the Company has developed robust internal operating systems. Since run-off the company is supported by Somerset Bridge.

SRICL has a senior management team with many years of experience in the UK motor insurance market, who can deliver the strategy set by the Board to run the business off and subject to regulatory and court approval, the Part7/23 transfer in December 2025.

Given the reduction in SRICL business, the Operational Risk charge is derived as 30% of Basic SCR (pre-Op Risk).

C.6 LIQUIDITY RISK

On 30th June 2025, SRICL had cash assets totalling £12.2m. These balances are all available to draw down on a same day or next day basis.

SRICL has reinsured most claim's liabilities; however, this exposes SRICL to the following two risks:

- Potential delays in RI recoveries, particularly on XoL claim recoveries;
- Material QS treaties are on funds withheld, therefore SRICL will be liable to pay the full claims until the funds withheld are exhausted.

SRICL liquidity is monitored on a monthly basis with a forward-looking projection through to December 2027. The main source of future cash flow is the monthly repayment of an inter-company loan with SBGL, for which there is an agreed repayment schedule, and reinsurance recoveries received. Adequate liquidity is forecast over the following 24 months.

C.7 OUTSOURCING RISK

The Group has three main outsourced activities:

SOMERSET BRIDGE LIMITED (SBL)

Somerset Bridge Limited - is related to the Group by virtue of common ultimate beneficial ownership of Arch Capital Group and provides claims handling services to SRICL, for which SRICL is not charged following SRICL entering run-off.

Regular internal and external audits are carried out on the SBL claims handling function, which provide assurance to both the SRICL Board that the function is properly managed, claims leakage is in line with industry best practice and claims are efficiently processed on behalf of policyholders. Furthermore, the MGA insurers and the QS and XOL reinsurers have completed their own assessment of the quality of the claims processes, all with positive outcomes. The most recent external review was carried out in March 2025, by "SX3" a consultancy firm specialising in insurance claims, focused on claims leakage. The conclusions of that audit were:

- Hard leakage continues to be below 1%
- Generally, very strong, proactive handling of claims

The fact that SRICL and SBL share common ultimate beneficial ownership and common management means that the communication between the two parties is positive, frequent, and focused on a shared goal of fair customer outcomes and efficient claims handling. From the SRICL Board's point of view this reduces the risk of underperformance by SBL going unchallenged and ensures issues arising are swiftly addressed. The risk of SBL terminating the claims handling agreement (for whatever reason) is effectively nil, given the longstanding proven relationship and enjoying the benefit of the same parent company.

Since SRICL is in run-off, Somerset business has been underwritten by Alwyn and Watford insurance companies. This keeps sufficient claims volumes to secure the viability of the claims handling function going forwards. Claims staff are required to process MGA claims and the income streams SBL receives from claims handling continues unchanged.

SOMERSET BRIDGE SHARED SERVICES LIMITED

SBSS provide shared service functions to manage accounts payable, HR, IT and security, payroll and finance for the SRHL Group. SBSS is a subsidiary of Somerset Bridge Group Ltd and is related to the SRHL group.

SBSS has been providing a shared service function for the Group for some years and there are no notable outsourcing risks associated with the operation.

C.8 OWN FUNDS RISK

In the previous ORSA, the potential adjustments in RI Sliding Scales have been considered as a material risk in SRICL Own Funds. However, the most recent agreements (21 & Prior LPT and 22/23 QS) with Arch Reinsurance Limited have no sliding scale adjustments of any kind.

D. VALUATION FOR SOLVENCY PURPOSES

D.1 ASSETS (EXCLUDING REINSURANCE RECOVERABLES)

A comparison of the Solvency II valuation and local GAAP valuation of material asset classes is shown below, with explanatory notes on the key differences between the valuation bases.

The below Risk Analysis has been based on Solvency II Balance Sheet as at year end 30 June 2025 (most recent Solvency II reported figures).

Balance Sheet (£'000)

Assets	Solvency II	Statutory accounts (grossed up for reinsurance reserves)
Deferred acquisition costs		656
Reinsurance recoverables from:	108,952	117,861
Non-life excluding health	96,757	117,861
Life excluding health and index-linked and unit-linked	12,194	0
Reinsurance receivables	4,430	93
Receivables (trade, not insurance)		10,384
Cash and cash equivalents	15,344	12,236
Any other assets, not elsewhere shown	59	118
Total assets	128,784	141,348
Liabilities	Solvency II	Statutory accounts
Technical provisions - non-life	106,682	129,056
Best Estimate	106,232	0
Risk margin	449	0
Technical provisions - life	14,140	0
Best Estimate	14,110	0
Risk margin	30	0
Deposits from reinsurers	6,439	0
Reinsurance payables		8,369
Payables (trade, not insurance)	1,8333	2,907
Total liabilities	129,094	140.332
Excess of assets over liabilities	-309	1,016

1. Deferred acquisition costs ("DAC"): under local GAAP acquisition costs arising from insurance contracts are spread over a period equivalent to that over which the premiums on the underlying business are earned. DAC is not recognised in the SII Balance Sheet as it does not meet SII valuation principles.
2. Reinsurance receivables and payables details are provided in Section D.3. below.

D.2 TECHNICAL PROVISIONS

Technical Provisions (£'000)

	Motor Third Party Liability	Motor Other Damages	Life	Total
Technical provisions – non-life				
Best Estimate	105,907	326		106,232
Risk Margin	448	1		449
Reinsurance recoverables - non-life	-96,461	-297		-96,757
Net Technical provisions – non-life	9,894	30		9,924
Technical provisions – life				
Best Estimate			14,110	14,110
Risk Margin			30	30
Reinsurance recoverables - life			-12,194	-12,194
Net Technical provisions – life			1,946	1,946
Net Technical Provisions	9,894	30	1,946	11,870

Technical provisions under SII consist of a claims technical provision, a premium technical provision (which together form the best estimate liability) and a risk margin.

Best estimate liabilities (BEL) are the probability weighted average of future cash flows, discounted back to the balance sheet date using risk-free discount rates. The BEL is apportioned to each line of business, as shown in the table above.

The risk margin is calculated as the sum of the present values of the cost of capital in each future year, i.e. the amount calculated by applying the Cost-of-Capital rate to the SCR in each future year, until the obligations are extinguished and there is no remaining SCR. The total risk margin is then apportioned to each line of business, as shown above.

D.3 OTHER BALANCE SHEET ITEMS

Other Balance Sheet Items (£'000)

	GAAP/Solvency II
Assets	
Reinsurance receivables	4,430
Any other assets	59
Liabilities	
Deposit from reinsurers	(6,439)
Payables	(1,833)
Total	(3,783)

Note: The presentation of this balance on the SII balance sheet differs from the statutory accounting basis since reinsurance receivables under GAAP include payables and receivables RI balances. They have been correctly allocated in the SII balance sheet in order to correctly assess the SCR requirements.

D.4 ALTERNATIVE METHODS FOR VALUATION

There are no other alternative methods for valuation used.

E. CAPITAL MANAGEMENT

E.1 OWN FUNDS

OBJECTIVES, POLICIES AND PROCESSES

The Company's objectives when managing its capital are:

- to ensure it can fully meet all its policyholder obligations in a timely manner;
- to safeguard SRICL's ability to continue operating and meeting its liabilities as they become due;
- to provide an adequate return to the shareholders by pricing insurance contracts commensurately with the level of risk; and
- maintain sufficient own funds to comply with the European Insurance and Occupational Pensions Authority ("EIOPA") Solvency II capital requirements as incorporated into Gibraltar law.

OWN FUNDS:

Basic own funds (£'000)	June 25 (YE)
Ordinary share capital (gross of own shares)	20,845
Share premium account related to ordinary share capital	9,051
Reconciliation reserve before deduction for participations	-30,206

SRICL's own funds are comprised of Tier 1 share capital, share premium, plus the Reconciliation reserve. None of the Own Fund items are subordinated. The reconciliation reserve is made up of the difference between the valuation of assets.

No Deferred Tax Asset is recognised due future profitability is not expected.

In addition to the above Own Funds items, SRICL received in March 2023 a Letter of credit and guarantees from Arch Re Bermuda of £4m.

E.2 SOLVENCY CAPITAL REQUIREMENT AND MINIMUM CAPITAL REQUIREMENT

Capital Management (£'000)	YE 25
Tier 1 capital	-309
Tier 2 capital	4,000
Tier 3 capital	0
Total Eligible Own Funds SCR	2,565
Total Eligible Own Funds MCR	566
SCR	5,748
SCR ratio	45%
MCR	3,500
MCR ratio	16%

E.3 USE OF THE DURATION-BASED EQUITY RISK SUB-MODULE IN THE CALCULATION OF THE SCR

The duration-based method of calculating the equity risk sub-module has not been used.

E.4 DIFFERENCE BETWEEN THE STANDARD FORMULA AND ANY INTERNAL MODEL USED

This section is not applicable as SRICL uses the Standard model.

E.5 NON-COMPLIANCE WITH THE MCR AND NON-COMPLIANCE WITH THE SCR

SRICL was compliant with both the SCR and MCR throughout the reporting period.

E.6 ANY OTHER INFORMATION

There is no other material information to disclose.

F. TEMPLATES

QUANTITATIVE REPORTING TEMPLATES (QRTS) – SRICL

IR.02.01.02 Balance sheet

		Solvency II value
	Assets	C0010
R0270	Reinsurance recoverables from:	108,952
R0280	<i>Non-life and health similar to non-life</i>	96,757
R0315	<i>Life and health similar to life, excluding index-linked and unit-linked</i>	12,194
R0370	Reinsurance receivables	4,430
R0410	Cash and cash equivalents	15,344
R0420	Any other assets, not elsewhere shown	59
R0500	Total assets	128,784
		Solvency II value
	Liabilities	C0010
R0505	Technical provisions - total	120,822
R0510	<i>Technical provisions - non-life</i>	106,682
R0515	<i>Technical provisions - life</i>	14,140
R0542	Best estimate - total	120,343
R0544	<i>Best estimate - non-life</i>	106,232
R0546	<i>Best estimate - life</i>	14,110
R0552	Risk margin - total	479
R0554	<i>Risk margin - non-life</i>	449
R0556	<i>Risk margin - life</i>	30
R0770	Deposits from reinsurers	6,439
R0840	Payables (trade, not insurance)	1,833
R0900	Total liabilities	129,094
R1000	Excess of assets over liabilities	-309

IR.05.02.01 Premiums, claims and expenses by country: Non-life obligations

R0010		C0010	C0070
		Home Country	Total Top 5 and home country
		C0080	C0140
	Premiums written		
R0110	Gross - Direct Business	-9	-9
R0140	Reinsurers' share	20	20
R0200	Net	12	12
	Premiums earned		
R0210	Gross - Direct Business	-9	-9
R0240	Reinsurers' share	20	20
R0300	Net	12	12
	Claims incurred		
R0310	Gross - Direct Business	8,440	8,440
R0340	Reinsurers' share	7,152	7,152
R0400	Net	1,288	1,288
R0550	Net expenses incurred	1,586	1,586

IR.05.04.02 Non-life income and expenditure : reporting period

	All business (including annuities stemming from accepted non-life insurance and reinsurance contracts)	All non-life business (ie excluding annuities stemming from accepted insurance and reinsurance contracts)	Non-life insurance and accepted proportional reinsurance obligations
	C0010	C0015	Motor vehicle liability insurance - personal lines C0140
	Income		
	Premiums written		
R0110	Gross written premiums	-9	-9
R0160	Net written premiums	12	12
	Premiums earned and provision for unearned		
R0210	Gross earned premiums	-9	-9
R0220	Net earned premiums	12	12
	Expenditure		
	Claims incurred		
R0610	Gross (undiscounted) claims incurred	8,440	8,440
R0690	Net (undiscounted) claims incurred	1,288	1,288
R0730	Net (discounted) claims incurred	0	0
	Analysis of expenses incurred		
R0910	Technical expenses incurred net of reinsurance ceded	0	
R0985	Acquisition costs, commissions, claims management costs	0	1,586
	Other expenditure		
R1140	Other expenses	0	
R1310	Total expenditure	0	

IR.17.01.02
Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance		Total Non-Life obligation
		Motor vehicle liability insurance	Other motor insurance	
		C0050	C0060	C0180
	Best estimate			
	Premium provisions			
R0060	Gross	0	0	0
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default			0
R0150	Net Best Estimate of Premium Provisions	0	0	0
	Claims provisions			
R0160	Gross	105,907	326	106,232
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	96,461	297	96,757
R0250	Net Best Estimate of Claims Provisions	9,446	29	9,475
R0260	Total best estimate - gross	105,907	326	106,232
R0270	Total best estimate - net	9,446	29	9,475
R0280	Risk margin	448	1	449
R0320	Technical provisions - total	106,355	327	106,682
R0330	Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	96,461	297	96,757
R0340	Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	9,894	30	9,924

IR.19.01.21
 Non-Life insurance claims
 Total Non-life business

Z0020

Accident year / underwriting year

Underwriting year

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

		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110		C0170
	Year	Development year											In Current year	
		0	1	2	3	4	5	6	7	8	9	10 & +		
R0100	Prior												-958	-958
R0160	-9	20,243	52,274	16,332	9,187	5,805	6,351	3,589	876	3,891	2,343			2,343
R0170	-8	28,565	69,535	19,484	10,538	8,102	5,181	5,869	4,350	3,319				3,319
R0180	-7	12,287	33,819	9,948	7,270	5,135	5,788	7,244	2,362					2,362
R0190	-6	14,363	26,780	8,797	4,693	2,284	4,817	2,671						2,671
R0200	-5	12,676	28,221	8,682	2,739	5,379	3,886							3,886
R0210	-4	14,830	26,640	5,365	7,962	8,365								8,365
R0220	-3	5,061	7,400	7,099	3,213									3,213
R0230	-2	552	4,660	1,425										1,425
R0240	-1	0	0											0
R0250	0	0												0
R0260														0
													Total	26,625

Gross Undiscounted Best Estimate Claims Provisions
 (absolute amount)

		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300		C0360
	Year	Development year											Year end (discounted data)	
		0	1	2	3	4	5	6	7	8	9	10 & +		
R0100	Prior												-7,386	0
R0160	-9	47,339	14,765	-17,519	-17,608	-7,321	-8,852	-4,089	890	-4,851	-2,316			0
R0170	-8	60,984	4,223	-21,290	-8,939	-5,625	-4,951	-2,241	3,329	-2,251				0
R0180	-7	24,787	7,627	-10,964	5,730	-6,835	-7,029	-4,484	6,978					0
R0190	-6	22,545	1,313	-5,670	-5,770	-2,199	2,321	-3,336						0
R0200	-5	18,533	3,311	-914	-2,053	-3,385	-1,782							0
R0210	-4	23,715	9,366	-4,120	-3,593	-7,985								0
R0220	-3	12,458	4,264	-2,736	-2,179									0
R0230	-2	1,711	3,511	57										0
R0240	-1	0	0											0
R0250	0	0												0
R0260														0
													Total	0

Gross premium

		C0570	C0580
		Gross earned premium at reporting reference date	Estimate of future gross earned premium
R0160	N-9	391,639	0
R0170	N-8	429,976	0
R0180	N-7	170,203	0
R0190	N-6	161,643	0
R0200	N-5	179,762	0
R0210	N-4	164,878	0
R0220	N-3	69,030	0
R0230	N-2	23,403	0
R0240	N-1	0	0
R0250	N	0	0

IR.23.01.01

Own Funds

R0010	Ordinary share capital (gross of own shares)
R0030	Share premium account related to ordinary share capital
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings
R0050	Subordinated mutual member accounts
R0070	Surplus funds
R0090	Preference shares
R0110	Share premium account related to preference shares
R0130	Reconciliation reserve
R0140	Subordinated liabilities
R0160	An amount equal to the value of net deferred tax assets
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above
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
R0290	Total basic own funds
	Ancillary own funds
R0300	Unpaid and uncalled ordinary share capital callable on demand
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand
R0320	Unpaid and uncalled preference shares callable on demand
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand
R0340	Letters of credit and guarantees
R0350	Letters of credit and guarantees other
R0360	Supplementary members calls
R0370	Supplementary members calls - other
R0390	Other ancillary own funds
R0400	Total ancillary own funds
	Available and eligible own funds
R0500	Total available own funds to meet the SCR
R0510	Total available own funds to meet the MCR
R0540	Total eligible own funds to meet the SCR
R0550	Total eligible own funds to meet the MCR
R0580	SCR
R0600	MCR
R0620	Ratio of Eligible own funds to SCR
R0640	Ratio of Eligible own funds to MCR
	Reconciliation reserve
R0700	Excess of assets over liabilities
R0710	Own shares (held directly and indirectly)
R0720	Foreseeable dividends, distributions and charges
R0725	Deductions for participations in financial and credit institutions
R0730	Other basic own fund items
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds
R0760	Reconciliation reserve

Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
C0010	C0020	C0030	C0040	C0050
20,845	20,845		0	
0	0		0	
9,051	9,051		0	
0		0	0	0
0	0			
0		0	0	0
0		0	0	0
-30,206	-30,206			
0		0	0	0
0				0
0	0	0	0	0
0				
-309	-309	0	0	0
0				
0				
0				
0				
4,000			4,000	
0				
0				
0				
0				
0				
4,000			4,000	0
3,691	-309	0	4,000	0
-309	-309	0	0	
2,565	-309	0	2,874	0
566	-309	0	875	
5,748				
3,500				
44.62%				
16.16%				
	C0060			
-309				
0				
29,896				
0				
-30,206				

IR.25.04.21

Solvency Capital Requirement

Net of loss absorbing capacity of technical provisions

	C0010
Market risk	
R0070 Interest rate risk	860
R0080 Equity risk	0
R0090 Property risk	0
R0100 Spread risk	79
R0110 Concentration risk	0
R0120 Currency risk	0
R0125 Other market risk	
R0130 Diversification within market risk	-37
R0140 Total Market risk	902
Counterparty default risk	
R0150 Type 1 exposures	0
R0160 Type 2 exposures	2,108
R0165 Other counterparty risk	
R0170 Diversification within counterparty default risk	0
R0180 Total Counterparty default risk	2,108
Life underwriting risk	
R0190 Mortality risk	
R0200 Longevity risk	136
R0210 Disability-Morbidity risk	
R0220 Life-expense risk	13
R0230 Revision risk	63
R0240 Lapse risk	
R0250 Life catastrophe risk	
R0255 Other life underwriting risk	
R0260 Diversification within life underwriting risk	-43
R0270 Total Life underwriting risk	169
Health underwriting risk	
R0280 Health SLT risk	
R0290 Health non SLT risk	
R0300 Health catastrophe risk	
R0305 Other health underwriting risk	
R0310 Diversification within health underwriting risk	
R0320 Total Health underwriting risk	0
Non-life underwriting risk	
R0330 Non-life premium and reserve risk (ex catastrophe risk)	2,554
R0340 Non-life catastrophe risk	
R0350 Lapse risk	
R0355 Other non-life underwriting risk	
R0360 Diversification within non-life underwriting risk	
R0370 Non-life underwriting risk	2,554
R0400 Intangible asset risk	
Operational and other risks	
R0422 Operational risk	1,327
R0424 Other risks	
R0430 Total Operational and other risks	1,327
R0432 Total before all diversification	7,140
R0434 Total before diversification between risk modules	7,060
R0436 Diversification between risk modules	-1,312
R0438 Total after diversification	5,748
R0440 Loss absorbing capacity of technical provisions	
R0450 Loss absorbing capacity of deferred tax	
R0455 Other adjustments	
R0460 Solvency capital requirement including undisclosed capital add-on	5,748
R0472 Disclosed capital add-on - excluding residual model limitation	
R0474 Disclosed capital add-on - residual model limitation	
R0480 Solvency capital requirement including capital add-on	5,748
R0490 Biting interest rate scenario	
R0495 Biting life lapse scenario	

IR.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	MCR _{NL} Result	805
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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 expense insurance and proportional reinsurance	0	
R0030	Income protection insurance and proportional reinsurance	0	
R0040	Workers' compensation insurance and proportional reinsurance	0	
R0050	Motor vehicle liability insurance and proportional reinsurance	9,446	
R0060	Other motor insurance and proportional reinsurance	29	
R0070	Marine, aviation and transport insurance and proportional reinsurance	0	
R0080	Fire and other damage to property insurance and proportional reinsurance	0	
R0090	General liability insurance and proportional reinsurance	0	
R0100	Credit and suretyship insurance and proportional reinsurance	0	
R0110	Legal expenses insurance and proportional reinsurance	0	
R0120	Assistance and proportional reinsurance	0	
R0130	Miscellaneous financial loss insurance and proportional reinsurance	0	
R0140	Non-proportional health reinsurance	0	
R0150	Non-proportional casualty reinsurance	0	
R0160	Non-proportional marine, aviation and transport reinsurance	0	
R0170	Non-proportional property reinsurance	0	

Linear formula component for life insurance and reinsurance obligations

C0040

R0200	MCR _L Result	0
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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		
R0220	Obligations with profit participation - future discretionary benefits		
R0230	Index-linked and unit-linked insurance obligations		
R0240	Other life (re)insurance and health (re)insurance obligations		
R0250	Total capital at risk for all life (re)insurance obligations		

Overall MCR calculation

C0070

R0300	Linear MCR	805
R0310	SCR	5,748
R0320	MCR cap	2,587
R0330	MCR floor	1,437
R0340	Combined MCR	1,437
R0350	Absolute floor of the MCR	3,500
R0400	Minimum Capital Requirement	3,500