Assurant Group Limited Single Group Solvency and Financial Condition Report

Year ended 31 December 2022

ASSURANT®

Contents

I Terms and Acronyms 4
II Introduction....5
III Summary....5
Statement of Directors' Responsibilities....8
Independent Auditors' Report 9
A Business and performance 14
A.1 Business 14
A.2 Underwriting Performance 17
A.3 Investment Performance.... 19
A.4 Performance of other activities 21
A.5 Any other disclosures.... 21
B System of governance 22
B.1 General information on the system of governance 22
B.2 Fit and proper requirements 28
B.3 Risk management system including the own risk and solvency assessment 29
B.4 Internal control system 29
B.5 Internal audit function 32
B.6 Actuarial function.... 32
B.7 Outsourcing 34
B.8 Any other disclosures.... 35
C Risk management 36
C.1 Underwriting risk 36
C.2 Market risk 36
C.3 Credit risk.... 40
C.4 Liquidity risk.... 41
C.5 Operational risk 43
C.6 Other material risks 44
C.7 Stress testing and sensitivity analysis.... 43
C.8 Any other disclosures.... 44
D Valuation for solvency purposes 46
D.1 Assets.... 47
D.2 Technical provisions.... 50
D.3 Other liabilities 50

D.4 Alternative methods for valuation 58

D.5 Any other disclosures 58

E.1 Own funds 59

E.2 Solvency Capital Requirement and Minimum Capital Requirement 61

E.3 Use of the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement 63

E.4 Differences between the standard formula and any internal models used 63

E.5 Non-compliance with the minimum capital requirement and significant non-compliance with the solvency capital requirement 63

E.6 Any other disclosures 63

F. Appendices 64

I Terms and Acronyms

Term	Definition
ADL	Assurant Direct Limited
AEI	Assurant Europe Insurance N.V.
AEL	Assurant Europe Life Insurance N.V.
AGIL	Assurant General Insurance Limited
AGL	Assurant Group Limited, the UK holding company of AGIL. The supervised insurance holding company under Solvency II.
AGL Group, the Group	Assurant Group Limited and its subsidiaries
ALL	Assurant Life Limited
ARCC	Audit, Risk and Compliance Committee of AGL Group
Assurant Europe Group or AEG	AGL, TWGE, their respective subsidiaries and their related branches
Assurant, Inc. or AIZ	Assurant, Inc., the ultimate parent and controlling party of AGL
Board	The board of directors of AGL and AGIL
CAE	Chief Audit Executive of Assurant, Inc.
DNB	Dutch National Bank
EEA, EU	European Economic Area, European Union respectively
EIOPA	European Insurance and Occupational Pensions Authority
ELC	European Leadership Committee
FCA	Financial Conduct Authority in the UK
GAAP	Generally Accepted Accounting Practices
IAS	Internal Audit Services
KFH	A Key Function Holder: role which has been identified by the PRA because of their influence within the system of governance
LGI	London General Insurance Company Limited
LGL	London General Life Company Limited
LSG	Lifestyle Services Group Limited, an intermediary and insurance administration company within the Group
MCR	Minimum Capital Requirement, calculated as per the Solvency II Directive
MI	Management information
MPI	Mobile Phone Insurance
ORSA	Own Risk and Solvency Assessment
PRA	Prudential Regulation Authority in the UK
RMF	Risk Management Framework
RSR	Regular Supervisory Report
SCR	Solvency Capital Requirement, calculated as per the Standard Formula set out in the Solvency II Directive
SFCR or Report	Solvency and Financial Condition Report (this document)
SII insurance firm	AGIL
SMF	Senior Manager Function: role which has been identified by the PRA as having ‘significant influence’ on the management and conduct of a firm’s regulated activities. These are identified in a firm’s Management Responsibilities Map.
SoG	System of Governance
Solvency II or SII	The Solvency II Regulations of the EU as implemented in the UK by the PRA
TWGE	TWG Europe Limited, the UK holding company of LGI, LGL, AEI and AEL
TWGE Group	TWGE and its subsidiaries, including LGI and LGL

II Introduction

AGL is a UK based insurance holding company. As the parent of one of Assurant's UK based insurance companies, AGIL, AGL is supervised on a group basis by the PRA. AGL also owns directly, and indirectly, several other regulated insurance intermediaries and unregulated non-insurance companies. Together these companies are referred to in this document as AGL Group or the Group.

AGIL is authorised by the PRA and regulated by the FCA and PRA. It is subject to SII regulations and is at times referred to in this document as the "SII insurance firm". The Group has no other entities that are subject to SII on a solo basis, as ALL, another insurance company that was previously part of the Group, applied to the PRA and the FCA to cancel the Company's Part 4A permission to carry on regulated activities and on 1 June 2022 ALL received confirmation from the PRA and the FCA that its application had been approved and its permissions cancelled with immediate effect.

The SFCR covers insurance and non-insurance business undertaken by AGL as well as its one SII insurance firm. AGL Group has obtained a waiver from the PRA allowing the preparation of a single group SFCR rather than being required to prepare individual SFCRs for AGL and AGIL. The information in this SFCR contains all the information that would otherwise have been included in the individual SFCRs. Unless specifically stated, references in this document to the AGL Group should be assumed to apply equally to the SII insurance firm.

Assurant, Inc., the ultimate parent company, through its ownership of TWGE owns two other insurance entities in the UK, LGI and LGL, and two insurance entities in the Netherlands, AEI and AEL. These are reported separately as part of the TWGE Group SFCR and are not included in this SFCR.

The SFCR includes the public quantitative reporting templates at Appendix F of this document.

III Summary

AGL Group is part of Assurant in the UK and Europe, Assurant Europe Group. AEG is a leading provider of automotive protection and mobile device solutions, with a focus on helping connected customers keep their lives running smoothly. AEG is part of the International business unit of AIZ. AIZ is a leading global provider of housing and lifestyle solutions that support, protect and connect major consumer purchases. Anticipating the evolving needs of consumers, Assurant partners with the world's leading brands to develop innovative products and services and to deliver an enhanced customer experience. As a group headed globally by a Fortune 500 company, Assurant partners with clients who are leaders in their industries to provide consumers with a range of protection products and services, and is among the market leaders in mobile device solutions; extended service contracts; vehicle protection services; renters insurance and lender placed homeowners insurance.

AGL, TWGE and their respective subsidiaries in the UK and EU are part of AEG.

The AGL Group is a leading provider of mobile and consumer electronics protection operating in the UK.

Products	Programme Solutions	Services
As people become more dependent on connectivity and technology, AGL designs, creates, and manages various products that meet consumer needs within a connected and mobile life. AEG's product philosophy is to continually innovate and deliver the type of solutions that meet consumers ever changing needs. All products are distributed by well-known brands.	Assurant can create tailor-made product and service programmes across a range of consumer markets to offer an end-to-end packaged solution.	AGL propositions to clients are highly flexible and can range from a full "turn-key" solution through to an individual outsourced service. No two businesses are the same and AGL believes that offering flexibility to suit its clients' needs, has always been, and will continue to be paramount to a successful business relationship.

What AGL offers:		
• Mobile Device Protection • Digital Secure • Airport Lounge Access • Mobile Security • Protection Accessories	• Connected Living • "The Hubb" • Lifestyle Bundles	• Sales Support and Consultancy • Outsourced Customer Servicing • Fraud Investigation • Supply Chain Management • Brokering • Underwriting

Performance for the period

AGL Group achieved an operational profit of 16,937,000 and a net result of 11,066,000 largely driven by losses on the investment portfolio. AGIL obtained an underwriting profit of £7,238,479 and a net result £ 1,362,827.

Further details are provided in Section A.

Risk Management

As a provider of insurance products and services to a variety of corporate and individual clients, risk management is an integral part of AGL Group's business processes.

The risk strategy is owned by the Board, and it is the Board's responsibility to ensure that the business strategy and risk strategy do not diverge. The Risk Function has responsibility to report divergence to the ARCC together with the appropriate recommendations, including risk mitigation, which could include reassessing risk appetite.

AGL Group employs a comprehensive RMF that includes a full range of policies, procedures, measurement, reporting and monitoring techniques to ensure that the risk exposures that arise from operating the Group's business are appropriately managed.

All employees are required to follow the RMF and risk management policies and procedures with training, communications and collaborative meetings with the Risk function to support the requirement.

The Risk function is responsible for overseeing implementation of the risk strategy and challenging the risks inherent within the business strategy by engaging with the Risk Accountable Executives, Risk Owners and Risk Co-Ordinators in their risk management and mitigation activities.

The main risks AGL Group and AGIL are exposed to are underwriting risk, inherent in the nature of their insurance business, followed by credit risk due to counterparty default and market risk, arising from both the asset and the liability side of the balance sheet. In particular, AGL Group has exposure to market risk in terms of currency risk, which results from the capital the Group holds in its non-insurance subsidiaries located in countries with currencies other than the Sterling.

Capital and Solvency

AGL Group and AGIL calculate their solvency capital requirement using the Standard Formulae. Own funds, including the calculation of technical provisions, are calculated based on the valuation requirements set out in the SII Directive.

The capital positions of AGL Group and AGIL are summarised below:

As at 31 December 2022 **£'000**	AGL Group	AGIL
Available Own Funds	145,206	102,931
Eligible Own Funds to meet the MCR	142,402	102,931
Eligible Own Funds to meet the SCR	145,206	102,931
SCR	56,529	48,044
Solvency Ratio %	**257%**	**214%**

As at 31 December 2021 **£'000**	AGL Group	AGIL	ALL
Available Own Funds	143,309	99,145	6,204
Eligible Own Funds to meet the MCR	137,358	99,145	6,204
Eligible Own Funds to meet the SCR	143,309	99,145	6,204
SCR	58,626	50,731	3,126
Solvency Ratio %	**244%**	**195%**	**198%**

AGL Group and AGIL maintained own funds above their SCR and MCR requirements during the entire year.

The difference between available and eligible own funds relates to the quantitative restrictions applied under the SII Directive to the amount of Tier 2 and Tier 3 capital that is eligible to meet the SCR and MCR. Further detail is given in Section E.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the single group SFCR in accordance with the PRA rules and SII Regulations.

The PRA Rulebook for SII firms in Rule 6.1(2) and Rule 6.2(1) of the Reporting Part requires that the Group must have in place a written policy ensuring the ongoing appropriateness of any information disclosed and that the Group must ensure that its SFCR is subject to approval by the Directors.

Each of the Directors, whose names and functions are listed in section B1 of this document, confirms that, to the best of their knowledge:

a) Throughout the financial year in question, the Group and its solo insurance undertakings have complied in all material respects with the requirements of the PRA rules and SII Regulations as applicable; and

(b) It is reasonable to believe that, at the date of the publication of the SFCR, the Group and its solo insurance undertakings continue to comply and will continue to comply in future.

By Order of the Board

Christian Formby

Chief Executive Officer

6 April 2023

Independent Auditors’ Report

Report of the external independent auditor to the Directors of Assurant Group Limited (‘the Company’) pursuant to Rule 4.1 (2) of the External Audit Chapter of the PRA Rulebook applicable to Solvency II firms

Report on the Audit of the relevant elements of the Group Solvency and Financial Condition Report (‘SFCR’)

Opinion

Except as stated below, we have audited the following documents prepared by the Company as at 31 December 2022:

- The ‘Valuation for solvency purposes’ and ‘Capital Management’ sections of the Group SFCR of the Company as at 31 December 2021, (‘the Narrative Disclosures subject to audit’); and
- Group templates G.02.01.02, G.23.01.22, G.25.01.22 and G32.01.22 (‘the Group Templates subject to audit’); and
- Solo Templates P.02.01.02, P.17.01.02, P.23.01.01, P.25.01.21 and P.28.01.01 in respect of Assurant General Insurance Limited (‘the Solo Templates subject to audit’).

The Narrative Disclosures subject to audit and the Group Templates and Solo Templates subject to audit are collectively referred to as the ‘relevant elements of the Group SFCR’.

We are not required to audit, nor have we audited, and as a consequence do not express an opinion on the Other Information which comprises:

- the ‘Executive Summary’, ‘Business and performance’, ‘System of governance’ and ‘Risk profile’ elements of the Group SFCR;
- Group templates G05.01.02 and G05.02.01;
- Solo template P.05.02.01;
- the written acknowledgement by management of their responsibilities, including for the preparation of the Group SFCR (‘the Responsibility Statement’);
- Information which pertains to an undertaking that is not a Solvency II undertaking and has been prepared in accordance with PRA rules other than those implementing the Solvency II Directive or in accordance with UK law other than those implementing the Solvency II Directive.

To the extent the information subject to audit in the relevant elements of the Group SFCR includes amounts that are totals, sub-totals or calculations derived from the Other Information, we have relied without verification on the Other Information.

In our opinion, the information subject to audit in the relevant elements of the Group SFCR of the Company as at 31 December 2022 is prepared, in all material respects, in accordance with the financial reporting provisions of the PRA Rules and Solvency II regulations on which they are based, as modified by relevant supervisory modifications, and as supplemented by supervisory approvals and determinations.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK), including ISA (UK) 800 and ISA (UK) 805, and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the relevant elements of the Group Solvency and Financial Condition Report section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Group SFCR in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to the 'Valuation for solvency purposes' and 'Capital Management' sections of the Group SFCR, which describe the basis of accounting. The Group SFCR is prepared in compliance with the financial reporting provisions of the PRA Rules and Solvency II regulations, and therefore in accordance with a special purpose financial reporting framework. The Group SFCR is required to be published, and intended users include but are not limited to the PRA. As a result, the Group SFCR may not be suitable for another purpose. Our opinion is not modified in respect of these matters.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the SFCR is appropriate.

Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- obtaining an understanding of controls relevant to the company's going concern and forecasting processes, including the governance review controls in place over the key judgements made;
- reviewing the historical accuracy of the company's forecasting process, including consideration of post-year-end performance to-date;
- challenging the reasonableness of key judgements made regarding the impacts that changes in macroeconomic conditions may have on the operations and resilience of the company, its customers and third-party reinsurance partners, as well as its ability to comply with its external capital requirements, through assessing post-year-end performance to date;
- evaluating the appropriateness of stress test scenarios performed by the company as part of its Own Risk Self-Assessment, and the impacts that these are forecast to have on the company's liquidity and compliance with external capital requirements in future periods.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Other Information

The Directors are responsible for the Other Information.

Our opinion on the relevant elements of the Group SFCR does not cover the Other Information and we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the relevant elements of the Group SFCR, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the relevant elements of the Group SFCR themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Directors for the Group Solvency and Financial Condition Report

The Directors are responsible for the preparation of the Group SFCR in accordance with the financial reporting provisions of the PRA rules and Solvency II regulations, which have been modified by the modifications, and supplemented by the approvals and determinations made by the PRA under section 138A of FSMA, the PRA Rules and Solvency II regulations on which they are based.

The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of a Group SFCR that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the relevant elements of the Group Solvency and Financial Condition Report

It is our responsibility to form an independent opinion as to whether the relevant elements of the Group SFCR are prepared, in all material respects, with financial reporting provisions of the PRA Rules and Solvency II regulations on which they are based.

Our objectives are to obtain reasonable assurance about whether the relevant elements of the Group SFCR are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decision making or the judgement of the users taken on the basis of the Group SFCR.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at https://www.frc.org.uk/auditorsresponsibilities. The same responsibilities apply to the audit of the Group SFCR.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and internal audit about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the SFCR. These included Solvency II as implemented in the UK and applicable taxation legislation; and
- do not have a direct effect on the SFCR but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included Companies Act 2006 and related Company Law.

We discussed among the audit engagement team including relevant internal specialists such as actuarial specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud or non-compliance with laws and regulations in the following area, and our specific procedures performed to address them are described below:

- we identified a specific risk of fraud in relation to the valuation of technical provisions due to the valuation methods applied including forward-looking estimates over premium receipts, claim costs and expenses that will arise in future periods, which are uncertain and may therefore be susceptible to management manipulation or bias.

  In response to the specific risk of fraud identified, our audit procedures included:
  - obtaining an understanding of controls relating to the Company's reserving process, including the valuation of technical provisions under Solvency II;
  - engaging with our internal actuarial specialists to challenge the reasonableness of claim estimates made by management, with reference to recently observed claims behaviour and experience;
  - challenging the reasonableness of future premium and expense assumptions applied by management, with reference to our understanding of the Company's business and recently observed financial performance;
  - independently re-calculating material inputs to management's technical provision calculation, assessing their reasonableness and consistency with the Solvency II regulations; and
  - performing a 'stand-back' assessment of movements in the Company's technical provisions from 2021 in order to evaluate their consistency with our understanding of its business and performance in 2022.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing SFCR disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;

- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, reviewing correspondence with the PRA and FCA and reviewing internal audit reports.

Report on Other Legal and Regulatory Requirements

Sectoral Information

In our opinion, in accordance with Rule 4.2 of the External Audit Chapter of the PRA Rulebook, the sectoral information has been properly compiled in accordance with the PRA rules and UK law relating to that undertaking from information provided by members of the group and the relevant insurance group undertaking.

Other Information

In accordance with Rule 4.1 (3) of the External Audit Chapter of the PRA Rulebook for Solvency II firms we are also required to consider whether the Other Information is materially inconsistent with our knowledge obtained in the audit of Assurant Group's statutory financial statements. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in relation to this matter.

Use of our Report

This report is made solely to the Directors of Assurant Group Limited in accordance with Rule 4.1 (2) of the External Audit Chapter of the PRA Rulebook for Solvency II firms. We acknowledge that our report will be provided to the PRA for the use of the PRA solely for the purposes set down by statute and the PRA's rules. Our audit work has been undertaken so that we might state to the insurer's Directors those matters we are required to state to them in an auditor's report on the relevant elements of the Group SFCR and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the PRA, for our audit work, for this report or for the opinions we have formed.

Deloitte LLP
Hanover Building
Corporation Street
Manchester
M4 4AH

6 April 2023

A Business and performance

A.1 Business

Undertakings included in the SFCR

This is the single Group SFCR for AGL Group. It covers the consolidated business of AGL Group, with AGL as the supervised parent company, and individually for the one UK incorporated insurance firm, AGIL.

		Legal Form	Principle activity
Supervised Group Parent:	Assurant Group Limited	Private limited company	Holding company
SII Firm:	Assurant General Insurance Limited PRA firm reference number: 202735	Private limited company	General insurance

Unless otherwise stated the information in this document should be understood to refer to the AGL Group and AGIL.

Regulator

AGL Group (on a group basis) and AGIL are supervised by the PRA in the UK. AGIL is also regulated by the FCA in the UK. PRA and FCA contact details are below:

Prudential Regulation Authority
20 Moorgate
London
EC2R 6DA
0207 601 4878

Financial Conduct Authority
12 Endeavour Square
London
E20 1JN
0800 111 6768

Auditor

This SFCR and the financial statements of AGIL are audited by Deloitte LLP who can be contacted at:

Deloitte LLP
The Hanover Building
Corporation Street
Manchester
M4 4AH

Shareholder

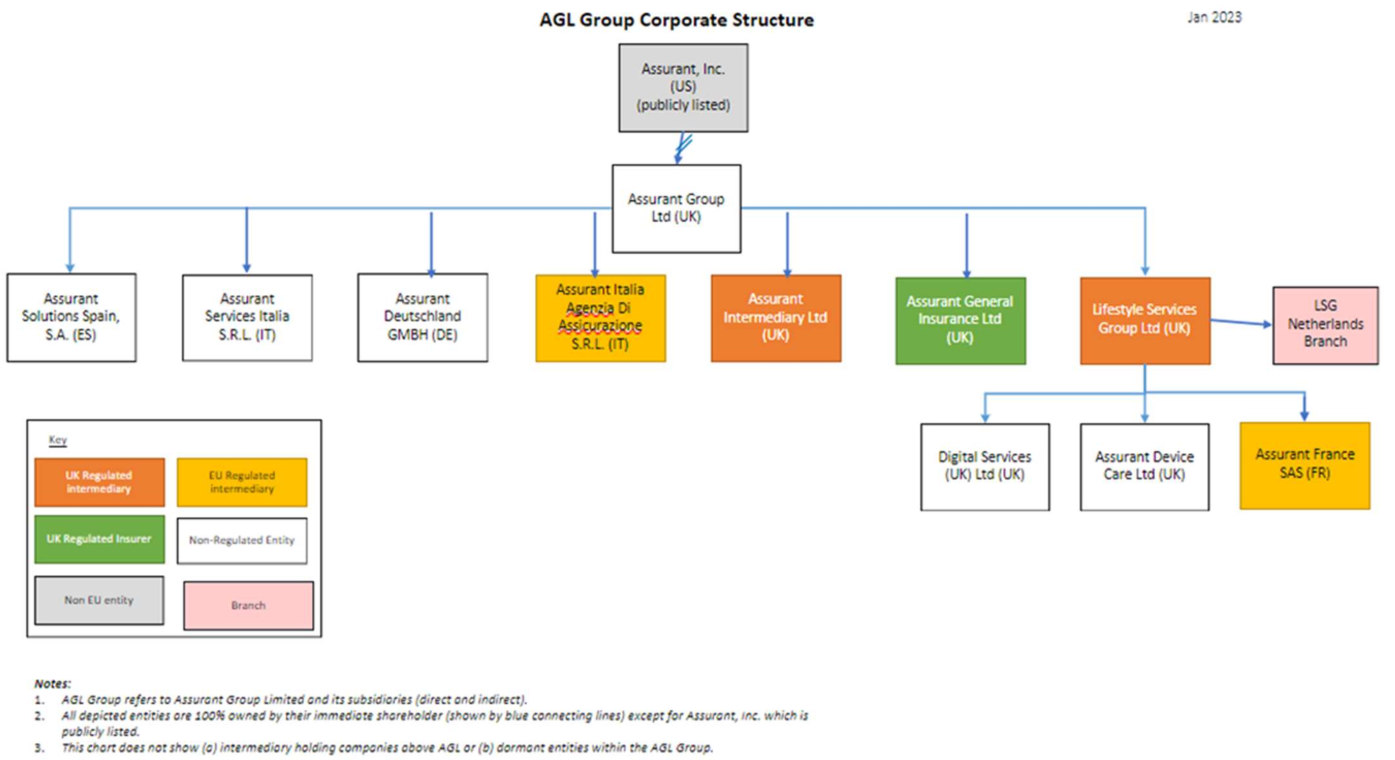
AGL directly holds 100% of the issued share capital and voting rights of AGIL. After having received confirmation of withdrawal of permission to conduct regulated insurance business in June 2022, ALL initiated its member's voluntary liquidation proceeding on 13 March 2023.

AGL's immediate parent undertaking is Solutions Cayman, a company registered in the Cayman Islands which is jointly owned by Solutions Holdings and ABI International, both of which are registered in the Cayman Islands. Solutions Cayman holds 100% of the issued share capital and voting rights of AGL.

The ultimate parent undertaking is Assurant, Inc., a public company listed on the New York Stock Exchange, registered in Delaware, United States of America.

AGL Group Structure

The scope of the Group included in this SFCR for the purposes of providing consolidated SII and financial statement information is shown in the table below:



ADL is also part of the AGL Group due to common control (not included in AGL Group structure chart above). ADL is a service company whose ultimate parent is Assurant, Inc. but is not a subsidiary of AGL. Due to there being common directors on the boards of directors' of both AGL and ADL, and the underwriting and service relationships between AGL and ADL, AGL is treated as exerting dominant influence over ADL and therefore ADL is included in AGL's supervised group. The impact of ADL's inclusion in AGL's supervised group is not material.

Lines of Business and Geographical Areas

AGL Group operates a mixed business comprising insurance underwriting, claims management, insurance administration and trade-in and value added services for mobile devices, which it does through companies based in the UK and Europe. Its external clients are mainly large commercial clients. Its internal clients are Assurant group insurance companies operating in the European Union. The AGL Group provides extended warranty, Connected Living Device insurance and blended insurance and non-insurance "lifestyle" products.

AGL Group comprises one UK insurance company, AGIL. AGL Group operates a number of insurance service companies providing insurance administration services to corporate clients and insurance intermediary services, offering general insurance products and services to UK brokers and independent financial advisors.

In addition, to the above, AGL Group continues to operate a small number of creditor insurances programmes, offering unemployment, disability, death, and critical illness cover. These programmes were underwritten by AGIL.

All of AGL Group's insurance operations are based in the UK with some non insurance operations in France, Spain, Germany and Italy. The table below shows a subset of the main operating entities. These entities are regulated by the PRA and/or FCA and by the relevant supervisor where applicable for non-UK jurisdictions.

Legal Entity	Country of incorporation and branches	Principal activity	Major lines of business
European Parent Company			
• Assurant Group Limited	• United Kingdom	• European holding company	• N/a
SII insurance entity			
• Assurant General Insurance Limited	• United Kingdom	• General Insurance underwriter	• Fire and Other Property Damage • Miscellaneous Financial Loss
Insurance intermediary entities			
• Lifestyle Services Group Limited	• United Kingdom Branches: • Netherlands	• Intermediary and administrator for products underwritten by AGIL and service provider to AEI and AEL.	
• Assurant Intermediary Limited	• United Kingdom	• Intermediary and administrator for products underwritten by AGIL and external insurers.	
• Assurant Direct Limited	• United Kingdom	• Intermediary and administrator for products underwritten by AGIL.	
• Assurant France	• France	• Intermediary and administrator for products underwritten by AEI and other underwriters.	
Other material service companies			
• Assurant Services Italia S.r.l.	• Italy	• Service contracts covering mobile device repair, replacement, and upgrade programmes.	

Group entities not included above do not have a material impact on AGL's solvency and capital position.

All overseas branches of AGIL were closed.

Significant events during the reporting period

The following events had a significant impact on AGIL:

COVID19

The tail of the COVID-19 pandemic had various and sometimes opposing impacts on the financial position of AGL Group, the major ones in no particular order being:

- Economic activity generally was volatile in 2022 but less than in 2021. AGL's customers were impacted differently, with retailers and dealers recovering sales and on-line channels experiencing slight decreases compared to 2021. AGL overall was impacted slightly negatively on the (lower) level of sales.
- Covid19 lockdown periods in China disrupted mobile phone production and supply chains, causing less phones to be sold (and therefore eligible for insurance) and higher costs per claim.
- Due to reduced (travel) activity levels in general, numbers of claims made decreased, positively impacting AGL's result. The logistical cost of repair or replacement sometimes increased but this did not exceed the benefits of reduced numbers of claims.

Inflation

In February 2022, the Russian Federation invaded Ukraine, which triggered the start of a period of global economic uncertainty and the establishment of new sanctions against the Russian Federation and Belarus. AGL is impacted by the inflationary effect that the reduced import of energy from the Russian Federation has on general price levels worldwide and the impact these price levels have on the companies that AGL invests in via its bond portfolio. AGL's current year operational result was impacted only modestly by inflation but its investment portfolio lost significant value as a consequence of market interest rates adapting to the high inflationary environment.

A.2 Underwriting Performance

Consolidated financial statement information in this SFCR is presented on a UK GAAP basis.

AGIL prepares financial statements under UK generally accepted accounting principles. No consolidated financial statements are prepared for the AGL Group as AGL has taken advantage of the exemption from preparing consolidated financial statements, under Section 401 of Part 15 of the Companies Act 2006, as the results of AGL Group are consolidated in the financial statements of the ultimate parent undertaking Assurant, Inc., which are publicly available.

Reference to "financial statements" below should be understood to refer to unaudited UK GAAP financial statements.

The underwriting performance of AGL Group and AGIL by SII line of business as reported in the financial statements is set out below:

AGL Group Year ended 31 December 2022 £'000	Fire & Other Damage to Property	Misc. Financial Loss	Total
Net written premiums	94,427	1,341	95,768
Net premiums earned	92,617	1,340	93,957
Net claims incurred including claims management expenses	(55,413)	(195)	(55,609)
Net operating expenses	(30,169)	(941)	(31,109)
Net underwriting result	**7,035**	**204**	**7,238**

AGIL Year ended 31 December 2022 £'000	Fire & Other Damage to Property	Miscellaneous Financial Loss	General Business Technical Account
Net written premiums	94,427	1,341	95,768
Net premiums earned	92,617	1,340	93,957
Net claims incurred including claims management expenses	(55,413)	(195)	(55,413)
Net operating expenses	(30,169)	(941)	(31,109)
Net underwriting result	**7,035**	**204**	**7,238**

AGL Group Year ended 31 December 2021 £'000	Fire & Other Damage to Property	Misc. Financial Loss	General Business Technical Account	Long Term Business Technical Account	Total
Net written premiums	115,949	1,774	117,724	6	117,729
Net premiums earned	116,103	1,902	118,005	6	118,011
Net claims incurred including claims management expenses	(74,092)	(562)	(74,654)	(13)	(74,667)
Net operating expenses	(31,000)	(891)	(31,891)	91	(31,800)
Net underwriting result	**11,010**	**449**	**11,460**	**84**	**11,543**

AGIL Year ended 31 December 2021 £'000	Fire & Other Damage to Property	Miscellaneous Financial Loss	General Business Technical Account
Net written premiums	115,949	1,774	117,724
Net premiums earned	116,103	1,902	118,005
Net claims incurred including claims management expenses	(74,092)	(562)	(74,654)
Net operating expenses	(31,000)	(891)	(31,891)
Net underwriting result	**11,010**	**449**	**11,460**

Commission and other expenses paid by the SII insurance entities to other AGL Group intermediary and service companies have not been eliminated from the underwriting result and so the figures are in line with those reported in the reporting templates S.05.01 and S.05.02 in Appendix F. The equivalent commission and fee income in the intermediary and service companies and their own expenses e.g. staff wages, sub-broker commissions, overheads etc. are reported as other income and expenses and noted in section A.4 below.

Analysis of premium, claims and expenses by full SII line of business are included in templates S.05.01 for AGL Group and AGIL in Appendix F.

Results and performance

Consolidated

The underwriting performance of AGIL is discussed below.

AGIL

Gross written premiums decreased by 14% to £144,866,000 from £168,876,000 compared to 2021, mainly as a consequence of lower sales in the MPI market, as consumers saw their purchase power impacted by inflation. AGIL's net earned premiums decreased in a similar fashion.

The loss ratio decreased from 63% in 2021 to 59% in 2022, though as claim frequencies remained lower than in the pre-COVID19 environment.

Analysis by geography

All general insurance business is underwritten in the UK and all risks are located in the UK. An analysis of premium, claims and expenses by material country of risk location is provided in the template P.05.02 in the appendices.

A.3 Investment Performance

AGL Group's investment portfolio is a mix of short duration government and corporate bonds, smaller investments in collateralised securites (CMBS) as well as short-term investments in money market funds and deposits.

Income for the period was negative as a consequence of the base rate increases that the Bank of England implemented in the course of the year. The bond portfolio's market value is lower than nominal value, meaning that a portion of the recorded losses will be recovered at maturity of the bonds concerned.

AGL Group As at 31 December 2022 £'000	Interest income / (expense)	Realised gains / (losses)	Unrealised gains / (losses)	Total
Government Bonds	101	(78)	(318)	(295)
Corporate Bonds	1,407	(2,927)	(4,803)	(6,323)
Collective Investment Undertakings	266	-	-	266
Cash & Deposits	91	-	-	91
Other	390	-	-	390
Total investment income	**2,255**	**(3,005)**	**(5,121)**	**(5,870)**

AGIL As at 31 December 2022 £'000	Interest income / (expense)	Realised gains / (losses)	Unrealised gains / (losses)	Total
Government Bonds	101	(78)	(318)	(295)
Corporate Bonds	1,407	(2,927)	(4,803)	(6,323)
Collective Investment Undertakings	151	-	-	151
Other	358	-	-	358
Total investment income	**2,017**	**(3,005)**	**(5,121)**	**(6,109)**

AGL Group As at 31 December 2021 £'000	Interest income / (expense)	Realised gains / (losses)	Unrealised gains / (losses)	Total
Government Bonds	146	(17)	(324)	(194)
Corporate Bonds	1,503	37	(2,578)	(1,038)
Collective Investment Undertakings	7	-	-	7
Cash & Deposits	82	-	-	82
Loans and mortgages	61	-	-	61
Other	396	-	-	396
Total investment income	**2,195**	**21**	**(2,902)**	**(686)**

AGIL As at 31 December 2021 £'000	Interest income / (expense)	Realised gains / (losses)	Unrealised gains / (losses)	Total
Government Bonds	146	(17)	323	(194)
Corporate Bonds	1,502	37	(2,578)	(1,039)
Collective Investment Undertakings	5	-	-	5
Loans and mortgages	337	-	-	337
Total investment income	**1,989**	**21**	**(2,901)**	**(891)**

ALL As at 31 December 2021 £'000	Interest income / (expense)	Realised gains / (losses)	Unrealised gains / (losses)	Total
Government Bonds	1	-	(1)	-
Cash & Deposits	2	-	-	2
Loans and mortgages	59	-	-	59
Total investment income	**61**	**-**	**(1)**	**60**

Investment expenses include fees payable to the investment fund manager and an allocation of costs of the AGL Group treasury function:

Investment expenses **£'000**	AGL Group	AGIL
Year ended 31 December 2022	123	123
Year ended 31 December 2021	260	199

A.4 Performance of other activities

AGL Group performs a significant volume of non-insurance business including functiontiong as an intermediary for third party insurers, providing insurance and claims administration services to affiliate companies outside of the AGL group and to external parties, and mobile phone trade-in and VAS services.

AGIL does not have non-insurance income. Non-insurance expenses primarily relate to realised and unrealised foreign exchange gains, which are recognised in the non-technical account in the financial statements.

Year ended 31 December 2022 £'000	AGL Group	AGIL
Commission and fee income external	77,852	-
Re-charges to group companies	38,431	-
Operating (expenses) / income	(106,461)	358
Non-insurance result	**9,822**	**358**

Year ended 31 December 2021 £'000	AGL Group	AGIL	ALL
Commission and fee income external	78,710	-	-
Re-charges to group companies	48,854	-	-
Operating expenses	(108,561)	(998)	181
Non-insurance result	**19,003**	**(998)**	**181**

A.5 Any other disclosures

There are no other matters to report.

B System of governance

B.1 General information on the system of governance

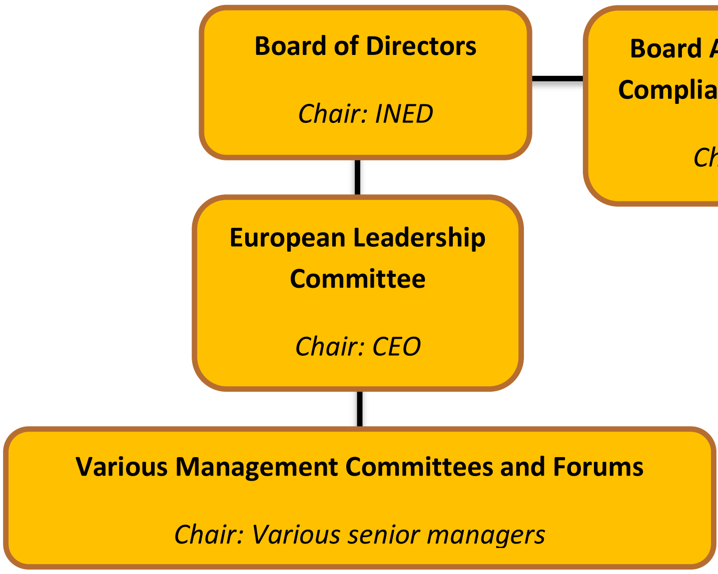
Governance Framework Overview

AGL Group's system of governance sits within the overarching system of governance of AEG, which operates a robust internal governance framework across all of its entities, countries and lines of business. The framework is organised in a manner relevant to business activities and size, factoring in specific local legal and/or regulatory requirements as necessary.

Board and management committees exist to direct, control and oversee activities in key areas such as:

- Strategy and business plans (setting, execution and monitoring thereof);
- Audit, risk, and compliance; and
- Day-to-day business activities and performance including:
    - Financial performance;
    - Sales and client management;
    - Customer experience;
    - Risk management;
    - Solvency, Capital and Reserving;
    - People and culture;
    - Investments and Treasury;
    - Operational resilience;
    - New business processes; and
    - Technology.

During the year, the governance framework for the AGL Group was organised through the following key bodies:



Board

Structure and Membership

Although each entity has a separately constituted board of directors, AEG operates a combined operating board structure with common directors across its core UK entities, to enable aligned oversight and supervision of the AEG. The Board, with support from its Committee, oversees the whole of AEG, except where reserved matters and/or specific local legal and/or regulatory requirements dictate otherwise.

The Board is composed of an appropriate combination of Executive Directors, Group Non-Executive Directors and a sufficient number and quality of Independent Non-Executive Directors who between them have sufficient breadth of knowledge of the business to provide effective challenge.

The directors set out below held office during the whole of the year from 1 January 2022 to the date of this report unless otherwise indicated:

Director	Role	Approved Function	Comments
Colin Martin Kersley	INED	SMF9 - Chair of the Governing Body	Resigned 31/12/2022
Stuart Edward Purdy	INED	SMF9 - Chair of the Governing Body (from 01/01/2023) SMF10 - Chair of the Risk Committee SMF11 - Chair of Audit Committee	Stuart Purdy acted as SMF9 (Chair of the Governing Body) under transitional rules from 01/01/2023 until 01/03/2023 when regulatory approval was granted for him to perform such role.
Christian Wesley Formby-Hernandez	Executive	SMF1 - Chief Executive Officer	
Claude Kwasi Sarfo-Agyare	Executive	SMF2 - Chief Finance Officer	Resigned 20/12/2022. Cristiano Furtado acted as SMF2 (Chief Finance Officer) under transitional rules from 21/12/2022 until 09/02/2023 when regulatory approval was granted for Andy Schaut to perform such role.
Ricardo Jesus Morales-Gomez	Group Non-Executive Director	SMF7 - Group Entity Senior Manager	Resigned 02/02/2023
George Derek Wilson Bartlett	INED	Director of firm who is not a certification employee or a SMF manager	Appointed 01/01/2023

Director	Role	Approved Function	Comments
Suzanne Shepherd	Group Non-Executive Director	SMF7 - Group Entity Senior Manager	Appointed 02/02/2023
Michael James Schofield	Executive	SMF4 – Chief Risk Function	Appointed 02/02/2023

Role and Responsibilities of the Board

The overriding collective role of the Board is to promote the long-term sustainable success of the AGL Group, generating value for its stakeholders through effective governance and assumption by the Board of direct responsibility in the following key areas:

a) Establishment of purpose, values, and strategy, ensuring alignment with the desired culture.
b) Ensuring the necessary resources are in place to enable agreed objectives to be met and measuring performance against such objectives.
c) Leadership within a framework of prudent and effective controls which enable risk to be assessed and managed.
d) Engagement with shareholders and other stakeholders.

Executive Directors have an intimate knowledge of the business, whereas Non-Executive Directors bring a wider perspective; with relevant skills and experience of best practices they have a key role in constructively and independently challenging the Board and helping to develop strategy and business plans.

Non-Executive Directors also scrutinise the performance of the Executive Directors in meeting agreed goals and objectives and monitor performance. They satisfy themselves on the integrity of financial information, and that financial controls and systems of risk management, are rigorous and robust.

Board Committees

To increase efficiency, the Board has one board-level committee, the ARCC which is responsible for discharging governance responsibilities in respect of audit, risk, internal control and compliance.

The ARCC is composed solely of Independent Non-Executive Directors, one of whom acts as Chair. Regular formal meetings are held which include reports from Risk, Compliance, External Audit, Internal Audit, Actuarial and Finance.

As per its Terms of Reference, the ARCC's key responsibilities include:

a) Monitoring and reviewing the effectiveness of the internal audit function.
b) Overseeing relationships with external auditors (including their effectiveness and independence) and assessing the integrity of the annual reports and financial statements.
c) Overseeing the solvency and capital position.
d) Overseeing the whistleblowing and fraud investigation process.
e) Ensuring compliance with legal and regulatory requirements.

f) Overseeing the effectiveness and appropriateness of the risk management and internal control frameworks.
g) Reporting to the Board on how it has discharged its responsibilities.

Management Committees

As explained above, AEG operates a management committee structure to ensure appropriate oversight and control of performance, activity and risks within the business.

The management committee structure is determined by the ELC which is responsible (except where specific local legal and/or regulatory requirements dictate otherwise) for managing and overseeing the day to day business and affairs of the AEG in accordance with the agreed strategy and the authority delegated to it by the Board.

The ELC is chaired by the President, Europe and is composed of all Executive Directors plus other senior managers nominated by the President to represent certain business units, geographies, and functional areas. Regular formal meetings are held and relevant outputs are reported to the Board via the President's quarterly report to the board.

As per its Terms of Reference, the ELC's key responsibilities include:

a) Development and execution of strategy and business plans, and monitoring of performance thereof.
b) Ensuring that activities are consistent with the strategy, risk tolerance/appetite and policies approved by the Board.
c) Reporting to the Board (via the President) on how it has discharged its responsibilities.
d) Oversee business functions, ensuring that the business has the necessary resources to meet its objectives.
e) Monitoring the financial position, ensuring that applicable legal and regulatory requirements (including as to capital and solvency) are met.
f) Overseeing business development and new business opportunities.
g) Overseeing client relationships and customer experience.
h) Setting and overseeing the management governance framework.

The ELC has established a number of management sub-committees and forums to assist it in discharging the roles and responsibilities assigned to it by the Board. Each committee and forum has a core membership consisting of relevant senior managers and, in general, committees and forums are chaired by the relevant Senior Manager Function holder. Each sub-committee and forum is delegated with authority from the ELC to perform certain roles and responsibilities assigned to it within Terms of Reference set by the ELC. The sub-committees and forums are accountable to the ELC but do not relieve the ELC of any of its responsibilities.

Assessment of the adequacy of the system of governance

AEG's system of governance is periodically reviewed by the Board to ensure that it is effective and it provides for sound and prudent management of the business. Such reviews take into account the nature, scale and complexity of the business both at individual and at group level, as well as the structure of the group. The scope, findings and conclusions of such reviews are documented and reported to the Board with suitable feedback loops in place to ensure that any follow-up actions are undertaken and recorded.

Based upon the most recent internal review conducted during 2022, the Board has assessed AGL Group's system of governance to be adequate and appropriate to the nature, scale and complexity of the risks inherent in the business.

Material changes in governance structure

There were no material changes to the governance structure during 2022.

Key Functions

A Fit and Proper Person framework is in place to ensure functions are led by appropriately skilled people. In addition to the directors listed in the previous section, the following individuals have also been approved by the appropriate UK regulatory bodies up to the date of issuance of this SFCR.

A complete list of SMF holders for AGIL is shown below:

Name	Approved Function
C W Formby-Hernandez	SMF1 - Chief Executive Function
C K Sarfo-Agyare (end 31/12/2022)	SMF2 – Chief Finance Officer
A Schaut (wef 09/02/2023)	SMF2 – Chief Finance Officer
M J Schofield	SMF4 – Chief Risk Function
M Klimek	SMF5 – Internal Audit Function
M Carter (end 07/09/2022) R Morales-Gomez (end 02/02/2023) S Shepherd (wef 27/01/2023)	SMF7 - Group Entity Senior Insurance Manager
C M Kersley (end 31/12/2022)	SMF9 – Chair of the Governing Body
S E Purdy	SMF9 – Chair of the Governing Body (wef 01/02/2023) SMF10 – Chair of the Risk Committee SMF11 - Chair of the Audit Committee
N Colclough (wef 01/07/2022)	SMF16 – Compliance Oversight
R Weddell (end 30/06/2022)	SMF16 – Compliance Oversight
C Woolnough M R Davies N Rashid R Carson J Fell (end 30/11/2022) A Sheard (end 31/01/2022) R A Saldarriaga (end 15/12/2022) S Harper (wef 28/01/2022) M I Danino (wef 07/09/2022) A M Buckner (wef 13/10/2022)	SMF18 – Other Overall Responsibility

Name	Approved Function
R Stevens (wef 13/10/2022) L Sturgeon (wef 24/01/2023)	
W T Diffey	SMF20 – Chief Actuarial Officer
G A Davies	SMF23 – Chief Underwriting Function
C W Formby-Hernandez	Responsible for Insurance Distribution
G D W Bartlett (wef 01/01/2023) P I Thomas (wef 03/04/2023)	Director of firm who is not a certification employee or a SMF manager

The detailed responsibilities of each SMF holder are documented in AGIL's Management Responsibilities Maps which is reviewed and approved by the Board periodically. This ensures that each SMF holder has the necessary authority and operational independence to carry out their role. On an annual basis, as part of the business planning process, each SMF holder will ensure that they have the necessary resources to deliver on their responsibilities. The business plan is reviewed and approved by the Board annually.

SMF holders and external audit have direct access to the ARCC and the Board to share any concerns they may have about the governance framework.

Remuneration Policy

The ELC oversees remuneration policies and procedures for all staff below Executive level. Executive incentive plans and remuneration policies are governed at an Assurant, Inc. level by people with knowledge of relevant UK laws and regulations. For this reason, there is no UK based Remuneration Committee.

AEG places great value upon the contributions, skills and expertise of its employees and recognises the need to attract and retain the best talent to drive business performance. The remuneration policy not only helps to attract and retain employees but also ensures that the Group has employees with the right skills and qualifications. It also recognises the importance of aligning incentives to encourage appropriate decision making and alignment with the business' objectives and risk management strategy.

AEG's remuneration policy and practices seek to provide incentives to employees that are within the risk tolerance limits of the business and could undermine the effective risk management of the Group and culturally aligned to our values. It is therefore necessary to provide for requirements on remuneration for the purposes of the sound and prudent management of the business and establish remuneration arrangements.

Variable remuneration is performance related; the total amount of the variable remuneration is based on a combination of the assessment of performance of the business and the individual. The performance of the business always outweighs the performance of the individual to ensure appropriate variable remuneration decision making.

There are a number of variable remuneration schemes which cover both short and long-term incentive plans. The scheme periods and deferral in respect of the short-term schemes are in line with the short-term nature of the insurance liabilities the business writes or are linked to client contracts. Each variable remuneration scheme has a different scope of employees and performance measurements. Variable remuneration schemes are aligned to the nature of the role and key responsibilities. Employees are only eligible to participate in either; Head Office bonus, STIP or SIP and one long term incentive scheme i.e. ALTEIP. Below is a summary of the variable remuneration schemes.

Employees are only eligible to participate in one of the short-term incentive plans. Variable remuneration as a percentage of total direct compensation shall not exceed 100% of salary.

The deferral periods for the awards are considered to be appropriate and proportionate to the nature of the Assurant business and to the length of the risk profile described above.

Non-European based Directors receive no variable remuneration based directly on the performance of AEG, their remuneration being linked to the performance of the wider Assurant, Inc. group.

Non-Executive Directors receive no variable remuneration.

Transactions with shareholders, with persons who exercise a significant influence on the undertaking, and with members of the administrative, management or supervisory body

During the year, the following transactions took place between the Shareholder and respective entities:

1. AGIL paid a cash dividend of £20m to its shareholder AGL; AGL in turn paid a cash dividend of that amount to its shareholder Solutions Cayman.
2. AGL made an early repayment of unsecured loan of £12m from AGIL.
3. AGIL advanced an unsecured loan of £7.9m to LSG which was in turn advanced to its shareholder AGL.
4. AGL received a capital contribution of £6m from its shareholder Solutions Holdings.
5. AGL made a capital contribution of £9m to its subsidiary AGIL.

B.2 Fit and proper requirements

AEG must be able to demonstrate that it employs people who are fit and proper for the professional discharge of the responsibilities allocated to them, to assist in driving the appropriate culture in the business to minimise risk and to ensure sound and prudent management of the business.

AEG acknowledges that fitness and propriety across the business is essential for commercial reputation and customer confidence as well as regulatory compliance. This is ensured by operating consistent procedures during recruitment, and ongoing employment, to be satisfied that an individual:

- will be open and honest in their dealings and is able to comply with the requirements imposed upon them (honesty, integrity, and reputation)
- has the necessary knowledge, skills, and experience to carry out the function they are to perform (competence and capability)
- is financially sound (financial soundness).

The Group operates a robust recruitment process and carries out the appropriate due diligence on all candidates. Anyone who is being assessed to perform in a SMF or Key Function Holder role is subject to a rigorous review of their fitness and propriety against the role requirements. All assessments with a fit and proper requirement are supported by an HR professional.

The following supporting evidence for every appointment is maintained: CV, Role Profile, and interview notes. For a prospective candidate to be passed as 'fit and proper', in addition to comprehensive interviews, additional checks include: credit checks, checks from the Disclosure and Barring Service or Disclosure Scotland, or Access Northern Ireland, proof of qualifications, regulatory references covering at least six years' previous employment; and self-certification regarding Conflicts of Interest.

For appointments for role-holders based outside of the UK, similar checks are carried out locally which are aligned to appropriate legislation.

If the results of any screening are ambiguous and/or give cause for concern, the matter is raised with the prospective candidate to obtain a satisfactory explanation. Concerns are escalated to, and discussed with, the Chief Compliance Officer, or the Chief Risk Officer. If screening concerns cannot be satisfactorily resolved, any offer of employment is withdrawn.

Fit and Proper checks are completed annually for individuals in the Senior Manager & Certification Regime.

B.3 Risk management system including the own risk and solvency assessment

Risk Management System

AGL Group employs an enterprise wide approach to its Risk Strategy in order to embed a comprehensive and consistent risk management methodology. The objective of AGL Group's Risk Strategy is to establish a rigorous RMF to ensure that the principles of good risk management are embedded throughout Assurant.

To this end, the management of the organisation at all levels is required to be risk aware and understand that Risk Management is part of all employees' responsibilities in delivering the business objectives in an efficient and effective manner in line with an agreed and established risk appetite and enterprise vision and values.

Risk Strategies

AGL Group has defined its Risk Appetite for its key risks and adopts a number of risk management strategies to ensure that the group's Risk Appetite is not exceeded. The choice of strategy varies depending on the nature of the risk and related circumstances. These strategies include:

- Risk acceptance: the Board accepts risks that fall within the boundaries/limits defined in the risk appetite framework. Any risk falling outside the specified limits or boundaries is reviewed and may be accepted for a defined period of time.
- Risk reduction/minimisation: these activities generally relate to control and mitigation activities, and therefore this strategy may include, any or all of the following, the design of new process or accounting controls, contracting controls, changes in product design, improvement in a set of Terms and Conditions, or other changes designed to control and/or mitigate risk.
- Risk transfer: risk is transferred principally through reinsurance agreements. These may include, but are not limited to stop loss, excess of loss, quota share, or other such treaties. Other types of risk transfer can also be considered.

- Risk Avoidance: where an activity is outside the risk appetite of the AGL Group, AGL will seek to avoid exposure to that type of risk.

Process

AGL Group works within the three lines of defence model and reinforces the requirement for first line management of risk, with oversight and challenge from the second line risk and compliance functions and third line internal audit function:

Enabling Risk Culture	Oversight	Board and Executive	• Establishes risk appetite and strategy • ARCC - Approves risk framework and challenges risk management function	Risk Management Framework and Process Alignment
	3rd Line of Defence	Internal Audit Services	• Provides independent assurance on the effectiveness of first and second line of defence functions	
	2nd Line of Defence	Risk Management Function Compliance Function Actuarial Function Data Protection Officer	• Design, interpret and develop overall RMF • Overview of AGL Group Risk Registers • Ownership of ORSA Process and Output • Monitor controls in place against key risks • Challenges risk mitigation and acceptance • Reports on Risk exposures, Issues, mitigations and resolutions • Actuarial Function Report; Underwriting / Reinsurance opinions under Solvency 2	
	1st Line of Defence	Business / Functions	• Risk Accountable Executives • Risk Owners • Owner of the risk management process • Identifies, manages, and mitigates risks • Identifies, manages, and reports on Issues	

AGL Group has implemented a robust governance structure around Risk Management that is proportionate to the scale and complexity of the group. The ELC is supplemented by a quarterly sub-committee, the Management Risk Committee, that is attended by the Risk Accountable Executives to review the risk profile, status of remediating activities and any risk events during the quarter.

The Risk Function maintains a key risk register for the overall business, with each key risk having an agreed Risk Accountable Executive, who is supported in managing the risk exposure by a Risk Co-Ordinator and / or Risk Owner. Business areas are responsible for maintaining the controls to manage and mitigate the risk exposure. The Business, supported by Risk, update the risk registers on a periodic basis defined in the risk register process, using measurement techniques specified in Assurant's RMF.

Management is given authority to manage risks within the agreed risk appetite. The monitoring processes and controls that operate over the organisation will be complementary to the processes and controls used by the Risk organisation and its committees.

Own Risk and Solvency Assessment

The risk management processes, and systems of the AGL Group are combined and there are no separate processes for its insurance entities. This includes the annual ORSA process. AGL Group has obtained a waiver from the PRA allowing a single group ORSA process. This process covers all the necessary requirements for each SII insurance firm within the group, had it been performed on a standalone basis.

The ORSA is completed and approved by the Board annually and ad hoc ORSA's are completed when required in line with the ORSA policy.

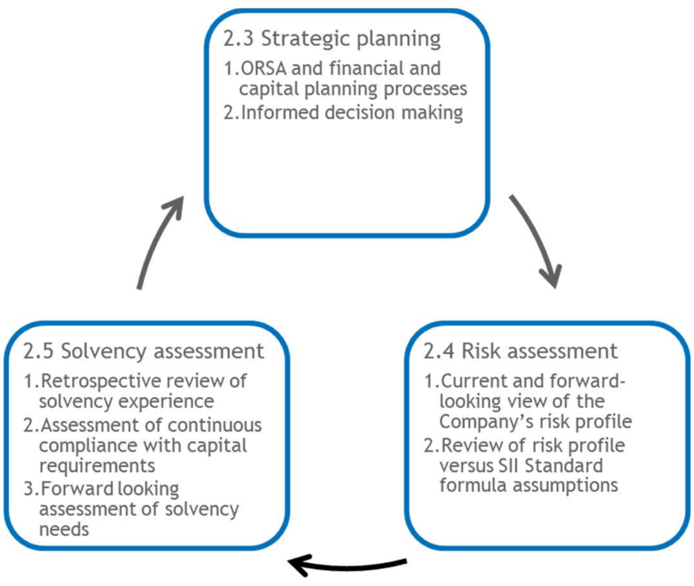
The ORSA is not separate to the RMF, but an integral tool to describe the whole risk to the business and, by implication, the ability of the business to meet the funding requirements of its overall business plans including its on-going liabilities now and into the future.

The ORSA is a forward-looking analysis of the AGL Group's insurance entities' short and long-term risks, which is updated regularly to ensure sufficient own funds to meet the entities' existing and future liabilities, through a combination of risk, capital and solvency projections.

In general, the "ORSA process" is one of coordinating with many areas of the business to ensure that the information, data and calculations are available for reporting through to the Results and ensuring that key stakeholders are available to review and comment on the ORSA outputs.

The process is owned and operated by the Risk Function, which has access and continuing understanding and control of many of the key elements that make up the ORSA.

ORSA Process



B.4 Internal control system

AGL Group's internal control system, is designed to provide reasonable assurance that its reporting is reliable and compliant with applicable laws and regulations, and its operations are effectively controlled.

AGL Group uses a three lines of defence principle. AGL's general efforts to promote, foster and facilitate an organisational culture of sound and ethical business practices is the responsibility of the first line of defence, i.e. business management. Second line of defence functions help, support, and challenge the business management to meet that responsibility. Internal audit will provide independent assurance and is the third line of defence. AGL's internal control system and three lines of defence model is further elaborated in policies, procedures and guidelines.

The Board is ultimately responsible for overseeing and maintaining the adequacy and effectiveness of risk management processes, practices and internal control systems. In practice, the oversight and management of these systems necessarily involves participation of the Board, the ARCC, senior management, Risk, Finance, Compliance, Legal, business managers, various management committees and Internal Audit. Primary responsibility for ensuring day-to-day oversight of the internal control system lies with the relevant SMFs and Key Function Holders.

AGL Group promotes the importance of appropriate internal controls by:

- ensuring that all personnel are aware of their role in the internal control system;
- ensuring a consistent implementation of the internal control systems across the company; and
- establishing monitoring and reporting mechanisms for decision making processes. The Risk Management and Controls section above includes a brief description of the internal control systems relating to the risk function.

Compliance

AGL Group operates within a financial services' regulatory regime in the UK and Europe. The regulators define the standards required within the business via their principles, rules and guidance, which cover key areas around customer protection, customer fair treatment and sustainability – with expectations that these requirements are embedded in the culture of the business, driven from the top of the organisation and managed via robust governance frameworks. All AGL Group employees are required to understand the regulatory rules and requirements applying to their role, which assists the business in meeting the standards required in both the letter and the spirit of those requirements. Some Senior Managers have specific responsibilities, accountabilities and obligations under the SM&CR regime to the regulators.

Good compliance standards and risk management helps the business build trust with customers, and other stakeholders, and promotes a culture where positive individual behaviours ensure the customer is at the heart of the systems and controls which enable good customer outcomes and the identification/mitigation of poor practice.

AGL Group's Compliance function's purpose is to ensure that the Group meets the regulatory requirements in the jurisdictions in which it does business. Through engagement with the business leaders and a variety of activities and processes using a risk-based approach to identify, assess, control, measure, mitigate, monitor and report compliance risks across the Group as a part of its advice services, approval processes, and oversight and governance through the Compliance Plan. The Compliance function ensures, together with the People Organisation, there is a strong regulatory compliance culture within the Group.

The function operates independently from the business and is part of AGL Group's second line of defence, which specifically provides advice on regulatory requirements and assurance regarding the effectiveness of first line controls. It is led by the Chief Compliance Officer, Europe who reports directly to the International Compliance Officer of the parent group and has direct access to the Board and ARCC in order to assist with management of any conflicts of interest. The Chief Compliance Officer, Europe provides regular updates on relevant Compliance matters to the ELC and the Board (via the ARCC).

The Compliance function also:

- owns and develops AGL Group's relationships with key regulators, including the FCA and PRA, which includes taking a forward-looking view to manage regulatory change.
- carries out horizon scanning activities identifying changes affecting regulatory matters, and working with stakeholders to implement changes to policies and processes.

B.5 Internal audit function

Reporting directly to Assurant CAE and to the ARCC, the IAS function, led by the Head of Internal Audit for AEG (HoIA), is responsible for regularly assessing the adequacy of the internal controls system of TWG Europe and its subsidiaries, including LGI and LGL, and reporting the findings to the AEG Board (via the ARCC).

The bi-annual audit plan is prepared and submitted to the ARCC each six months for review and confirmation. Upon confirmation, IAS distributes the plan to Executive business leaders and executes the plan during the course of the audit plan period. Additionally, at IAS' discretion or at the request of the ARCC, or management, other unannounced audits may be completed.

IAS personnel report directly and solely to the CAE of Assurant Inc. and the CAE reports directly to the Chair of the Assurant Inc. Audit Committee; and administratively to Assurant's Chief Financial Officer.

The AEG Internal Audit Charter defines the framework for the activities of the Internal Audit function as it pertains to AGL (including AGIL), and is approved by the AEG ARCC. The Charter also aligns with the broader global Charter established between IAS and the Assurant Inc. Audit Committee.

The internal audit reporting structure, the AEG Internal Audit Charter and the Global charter allow IAS to be independent of the functions audited; and it provides IAS full, free and unrestricted access to all operations, records, property and personnel. Additionally, it provides the authority to allocate resources, set frequencies, select subjects, determine scope of work, and apply the techniques required to accomplish audit objectives.

Initially the entire risk universe is considered during annual audit planning and subsequent revisions to plan, the highest-risk items are included as risk-based audits. Certain processes, while perhaps not rising to a level of significant risk, are still included on a cyclical basis to ensure breadth of coverage over a span of time.

Secondly, risks associated to the audit are identified and their mitigation evaluated via an assessment of the design and operational effectiveness of key internal controls, information systems, governance, risk management, and financial reporting supplemented where necessary by a programme of testing, creating audit programs for every project.

Audit plan activities typically conclude with some form of communication (audit report, memo, or other testing result) addressed to appropriate management of not only the results of the activities, but also management's action plans for remediation and/or improvement. Depending on the scope of the engagement these actions could be in the area of risk management, controls, or corporate governance with action plans obtained from appropriate management which are tracked by IAS until final completion as part of the IAS issues follow-up process.

Senior management has the opportunity to provide responses to audit findings, which are included in the final report, when that format is used to communicate results. The completed reports are made available to executive leadership, the AEG ARCC and the Assurant Audit Committee.

IAS performs the internal audit functions, including relating to Assurant's insurance processes and activities. IAS typically conducts its audits by business unit or across an entire segment.

B.6 Actuarial function

The actuarial function is responsible for calculating the technical provisions and claims reserves for AGL Group, as well as calculating the SCR, MCR and carrying out own view standard formula appropriateness reviews on a regular basis. In addition to these key responsibilities, the actuarial function is also responsible for reviewing the appropriateness of insurance product pricing and contributing to corporate governance committees/forums, capital initiatives and regulatory returns where appropriate.

The function is led by the Chief Actuary. The Chief Actuary has the knowledge and experience, is appropriately qualified, and has the appropriate level of skill necessary to perform this function in accordance with applicable professional and technical standards.

The Chief Actuary coordinates the calculation of technical provisions, provides the Actuarial Function Report and opines on the underwriting policy and reinsurance arrangements, and contributes to the effectiveness of the risk management system.

The Chief Actuary also provides quarterly and annual reports to the Board, via the ARCC, detailing the methodology, assumptions, and results of their work for approval, as well as fulfilling the 2nd line responsibilities of the role for the Actuarial Function Report. ARCC is responsible for challenging those assumptions and ensuring that they are appropriate and not unduly influenced by management. The Chief Actuary also has access to the independent non-executives to escalate any issues or concerns.

B.7 Outsourcing

AGIL operates as part of the overall AGL Group that is supervised on a group basis by the PRA. AGIL has no employees and all services are provided by other Assurant Europe Group companies. As the boards of directors of AGL and AGIL have common directors, these are not considered to be outsourced arrangements.

Many of the Group's processes are part of wider Assurant, Inc. global activities and staff working and employed in the European business have responsibilities for the European organisation but also report up through the global enterprise structures. Similarly, there are employees of the Global enterprise who perform activities on behalf of the European business. These processes include IT services.

Where such activities relate to critical functions, including Internal Audit and Risk where the SMFs are employees of the Assurant, Inc. group as described in the previous sections, those employees are also directly responsible to the Board for activities performed on behalf of the business and are therefore also not deemed to be outsourced arrangements.

The Group regularly makes use of third-party organisations to provide goods and services to the business in various areas. From time to time, the Group will choose to source services from third parties or from group companies that would normally be provided internally by the Group itself.

The rationale for this choice is frequently reviewed to make the business more efficient and/or bring innovation and new ideas into the business. However, while the Group can engage a third party to provide the service, the Group retains responsibility for ensuring that appropriate performance and quality standards are both set and achieved by the provider and that the services by design and performance deliver fair customer outcomes.

The Outsourcing policy sets out the standards and controls required for selection of providers of this type of arrangement as well as the requirements for ongoing management of these relationships to ensure adequate oversight and governance of performance of the services.

The Group Outsourcing policy ensures that the Group only outsource services and processes where the risks associated with the relationship and provision of services can be appropriately managed and the service provider (third party or intra-group) can meet our required customer and regulatory obligations and mitigate any risk exposure in the areas of concentration risk and operational risk. Furthermore, any consideration of outsourcing a function or activity will be subject to detailed consideration and a detailed business case requiring executive committee approval before proceeding.

Critical and key functions that are outsourced:

Name of Provider	Outsourced function	Jurisdiction
Assurant, Inc.	Investment Management Services	UK, US
Blackrock, Inc.	Investment Management Services	UK, US
Teleperformance Romania	Administration and Claims Management	EU

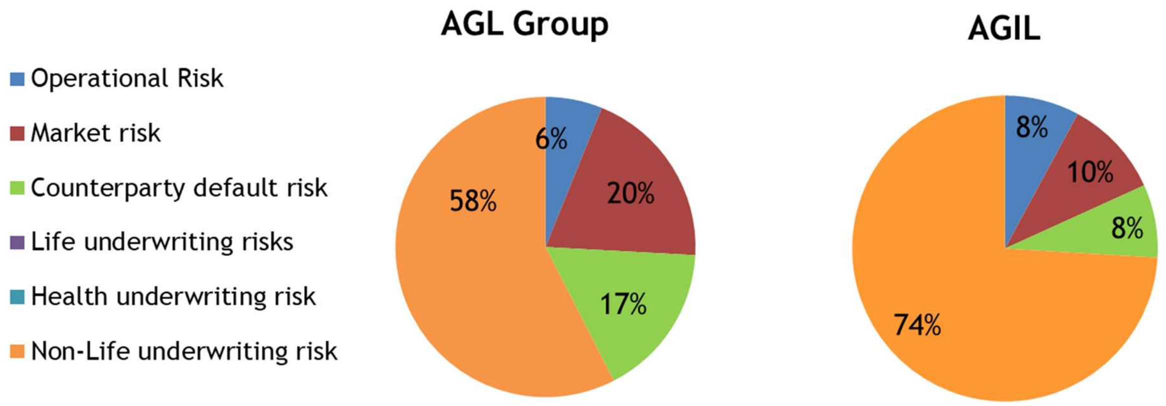
B.8 Any other disclosures

None.

C Risk management

The main risks AGL Group and AGIL are exposed to are underwriting risk, inherent in the nature of their insurance business, followed by credit risk due to counterparty default and market risk, arising from investments and technical provisions. AGL Group has exposure to market risk in terms of currency risk, which results from the capital which the Group holds in its non-insurance subsidiaries located in countries with currencies other than the Sterling.

The charts below show the distribution of the SCR required for the Group and the insurer by risk module (excluding the diversification effects between the risk modules).



Each risk type is considered below in turn.

C.1 Underwriting risk

Underwriting Risk is defined as the financial and contractual risks involved when writing or administering insurance policies. Unmitigated, the risk exposure would have a large, material impact on the total risk exposure of the AGL Group.

Measures used to assess underwriting risk

Premium Risk, the risk that premiums are not sufficient to cover actual claims costs and expenses and to provide AGL Group with an appropriate return for the risk taken:

- Expected premiums, claims and expenses (commissions and other acquisition costs, costs to service policyholders and fulfil claims and overheads) are projected three years ahead as part of the annual operating plan and forecast process. Variances between forecast and actual results are reviewed monthly by the senior management team and quarterly by the Board and actions identified and assigned.
- The impact of the 3-year plan on the AGL Group's and AGIL's future solvency and economic capital position is modelled through the annual ORSA process.
- All new business proposals are assessed by the Pricing team against target returns on capital and approved by a committee which includes representatives from Risk and Compliance.

Reserve Risk, the risk that claims reserves are insufficient to cover the actual costs of claims that have been incurred:

- In calculating the estimated cost of unpaid claims, AGL Group uses a variety of estimation techniques, generally based upon statistical analyses of historical experience, which assumes that the development pattern of the current claims will be consistent with past experience. Allowance is made, however, for changes or uncertainties which may create distortions in the underlying statistics, or which might cause the cost of unsettled claims to increase or reduce when compared with the cost of previously settled claims.
- Reserve positions are reported at least half-yearly and monitored more regularly.

Underwriting risk exposure is also assessed and quantified in AGL Group's Standard Formula solvency capital requirement calculation which is completed quarterly.

Material underwriting risks

Non-Life and Health Not Similar to Life Techniques

- AGL Group issues non-life insurance policies through AGIL.
- Fluctuation in the frequency and severity of insured events, both relating to policies that were underwritten in the period and to unexpired policies from previous periods, present the most material elements of underwriting risk for the AGL Group.
- Non-life business includes property policies (covering loss, theft and accidental damage), extended warranty contracts (covering mechanical breakdown) and creditor policies (covering sickness, disability and unemployment), where the actual experience could vary significantly from that anticipated when the policy was originally priced. New creditor policies are no longer written.
- In respect of non-life contracts, the majority of the business underwritten is short tail compared to other general insurance businesses. Claims are reported and decisions made quickly, especially for Connected Living Devices and other property insurance claims. Speed of payment of claims reduces the uncertainty surrounding the ultimate claim amounts and reduces the exposure to Reserve risk.
- The current cost-of-living crisis being experienced in the UK and the European Union due to increasing inflation is expected to lead to higher claims cost as suppliers and third parties look to offset their own higher costs.
- Production levels dropped during the COVID-19 pandemic with a global shortage of parts still being felt, which has increased claims cost severity.

Risk management

AGL Group's underwriting and reserving policies apply to all companies within the AGL Group. In general, the risk appetite of AGL Group is to limit the time period for exposure on underwriting risk to less than one year. Where AGL Group accepts risk beyond one year, this will be in exchange for a higher anticipated financial return.

AGL Group has a range of contractual mitigations included within contracts. These allow for AGL Group to re-price contracts for new business and renewals and therefore reduce underwriting risk in different scenarios including unexpected financial performance, change of product or processes by the client, impact of regulatory change or change in the supply chain market environment.

Due to the nature of the primary business lines insured, it is continually necessary to scan the horizon for emerging risks with regards to changes in customer behaviour and changes in technology. AGL Group's commercial contracts contain controls to protect against any future change in the landscape.

Concentration of underwriting risk

AGL Group's and insurance firm's policies are not exposed to significant insurance concentration risk by location. AGL Group does therefore not have any material exposure to catastrophe risk.

Risk mitigations

AGL Group can seek to use reinsurance treaties to limit underwriting exposure where it exceeds the limits set out in its Reinsurance policy. Any reinsurance treaty or negotiation of terms on existing treaties needs to comply with the requirements of the policy.

Two distinct types of reinsurance may be utilised:

- as a mechanism for sharing risks with individual client groups for certain products as part of the relevant commercial relationship ("Client-based Reinsurance"); and,
- for the purposes of broader risk and capital management ("Risk Management Reinsurance").

AGL Group will consider any level of risk transfer as is appropriate to the situation.

AGL Group does not normally seek to utilise risk mitigation techniques other than reinsurance. Should situations arise where other risk mitigation techniques are considered or present a significant opportunity these will be subject to a full business case review and approval as set out in the policy.

AGL Group shall only utilise reinsurance where it provides effective risk transfer and risk mitigation in AGL's solvency capital requirement calculations.

C.2 Market risk

Market risk is defined as the risk of loss or of adverse change in the financial situation resulting, directly or indirectly, from fluctuations in the level and in the volatility of market prices of assets, liabilities, and financial instruments.

Measures used to assess market risk

AGL Group is exposed to market risk and exposures are monitored by the Treasury and Investment Forum and overseen by the ARCC. The factors that are likely to affect market risk include, but are not limited to, large fluctuations in, or changes to, interest rates, volatility in foreign exchange markets, sudden inflation/deflation, recession, conflict (war, terrorist attack), and political instability.

Management of the AGIL investment portfolio is outsourced to investment managers, which operate within the agreed mandates set in accordance with the risk appetite and subject to the prudent person principle. The AGL Group Treasury function is responsible for monitoring the activities of the investment managers, as well as monitoring and reporting on performance to the Treasury and Investment forum. Material deviations from the mandate or expected risk appetite are escalated through the AGL Group system of governance and to the Board (via the ARCC) if appropriate.

The risk associated with the investment portfolio are modelled through the annual ORSA process. Market risk exposure is also assessed and quantified in AGL Group's Standard Formula solvency capital requirement calculation which is completed quarterly.

Material market risks

AGL Group does not seek market risk as a means to increase revenue or profit. Market risk is a necessary aspect of managing the solvency of the business. AGL Group is tolerant of market risk as a mechanism to fund policy liabilities and contribute to the growth of surplus and maintenance of capital requirements.

Included within market risk are:

Interest Rate Risk	The fair value of AGL Group's portfolio of fixed income securities is inversely correlated to changes in the market interest rates. Therefore, if interest rates fall, the market value of the portfolio would tend to rise and vice versa.
Currency Risk	AGL Group has exposure to currency risk arising from its non-insurance business in European countries outside of the UK.
Spread Risk	Spread risk does present a material risk to the business but is closely managed by the use of a suitably diverse investment portfolio.
Property Risk	AGL Group has a limited exposure to property risk because of the right-of-use assets recognised for the rental contracts of the offices of the Group subsidiaries. AGIL had no exposure to property risk in the year ended 31 December 2022.
Equity Risk	ADC holds stock for trade-in and VAS business. This trade-in stock is subject to equity risk. AGIL had no exposure to equity risk in the year ended 31 December 2022.

Risk management

The investment portfolio is structured so that asset quality is a primary feature. As a result, the portfolio is limited to Government Bonds, Sovereign and Sub-Sovereign debt, Collateralised Securities, and investment grade Corporate Bonds.

Investments are required to be above investment grade (BBB-) at purchase. Those that fall below investment grade subsequently are investigated with subject matter experts and the costs of early exit are assessed against the risk of default.

The Board utilises BlackRock, Inc to manage the investment portfolio of AGIL. AGL Group's requirements for the management of its investment portfolio are stipulated in the Investment Management Agreement with the appointed investment managers.

The investment portfolio mandate reflects AGL Group's risk appetite to mitigate spread risk, and investments are diversified by industry, allocation, and quality. The investment managers are given parameters against which they are measured quarterly.

Market risk to the investment portfolio is considered in real time. Risks to the value of investments are discussed quarterly with the investment managers.

Market prices of the assets held have been affected during 2022 by increasing inflation, interest rates and a negative market reaction to the UK Government's mini budget in October 2022, with a material reduction in market value experienced. No defaults were experienced in the portfolio and the market value movements continue to be monitored.

Operational and structural currency risk is managed within AGL Group by broadly matching assets and liabilities by currency. Little currency risk arises in the insurers because of their UK focus, however some occurs within AGL Group due to it having non-insurance European business.

Concentration of market risk

Concentration of market risk arises when too much exposure is held in assets which respond to similar risk factors. As noted above, AGL Group seeks to diversify its market risk exposure and thereby limits concentration of market risk.

Prudent Person Principle

AGL Group's investment practices incorporate the principle of 'Prudent Person'. Accordingly the Board requires that the investment manager appointed to manage the investment portfolio only invests in assets and financial instruments whose risks AGL Group can properly identify, measure, monitor, manage, control and report, and appropriately take into account in the assessment of its overall solvency needs performed as part of the ORSA.

Risk mitigation techniques used for market risk

AGL Group does not use any derivatives or other specific risk mitigation instruments to manage its market risk exposure.

C.3 Credit risk

AGL Group and AGIL are exposed to credit risk via:

- default or delay in payments due upon cash;
- reinsurance counterparties failing to meet financial obligations or entering into restructuring arrangements that may adversely affect reinsurance recoveries; and
- default or delay of repayment of loans and receivables.
- AGIL is also exposed to credit risk in respect of amounts owed by other group companies.

AGL Group considers the credit risk of holding assets in interest bearing investments as part of market risk. Refer to the market risk section above for further information.

Measures used to assess credit risk

Exposures to all counterparties are analysed, assessed and quantified in AGL Group's Standard Formula solvency capital requirement calculation. The output from the resulting analysis is presented to the ARCC, detailing any material changes from the previous period.

Material credit risks

AGL Group's maximum exposure to credit risk is represented by the values of financial assets included in the balance sheet at any given point in time. See also section D1 for details of the financial assets for AGL Group and AGIL at the reporting period end.

No material defaults have occurred during 2022.

Risk management

AGL Group holds cash balances with a number of high street banks within Europe, with the majority based in the UK, but diversifies its exposure to ensure that any bank failures do not materially impact liquidity. This includes holding cash in highly liquid money market funds with next day access which AGL Group treats as a counterparty exposure.

The company policy is that cash holdings must be held in counterparties classified as investment grade or above by the main ratings agencies, Moody's and S&P.

Third party reinsurers are required to be credit scored at 'A-' (or equivalent) or be SII regulated in the UK or EU, and in compliance with their solvency capital requirements, in order to be accepted unless appropriate collateral is provided to mitigate the exposure.

AGL Group extends payment terms to clients and will have significant amounts due from clients from time to time.

Concentration of credit risk

Balances for the UK Connected Living Device insurance programmes with UK banking clients generally represent the biggest credit exposures outside of cash holdings, but these can vary significantly, not only from client to client, but also from time to time. As AGL Group has a number of UK banks who are clients as well as providing the Group and AGIL with banking services, concentration of credit risk is also monitored across asset classes.

Investments in structured entities - collateralised securities and money market funds

AGL Group invests in collateralised securities and funds managed by external specialist investment managers where investments are pooled within an investment vehicle to provide a diversified exposure to particular classes of underlying investments.

The use of these products allows the AGL Group to broaden the diversification of its investment portfolio in a cost-efficient manner.

Risk mitigation techniques used for credit risk

AGL Group does not use any specific risk mitigation techniques in respect of credit risk.

C.4 Liquidity risk

Liquidity risk is defined as the risk that AGL Group will have insufficient liquid assets available to meet liabilities as they fall due.

Measures used to assess liquidity risk

Liquidity risk is managed by AGL Group's Treasury management team. Future working capital and regulatory capital requirements are forecast monthly. The AGL Group Board conducts stress testing scenarios to examine the effect on liquidity levels of various adverse business conditions.

Material liquidity risk

AGL Group's exposure to liquidity risks is related to its ability to convert and access its assets, and in particular its deposits and cash and cash equivalents, its bond portfolio, and its collective investment fund (money market) holdings.

The AGL Group bond portfolio primarily comprises a mixture of UK government securities and corporate bonds with investment grade ratings. All the securities are in active markets and should be easily convertible into cash.

Investments in collective investment undertakings are in highly liquid money market funds with next day access.

Deposits other than cash equivalents comprise short term, up to 30-day bank deposits which are accessible in shorter timescales if necessary. Early access would only result in the loss of more favourable interest returns.

Risk management

AGL Group holds significant cash balances with a number of high street banks but diversifies its exposure to ensure that any bank failures do not materially impact liquidity. Bank cash holdings must follow the internal liquidity and concentration requirements.

AGL Group seeks to maintain assets in classes which can be realised into cash easily with minimal impact on asset valuation. All investible assets should be readily realisable and quickly convertible into cash.

Concentration of liquidity risk

AGL Group has taken action to diversify its asset portfolio, accurately forecast cash flow and future liabilities and maintain access to funding from its US parent in order to mitigate liquidity risk.

Risk mitigation techniques used for liquidity risk

AGL Group does not use any specific risk mitigation techniques in respect of liquidity risk.

Expected Profit in Future Premium

As required by Article 260(2) of the SII Directive, AGL Group calculated the amount of expected profit in future premiums included in the calculation of best estimate technical provisions.

At the end of the reporting period the amount of expected profit in future premiums was as below:

Expected profit in future premiums £'000	AGL Group	AGIL
As at 31 December 2022	26,676	23,982
As at 31 December 2021	15,320	8,519

The EPIFP increased due to underwriting new long term agreements.

C.5 Operational risk

AGL Group is exposed to operational risk, which is defined as the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events. In particular, this includes the failure of key outsourcing arrangements, business disruption, fraud, and loss of key management.

This definition also includes legal risk and reputational risk, as the Group considers reputational risk critical to its franchise and therefore has adopted this broad definition of operational risk.

Measures used to assess operational risk

Operational risks are captured through AGL Group's risk reporting processes as part of the RMF.

In assessing capital required in respect of operational risk the Standard Formula SCR uses earned premium and reserves as a proxy for exposure to operational risk. Quantification of operational risk on the business is also assessed through the stress and scenario testing carried out as part of the ORSA process.

Material operational risk

AGL Group provides products to many individuals through direct brands, through networks of indirect dealers and under clients' own branding. It is critical to the success of the business, and in order to retain existing clients and attract new clients, that client and customer expectations in terms of service and product performance are met and that customer service is central to the operation. Service levels and other key indicators in both the customer contact centres and claims fulfilment supply chain are monitored closely by management to ensure that they continue to be met and that any issues that arise are dealt with. There is a risk that as businesses continue to deal with the ongoing consequences of COVID, high inflation and Brexit, particularly in relation to staff recruitment, that it becomes more difficult for AGL to meet its SLAs. In this situation, the focus would be on continuing to provide a good customer experience. AGL Group also continues to innovate new products and enhancements to existing products to improve and add value to the offering to clients and their customers.

Clients may be lost due to failure to meet service levels but also clients review and put contracts to a competitive tender process periodically (usually between 3 to 5 years depending on the length of the original contract) where service and product quality are key factors. Failure to meet the expectations of both clients and their customers or competitor action during a tender period could result in the loss of that client and have a material impact on the business. Loss of a material client is included in the ORSA Stress and Scenario testing.

As a result of the COVID-19 pandemic and changes in working practices, much of the operations have moved to working from home, increasing the reliance on IT systems and risk of fraud and cyber attacks. The change in working location has been managed well across the enterprise with local considerations reflected in the actions undertaken. This position is continually monitored with the focus being to protect customers and employees.

Risk management

AGL Group has established policies, processes, and controls to manage and mitigate its key operational risks.

The process through which AGL Group's operational risk universe is determined, is captured in the Operational Risk Policy. This process safeguards the ongoing improvement of the control environment and ensures that operational risk is identifiable and mitigated as the Group continues to grow.

Risk mitigation techniques used for operational risk

AGL Group has a comprehensive insurance programme that provides financial protection against the majority of material operational risks e.g. property cover, business interruption etc. There are no other specific risk mitigation techniques applied in respect of operational risk.

C.6 Other material risks

Inflation (Cost of Living)

The external environment has provided challenges and disruption to AGL's Risk Profile through increasing inflation. This has impacts upon claims and other costs as well as on the market values of the insurer investment portfolio. Material market value losses have been experienced and whilst to date capital buffers have been more than sufficient to cover the volatility, scenario analysis is ongoing with support of the Enterprise investments team to ensure any further risk to solvency is understood.

The Group remains focused on supporting its employees and customers through these challenges whilst maintaining its operational and financial resilience.

C.7 Stress testing and sensitivity analysis

Stress and scenario testing are fundamental parts of AGL Group's risk framework and is conducted via an annual process with the results documented in the Own Risk and Solvency Assessment (ORSA) report. Stress testing is based on a specific set of stresses applied to the business that quantify impact on the P&L and regulatory solvency that cover the spectrum of risk types to which the group is exposed. The stress test results focus on the impact on:

1. Profit;
2. Own funds;
3. Impact on SCR;
4. Resulting solvency margin.

Furthermore, stress testing provides comfort in the assessment of the SCR, ensuring that it remains appropriate and suitable against plausible stressed situations, by not fully exhausting capital above policy holder protection levels. Sensitivity testing is used to identify how sensitive the business is to small changes in key variables over a short timeframe. Sensitivities show the impact of standard incremental changes in parameters both up and down to the capital requirement, own funds and resultant solvency ratio.

In determining the appropriate stresses for testing, the Risk Function followed the following process:

- Reviewed AGL's Strategic Objectives and Business Plan;
- Proposed and agreed AGL's Key Risks with Senior Management;
- Reviewed financials – balance sheet and current business plan to determine key drivers;
- Considering the broader macro environment and the agreed key risks, generated a number of plausible stresses and scenarios for testing;

- Held a workshop with Senior Management to agree the appropriate stresses for testing;
- Consulted the Non-Executive Directors of the process applied and discussed the resulting tests.

The latest analysis shows that the most significant risk to AGL is a default of a major reinsurer. Management and the Board consider this stress significant but plausible and supports the focus on ongoing monitoring of loss ratio for the business.

AGL Group manages its solvency ratio above 100% and uses the results of the stress testing to aid an appropriate level of buffer i.e. capital in excess of the requirement to be held. This is a key element of AGL Groups's capital management process. As such AGL Group is able to withstand each of the stresses and scenarios identified within the assessment.

Under the loss ratio stress, AGL and AGIL would remain solvent and continue to hold a solvency position in excess of the target.

Reverse Stress Testing (RST) considers extreme situations that could render AGL Group's business unviable and works backwards, analysing the triggers and associated controls that would mitigate against such an event.

AGL Group has a number of management actions such as reprice clauses and capital efficiency measures that can be implemented to address adverse situations.

C.8 Any other disclosures

There are no other matters to be disclosed.

D Valuation for solvency purposes

AGIL prepares financial statements under UK GAAP. No consolidated financial statements are prepared for the group as AGL Group has taken advantage of the exemption from preparing consolidated financial statements, under Section 401 of Part 15 of the Companies Act 2006, as the results of the AGL group are consolidated in the financial statements of the ultimate parent undertaking Assurant, Inc., which are publicly available.

Reference to “financial statements” below should be understood to refer to unaudited UK GAAP financial statements in respect of AGIL and to unaudited UK GAAP financial statements in respect of AGL Group.

Individual assets and liabilities are recognised and valued separately unless a legal right of set-off exists and the assets and liabilities will be settled on a net basis.

ALL was de-authorised as an insurance firm by the PRA in June 2022. During March 2023 ALL was placed into voluntary liquidation. As a consequence, the Directors do not consider ALL a going concern and therefore ALL’s assets and liabilities are valued at net realisable value.

All other valuations in AGL group and in AGIL are made on the basis that they are going concerns. The Directors have considered the impact of COVID-19 on the operations and going concern assertion.

D.1 Assets

The material classes of assets shown on the SII Balance sheets, the SII values and values for the corresponding assets shown in the corresponding proforma or audited financial statements are summarised in the table below:

	Solvency II Balance Sheet		Financial Statements	
As at 31 December 2022 £'000	AGL Group	AGIL	AGL Group	AGIL
Goodwill & Intangible Assets	-	-	2,603	-
Deferred acquisition costs	-	-	921	838
Deferred tax assets	2,804	-	2,809	676
Property, plant & equipment held for own use	3,347	-	6,874	-
Investments, comprising:	**86,422**	**73,776**	**85,718**	**73,072**
Bonds comprising:	41,316	41,316	40,612	40,612
Government Bonds	4,721	4,721	3,500	3,500
Corporate Bonds	35,636	35,636	37,112	37,112
Collateralised securities	959	959	-	-
Collective Investments Undertakings	45,106	32,460	45,106	32,460
Reinsurance recoverables	580	580	2,114	2,114
Insurance and intermediaries receivables	26,522	14,286	31,145	14,286
Receivables (trade, not insurance)	35,022	14,728	32,247	14,728
Cash and cash equivalents	22,906	2,009	22,906	2,009
Other assets	10,727	-	32,317	704
Total assets	**188,330**	**105,378**	**219,654**	**108,427**

As at 31 December 2021 £'000's	Solvency II Balance Sheet			Financial Statements		
	AGL Group	AGIL	ALL	AGL Group	AGIL	ALL
Goodwill & Intangible Assets	-	-	-	4,097	-	-
Deferred acquisition costs	-	-	-	367	277	-
Deferred tax assets	5,951	-	-	1,054	-	-
Property, plant & equipment held for own use	3,959	-	-	6,856	-	-
Investments, comprising:	**93,394**	**90,618**	**-**	**92,445**	**89,669**	**-**
Bonds comprising:	75,982	75,982	-	75,033	75,033	-
Government Bonds	7,775	7,775	-	7,704	7,704	-
Corporate Bonds	66,548	66,548	-	67,329	67,329	-
Collateralised securities	1,659	1,659	-	-	-	-
Collective Investments Undertakings	17,412	14,636	-	17,412	14,636	-
Loans and mortgages	-	12,901	2,730	-	12,901	2,730
Reinsurance recoverables	(945)	(945)	-	497	497	-
Insurance and Intermediaries receivables	35,571	17,060	-	44,068	17,060	-
Receivables (trade, not insurance)	24,231	16,398	637	19,232	16,398	637
Cash and cash equivalents	26,690	1,941	2,943	26,690	1,941	2,943
Other assets	21,270	9	-	40,431	957	-
Total assets	**210,121**	**137,981**	**6,310**	**235,738**	**139,700**	**6,310**

Goodwill and Intangible Assets

On the SII balance sheet goodwill and intangible assets are valued at zero.

In the financial statements, goodwill represents the excess of acquisition costs over the net fair value of identifiable assets acquired and liabilities assumed in a business combination. The cost of the acquisition is the amount of cash paid and the fair value of other purchase consideration. Other intangible assets are initially recognised at cost.

Goodwill and other intangibles are amortised in the financial statements over the expected useful economic lives and tested for impairment at least annually.

Deferred acquisition costs

The table above includes deferred acquisition costs, which are shown as a separate asset in the financial statements. In the financial statements acquisition costs comprise all direct and indirect costs arising from the conclusion of insurance contracts. Acquisition costs are deferred to the extent that they are recoverable out of future revenue margins and are amortised in accordance with the pattern of emergence of future related margins.

Under SII deferred acquisition costs are valued at zero.

Deferred tax assets

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income. These timing differences arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Deferred tax assets are recognised on the same basis for SII and in the financial statements. However, valuation differences between SII and the financial statements, upon which the tax is calculated, for technical provisions and in respect of other assets and liabilities give rise to an adjustment to the overall deferred tax assets.

The deferred tax assets arise due to net operating losses brought forward from prior years for tax purposes that are available to offset against future taxable profits. AGL Group reviews the likelihood of recovery of the deferred tax assets based on the expected profitability over the business planning horizon and with due regard to known changes in respect of the relevant tax regulation over that period.

Property, plant, and equipment held for own use

Property, plant, and equipment is held at depreciated cost in the financial statements. For SII, property, plant, and equipment, with the exception of property leases, has been valued at zero as the Group does not consider it material or proportionate to expend resource in maintaining records of the items’ market values.

A Solvency II adjustment is made for leases for material property occupations as a recognition of right of use assets.

Investments and Loans and mortgages

AGL Group measures its investments at fair value on the SII balance sheet. The Group uses an exit price for its fair value measurements. An exit price is defined as the amount received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair values of financial instruments traded in active markets are based on quoted bid prices on the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If listed prices or quotations are not available, fair value is determined by reference to prices for similar instruments, quoted prices or recent transactions in less active markets, or internally developed models that primarily use, as inputs, market based or independently sourced parameters. All investments are valued based on quoted prices. A consistent valuation method was applied across all investments.

The difference between the SII value of investments in the table above is due to a difference in the classification of accrued investment income, which is recognised in investments for SII and Other assets in the financial statements.

Reinsurance recoverable

Reinsurance recoverables are valued according to the SII technical provision principles as explained in Section D2.

Deposits to cedants, insurance and Intermediaries receivables and reinsurance receivables

Receivables are measured at the undiscounted amount of the cash or other consideration expected to be received, net of any allowance for impairment.

Cash and cash equivalents

Cash and cash equivalents are recognised at fair value which is not considered to be materially different to cost.

Other Assets

Prepaid expenses and advance commissions represent the deferral of expenses paid for accounting purposes until they have been deemed to be consumed. In the SII balance sheet these assets are valued at zero unless the Group has a contractual ability to recover all or part of the asset from the third party in result of the termination of the arrangement. Where the group has such ability, the assets are recognised at the contractual amount recoverable less any allowance for impairment. These assets are recognised at amortised cost in the financial statements.

As noted above under “Investments and Loans and mortgages”, accrued investment income is reported as part of Other Assets in the financial statement but is included in the valuation of the related investment for SII reporting.

Any other assets are valued at fair value that is not considered to be materially different to the amortised cost basis as recorded per the financial statements.

Changes to the recognition and valuation bases

There have been no material changes to the recognition and valuation bases in the reporting period.

D.2 Technical provisions

AGL Group’s technical provisions by material line of business as at 31 December 2022 are shown below.

The negative TP in AGL is driven primarily by the long term agreements, in the Solvency II line of business “Fire & Other Damage to Property”. These contracts have long contract boundaries containing significant future premium income, which leads to significant negative premium provisions.

AGL has further negative technical provisions in relation to handsets that it purchases in advance for claim fulfilment in the course of the upcoming year.

As at 31 December 2022 £'000	Fire & Other Damage to Property	Miscellaneous Financial Loss	Total
AGL Group			
Gross best estimate	(26,189)	226	(25,963)
Reinsurance recoverable	(580)	-	(580)
Net best estimate	(26,768)	226	(26,542)
Risk margin	3,159	7	3,166
Total technical provisions	(23,609)	233	(23,376)
AGIL			
Gross best estimate	(15,944)	226	(15,718)
Reinsurance recoverable	(580)	-	(580)
Net best estimate	(16,524)	226	(16,298)
Risk margin	3,159	7	3,166
Total technical provisions	(13,365)	233	(13,132)

As at 31 December 2021 £'000	Fire & Other Damage to Property	Misc. Financial Loss	Total
AGL Group			
Gross best estimate	(17,483)	373	(17,110)
Reinsurance recoverable	945	-	945
Net best estimate	(16,538)	373	(16,165)
Risk margin	3,369	63	3,432
Total technical provisions	(13,170)	436	(12,734)
AGIL			
Gross best estimate	(3,120)	373	(2,707)
Reinsurance recoverable	945	-	945
Net best estimate	(2,175)	373	(1,802)
Risk margin	3,369	63	3,432
Total technical provisions	1,194	436	1,630

Bases, methods, and main assumptions

Under Solvency II, liabilities must be valued at the amount for which they could be transferred between knowledgeable parties.

Technical Provisions are defined as the sum of a best estimate and a risk margin. The best estimate is the probability weighted average of all future cash flows and the risk margin is the cost of providing the solvency capital requirement necessary to support the liabilities.

The liabilities valued in the technical provisions are those associated with existing contracts at the valuation date. Under Solvency II, contracts must be valued if there is a legal obligation to provide cover even if this is before the commencement date of the policy which is different to the approach under UK GAAP.

The non-life business of AGL and AGIL is split into homogeneous risk groupings referred to as model points. These homogeneous risk groups split the business by currency, cover, underlying product and sometimes client.

The technical provisions for each model point are calculated using a cash flow model. This is carried out by predicting the expected cash flow for each model point separately for each future year until all existing contracts have expired.

Expenses are projected for the cash flow projections and allocated between model points and currency and between earned and unearned exposure.

The best estimate is calculated separately for premium provisions and claim provisions. Premium provisions are established in respect of unearned exposure and claims provisions are established in respect of earned exposure.

Gross cash flows are calculated separately from reinsurance cash flows to recognise if there are significant differences in the timing of these cash flows.

The assumptions underlying the calculation of the technical provisions are derived based on the assumption that AGL and AGIL will continue to write new business.

The most material assumptions are those relating to the loss assumptions and the future earned premium. The loss assumptions are outputs from the existing claims reserving process and the future earned premium assumptions are reconciled with the financial statements.

The material assumptions used in the calculation of the Technical Provisions are approved by the Board annually.

Discounting

The yield curve is required in order to discount future cash flows. This enables future cash flows to be evaluated in present value terms. The present value of future liability cash flows must be evaluated as part of the best estimate liabilities calculation. The yield curve, which is used in the discounting process, represents a risk free curve.

The risk free rate of return is the theoretical interest rate that could be earned on an absolutely risk free investment over a specified period of time. In practice, there is no such thing as an absolutely risk free investment, as even the most secure investments carry a very small amount of risk. Typically, government bond yields offer a good approximation to a risk free rate of return. The risk free rate of return varies according to the term and currency of an investment.

A different risk free yield curve is required for each currency, in order to reflect the different cost of borrowing in different currencies. The yield curve is published by the Bank of England.

The yield curve is defined based on the zero-coupon swap rates which are currently available in the market. Hence the yield curve assumptions are based on “up-to-date and credible information and realistic assumptions” and are consistent with Article 77 of the Solvency II Directive.

Risk Margin

The risk margin is the cost of providing an amount of eligible own funds equal to the Solvency Capital Requirement necessary to support the liabilities.

The Risk margin is the present value of the SCR discounted using the risk-free rate multiplied by the Cost of Capital rate of 6%.

The SCR at the valuation date is calculated using the standard formula. The calculation of the SCR assumes that the existing portfolio including all current reinsurance remains the same. The SCR for Risk Margin covers underwriting risk for the existing portfolio (i.e. no new business), the credit risk associated with reinsurance, intermediaries and policyholders and operational risk. Market risk is removed.

The calculation of the SCR for the Risk Margin calculation follows the same methodology as that used to calculate the SCR.

The SCR for future time periods, until the business is fully run off, is approximated based on the assumption that the SCR is proportional to the discounted cash flow excluding risk margin in future years.

The SCR for Risk Margin is calculated as a whole and is then allocated by line of business when adding to the discounted best estimate in determining the total Technical Provision.

Risk Margins are not required in respect of reinsurance recoverable as risk margins are calculated at a net rate.

Data

The data underlying the calculation of the technical provisions is either taken from the operating systems or from financial statements and financial forecasts. The actuarial function extracts the information and conducts a detailed reconciliation of the data against source systems and the financial ledger. The process used by the actuarial function to ensure that the data underlying the calculation of the technical provisions is complete, accurate and appropriate for use, is subject to external scrutiny as part of the audit process.

Level of uncertainty

There are several areas of uncertainty in the calculation of the Technical Provisions.

Claims reserving is carried out using standard actuarial methods of projecting the paid (or known) claims to estimate the ultimate claim experience. These methods are generally based on the assumption that the future experience will develop in the same way as historic experience. There is uncertainty in the actual future development patterns, for example due to changes in handling processes such as innovative ways to settle a claim as fast as possible.

Since the majority of the business in AGL is related to physical property there is the key uncertainty of the severity of claims and the additional costs associated with this. The evolution of products such as electrical parts in mobile phones may result in higher settlement or repair amounts. The frequency and severity assumptions are derived using historic data and reviewed by the Reserving Forum prior to use in the calculation of the Technical Provisions.

The expense loading is calculated as a proportion of premium. The expenses and premiums in the business plan are compared to derive an expense loading (as a percentage of premium). This yields an estimated expense cash flow for the technical provisions. The key area of uncertainty is the delivery of expense savings, the impact of inflation, and the emergence of other unexpected costs that are not accounted for in the business plan.

Uncertainty in respect of other business is not material.

Differences between Solvency II and the valuation bases for financial statements

The most material assumptions used in the calculation of the Solvency II best estimates are based on existing Assurant processes which are the same as those used in the preparation of the financial statements.

The starting position of the Solvency II best estimate premium provision is the UK GAAP unearned exposures. Under Solvency II, additional adjustments are made as described below.

The premium provision is based on the probability- weighted average of future cashflows related to policies within contract boundaries whereas UK GAAP unearned premium reserve is an allocation of premium income to the remaining time to expiry of the insurance contracts already issued.

The main difference arises due to the recognition of BBNI policies in the Solvency II basis.

Claims Provision

The calculation of the AGIL Solvency II best estimate claims provision is based closely on the UK GAAP valuation. Under Solvency II, as applied in the UK, additional adjustments are made to allow for Events Not in Data (ENIDs), an estimate for unknown liabilities not yet captured by the actuarial estimates and discounting. Though, ENIDs are applied on AGIL at zero value.

Risk Margin

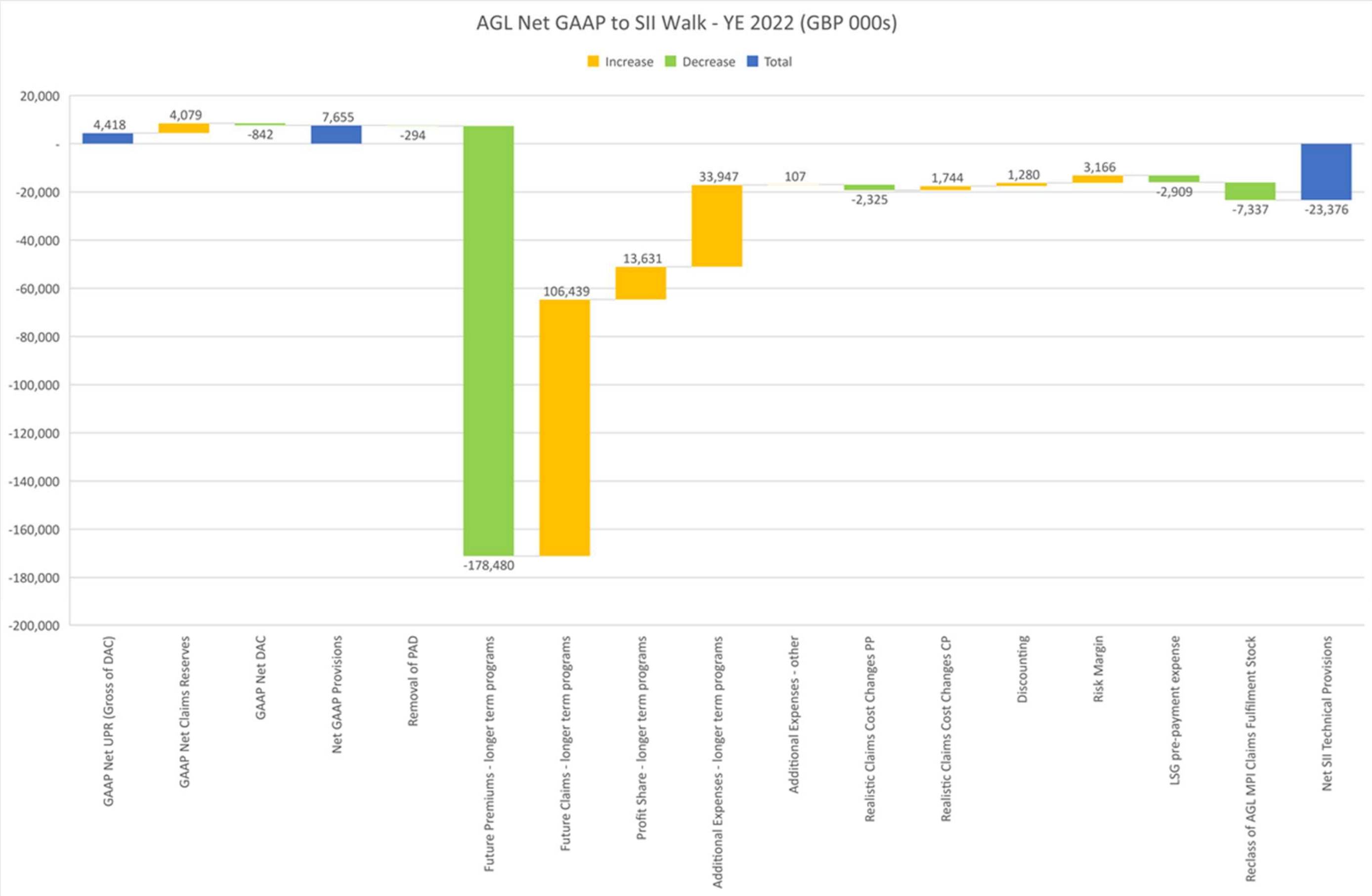
For Solvency II, risk margin is calculated using a cost of capital approach which involves calculating the cost of holding the SCR (per Standard Formula calculation) at each future time period until the technical provisions at the reporting date have run off. The amounts are then discounted back to the current time period. The calculation excludes new business and market risk.

Under UK GAAP there is no requirement to recognise Risk margin in the statutory financial statements.

Discounting

Under Solvency II the best estimate technical provisions are discounted but are undiscounted under UK GAAP (immaterial).

The main differences between technical provisions as shown in the financial statements and the Solvency II technical provisions are shown in the chart below:



Matching Adjustment

AGL Group (including AGIL) has not applied the matching adjustment referred to in Article 77b of Directive 2009/138/EC.

Volatility adjustment

AGL Group (including AGIL) has not used the volatility adjustment referred to in Article 77d of Directive 2009/138/EC.

Transitional risk-free interest rate-term structure

AGL Group (including AGIL) has not applied the transitional risk-free interest rate-term structure referred to in Article 308c of Directive 2009/138/EC.

Transitional deductions

AGL Group has not applied the transitional deduction referred to in Article 308d of Directive 2009/138/EC.

Reinsurance

Reinsurance recoverables represent the net discounted cash flow expected to be received from AGL Group’s reinsurers. For one program, AGL Group utilises a significant quota share reinsurance treaty.

Material changes in the relevant assumptions made in the calculation of technical provisions

No material changes have arisen in the assumptions made in the calculation of technical provisions in the period.

D.3 Other liabilities

Solvency II Other Liabilities **As at 31 December 2022** **£'000**	AGL Group	AGIL
Deferred Tax Liabilities	-	3,146
Insurance creditors, reinsurance creditors and trade payables	31,897	2,685
Other liabilities	30,918	9,167
Total Other Liabilities	**62,815**	**14,998**

Financial Statements Other Liabilities **As at 31 December 2022** **£'000**	AGL Group	AGIL
Deferred Tax Liabilities	328	-
Insurance creditors, reinsurance creditors and trade payables	29,673	4,823
Other liabilities	30,918	9,167
Total Other Liabilities	**60,918**	**13,990**

Solvency II Other Liabilities **As at 31 December 2021** **£'000**	AGL Group	AGIL	ALL
Deferred Tax Liabilities	3,055	514	-
Insurance creditors, reinsurance creditors and trade payables	33,918	28,611	81
Other liabilities	33,590	9,027	24
Total Other Liabilities	**70,563**	**38,152**	**105**

Financial Statements Other Liabilities **As at 31 December 2021** **£'000**	AGL Group	AGIL	ALL
Deferred Tax Liabilities	936	-	-
Insurance creditors, reinsurance creditors and trade payables	29,096	28,611	81
Other liabilities	33,590	9,027	24
Total Other Liabilities	**63,623**	**37,638**	**105**

Deferred tax liabilities

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income. These timing differences arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions.

Deferred tax is measured using tax rates that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Deferred tax liabilities are recognised on the same basis for SII and in the financial statements. However, valuation differences between SII and the financial statements, upon which the tax is calculated, for technical provisions and in respect of other assets and liabilities give rise to differences between the amounts reported.

The deferred tax liability in the AGL Group proforma consolidated financial statements relates to deferred tax recognised in respect of goodwill and intangibles arising on consolidation that are being amortised to the UK GAAP profit and loss account over those assets' useful economic lives of up to 10 years. As the assets only arise on consolidation, they are not taxable and therefore give rise to a timing difference. Under SII the goodwill and intangible assets are valued at zero and therefore no deferred tax timing difference arises.

Deferred tax liabilities in the AGL Group SII balance sheet arise due to the tax impact of the other SII valuation adjustments.

Subordinated loans included in basic own funds

None to report

Insurance and Intermediary Payables, Trade Payables and Other Liabilities

For SII, liabilities other than technical provisions are valued at the amount for which they could be transferred, or settled, between knowledgeable willing parties in an arm's length transaction. When valuing liabilities, no adjustment to take account of the own credit standing of the issuer is made. In the financial statements, liabilities are valued at amortised cost.

There are no material differences between the valuation bases, methods and main assumptions used by AGL Group or AGIL for the valuation for solvency purposes and those used for the valuation in the relevant financial statements. The small differences in respect of Other Liabilities relates to reinsurance deferred acquisition costs which are valued at zero for SII (refer also to disclosure in respect of deferred acquisition costs in D.1.)

Other liabilities included above relate to accruals, deferred income and other amounts payable that have not been categorised as insurance or trade payables for the purpose of reporting.

AGL Group and AGIL have no material liabilities under finance leases.

AGL Group and AGIL have no liabilities related to defined benefit pension schemes.

Changes to the recognition and valuation bases

There have been no material changes to the recognition and valuation bases in the reporting period.

D.4 Alternative methods for valuation

No alternative methods of valuation have been used.

D.5 Any other disclosures

There are no material differences between the valuation bases for the consolidated information provided for AGL Group and those used for the solo entity information for AGIL.

E Capital management

E.1 Own funds

Capital Management Policy

The AGL Group internal capital target is to hold the Pillar 1 SCR, or the requirement identified during the ORSA process if higher, plus a Board approved buffer. Separate buffers are set for AGL Group and AGIL. The buffers to be held are set annually, having regard to the results of stress tests applied to projections over the three-year planning period. The Board will also consider whether any dividends be made to remit any surplus capital above the target to AGL's parent or to release capital out of the insurance firms for use elsewhere in the group.

AGL Group's and AGIL's capital positions are formally assessed quarterly, and reported to the ARCC, to ensure that own funds continue to meet the targets set.

Own funds

Available own funds for AGL Group and AGIL comprise:

As at 31 December 2022 £'000	AGL Group	AGIL
Tier 1	142,402	102,931
Tier 2	-	-
Tier 3	2,804	-
Available Own Funds	**145,206**	**102,931**

As at 31 December 2021 £'000	AGL Group	AGIL	ALL
Tier 1	137,358	99,145	6,204
Tier 2	-	-	-
Tier 3	5,951	-	-
Available Own Funds	**143,309**	**99,145**	**6,204**

Tier 1 own funds have three components: share capital, share premium and the reconciliation reserve. The reconciliation reserve comprises retained earnings and other distributable reserves as per the financial statements adjusted for Solvency II valuation differences.

Tier 3 capital comprises deferred tax assets relating to timing differences and unutilised tax losses that are expected to be recovered against future taxable profits.

During the year, AGIL distributed a £20m dividend to AGL, which AGL in turn paid as a dividend to its parent company, Solutions Holdings. Later towards the end of the year, AGL received a capital injection of £6m from its parent company and AGL invested a capital contribution of £9min into AGIL, both in the form of additional share capital. As a result of these capital movements and of the additional own funds generated by the new contracts signed during the year, available own funds for AGL Group and AGIL were higher at year end by £1,897k and £3,786k, respectively.

The amount of Tier 2 and Tier 3 own funds that are eligible to be set against the SCR is restricted to 50% and 15% of that requirement, respectively. Given the composition by Tier shown above, for both AGL Group and AGIL the eligible own funds are the same as available own funds.

As at 31 December 2022 **£'000**	AGL Group	AGIL
Eligible Own Funds to meet the SCR	145,206	102,931
SCR	56,529	48,044
Solvency Ratio %	**257%**	**214%**

As at 31 December 2021 **£'000**	AGL Group	AGIL	ALL
Eligible Own Funds to meet the SCR	143,309	99,145	6,204
SCR	58,626	50,731	3,126
Solvency Ratio %	**244%**	**195%**	**198%**

Eligible own funds to meet the MCR for AGL Group and AGIL comprise:

As at 31 December 2022 **£'000**	AGL Group	AGIL
Tier 1	142,402	102,931
Tier 2	-	-
Tier 3	-	-
Eligible Own Funds to meet the MCR	**142,402**	**102,931**

As at 31 December 2021 **£'000**	AGL Group	AGIL	ALL
Tier 1	137,358	99,145	6,204
Tier 2	-	-	-
Tier 3	-	-	-
Eligible Own Funds to meet the MCR	**137,358**	**99,145**	**6,204**

Eligible own funds for AGL Group to meet the MCR are £142,402k in 2022 (2021 137,358k).

The main differences between equity as shown in the proforma or audited financial statements and the excess of assets over liabilities as calculated for solvency purposes are shown in the table below:

As at 31 December 2022 £'000	AGL Group	AGIL
Equity per financial statements	**148,470**	**86,637**
Valuation of goodwill and intangibles	(2,366)	-
Difference between the valuation of technical provisions on a UK GAAP basis and under Solvency II	22,930	18,432
Other valuation differences	(20,821)	-
Deferred tax adjustment	98	(2,138)
Excess of assets over liabilities for solvency purposes	**148,311**	**102,931**

As at 31 December 2021 £'000	AGL Group	AGIL	ALL
Equity per financial statements	**162,823**	**96,953**	**6,204**
Valuation of goodwill and intangibles	(3,622)	-	-
Difference between the valuation of technical provisions on a UK GAAP basis and under Solvency II	16,976	2,706	-
Other valuation differences	(25,243)	-	-
Deferred tax adjustment	2,303	(514)	-
Excess of assets over liabilities for solvency purposes	**153,237**	**99,145**	**6,204**

Other valuation differences relate to differences between assets and liabilities valued on a Solvency II basis or on a financial statements basis as discussed in sections D.1 and D.3.

AGL Group own funds are calculated on an accounting consolidation basis. There are no items included in AGL Group own funds that are issued by an undertaking other than AGL, the group insurance holding company.

No deductions are applied to own funds and there are no significant restrictions affecting their availability and transferability.

Neither AGL Group's nor the firms' own funds are subject to transitional arrangements and none have ancillary own funds.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

The SCR and MCR for AGL group and AGIL as at 31 December 2022 are:

As at 31 December 2022 £'000	AGL Group	AGIL
Market Risk	14,073	5,548
Counterparty Default Risk	11,523	4,153
Non-Life Underwriting Risk	39,791	39,791
Sum of risk modules	**65,387**	**49,493**

Diversification between risk modules	(13,102)	(5,692)
Basic SCR	**52,285**	**43,801**
Operational Risk	4,243	4,243
Standard Formula SCR	**56,529**	**48,044**
MCR	**12,011**	**12,011**

As at 31 December 2021 **£'000**	AGL Group	AGIL	ALL
Market Risk	12,423	6,194	212
Counterparty Default Risk	12,467	5,331	658
Non-Life Underwriting Risk	41,303	40,702	-
Health Underwriting Risk	244	244	-
Sum of risk modules	**66,437**	**52,471**	**870**
Diversification between risk modules	(12,886)	(6,814)	(130)
Basic SCR	**53,551**	**45,656**	**740**
Operational Risk	5,075	5,075	-
Standard Formula SCR	**58,626**	**50,731**	**740**
MCR	**15,809**	**12,683**	**3,126**

AGL Group and AGIL SCRs are all calculated using the Standard Formula and no undertaking specific parameters or simplifications are used.

The AGL Group SCR is calculated on an accounting consolidation basis ("method 1") and relates to fully consolidated insurance undertakings, insurance holding companies and other ancillary service undertakings only. There are no components of the AGL Group SCR arising from other entities.

The MCR has been calculated using the linear calculation as set out in the Solvency II Directive and noted in the accompanying QRTs.

Details of the SCR and MCR calculations, including the MCR inputs and floor, are provided in QRTs S.25.01 and S.28.01 in Appendix F.

AGL Group's SCR relatively remained stable compared to previous year, with a decrease of £2,097k in the year. After diversification between risks, the main movements were

- Non-life Underwriting risk (down by £1,511k, driven by the run-off of a historically large client)
- Operational risk (down by £832k, driven by premium volumes)
- Market risk (up by £1,650k, driven by increasing risk-free rates and increasing interest rate shocks, as in standard model)

AGL Group and AGIL make no adjustment for the Loss Absorbing Capacity of Deferred Tax in the SCR calculation.

E.3 Use of the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement

Neither the AGL Group nor AGIL make use of the duration-based equity risk sub-module in the calculation of the SCR.

E.4 Differences between the standard formula and any internal models used

The Standard Formula is used in the calculation of the AGL Group SCR and the solo SCR for AGIL.

E.5 Non-compliance with the minimum capital requirement and significant non-compliance with the solvency capital requirement

During the year there were no instances of non-compliance with either the SCR or MCR for AGL Group or AGIL.

E.6 Any other disclosures

There are no other matters to be disclosed.

F. Appendices

Public Group QRTs – Assurant Group Limited, Assurant General Insurance Limited

Assurant Group Limited

	Balance sheet	G.02.01.02
		Solvency II value
	Assets	C0010
R0030	Intangible assets	0
R0040	Deferred tax assets	2,804
R0050	Pension benefit surplus	0
R0060	Property, plant & equipment held for own use	3,347
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	86,422
R0080	Property (other than for own use)	0
R0090	Holdings in related undertakings, including participations	0
R0100	Equities	0
R0110	Equities - listed	0
R0120	Equities - unlisted	0
R0130	Bonds	41,316
R0140	Government Bonds	4,721
R0150	Corporate Bonds	35,636
R0160	Structured notes	0
R0170	Collateralised securities	959
R0180	Collective Investments Undertakings	45,106
R0190	Derivatives	0
R0200	Deposits other than cash equivalents	0
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:	580
R0280	Non-life and health similar to non-life	580
R0290	Non-life excluding health	580
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	26,522
R0370	Reinsurance receivables	0
R0380	Receivables (trade, not insurance)	35,022
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	22,906
R0420	Any other assets, not elsewhere shown	10,727
R0500	**Total assets**	188,330

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions – non-life	-22,797
R0520	Technical provisions – non-life (excluding health)	-22,797
R0530	TP calculated as a whole	0
R0540	Best Estimate	-25,963
R0550	Risk margin	3,166
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	0
R0800	Debts owed to credit institutions	0
R0810	Financial liabilities other than debts owed to credit institutions	3,744
R0820	Insurance & intermediaries payables	4,038
R0830	Reinsurance payables	1,283
R0840	Payables (trade, not insurance)	22,832
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	30,918
R0900	**Total liabilities**	40,018
R1000	**Excess of assets over liabilities**	148,311

ASSURANT®

Assurant Group Limited

Premium, claims and expenses by line of business G.05.01.02.01

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)		Total
		Fire and other damage to property insurance	Miscellaneous financial loss	
		C0070	C0120	C0200
	Premiums written			
R0110	Gross - Direct Business	143,525	1,341	144,866
R0120	Gross - Proportional reinsurance accepted	0	0	0
R0130	Gross - Non-proportional reinsurance accepted			0
R0140	Reinsurers' share	49,098	0	49,098
R0200	Net	94,427	1,341	95,768
	Premiums earned			
R0210	Gross - Direct Business	140,099	1,340	141,439
R0220	Gross - Proportional reinsurance accepted	0	0	0
R0230	Gross - Non-proportional reinsurance accepted			0
R0240	Reinsurers' share	47,482	0	47,482
R0300	Net	92,617	1,340	93,957
	Claims incurred			
R0310	Gross - Direct Business	79,491	191	79,681
R0320	Gross - Proportional reinsurance accepted	0	0	0
R0330	Gross - Non-proportional reinsurance accepted			0
R0340	Reinsurers' share	24,383	0	24,383
R0400	Net	55,108	191	55,298
	Changes in other technical provisions			
R0410	Gross - Direct Business	0	0	0
R0420	Gross - Proportional reinsurance accepted	0	0	0
R0430	Gross - Non- proportional reinsurance accepted			0
R0440	Reinsurers'share	0	0	0
R0500	Net	0	0	0
R0550	**Expenses incurred**	30,596	947	31,543
R1200	**Other expenses**			0
R1300	**Total expenses**			31,543

Own funds

G.23.01.22

		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)	46,000	46,000		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	0	0		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	0		0	0	0
R0100	Non-available preference shares at group level	0		0	0	0
R0110	Share premium account related to preference shares	0		0	0	0
R0120	Non-available share premium account related to preference shares at group level	0		0	0	0
R0130	Reconciliation reserve	99,507	99,507			
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	2,804				2,804
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)	-3,105	-3,105	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 acti	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**	145,206	142,402	0	0	2,804
	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)	145,206	142,402	0	0	2,804
R0530	Total available own funds to meet the minimum consolidated group SCR	142,402	142,402	0	0	
R0560	Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the	145,206	142,402	0	0	2,804
R0570	Total eligible own funds to meet the minimum consolidated group SCR	142,402	142,402	0	0	
	Consolidated Group SCR					
R0610	**Minimum consolidated Group SCR**	12,011				
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**	12				
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)**	145,206	142,402	0	0	2,804
R0670	**SCR for entities included with D&A method**					
R0680	**Group SCR**	56,529				
R0690	**Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A**	3				

		C0060
	Reconciliation reserve	
R0700	Excess of assets over liabilities	148,311
R0710	Own shares (held directly and indirectly)	0
R0720	Forseeable dividends, distributions and charges	0
R0730	Other basic own fund items	45,699
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0
R0750	Other non available own funds	3,105
R0760	**Reconciliation reserve before deduction for participations**	99,507
	Expected profits	
R0770	Expected profits included in future premiums (EPIFP) - Life business	0
R0780	Expected profits included in future premiums (EPIFP) - Non- life business	26,676
R0790	**Total Expected profits included in future premiums (EPIFP)**	26,676

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

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
R0010	Market risk	14,073		
R0020	Counterparty default risk	11,523		
R0030	Life underwriting risk	0		
R0040	Health underwriting risk	0		
R0050	Non-life underwriting risk	39,791		
R0060	Diversification	-13,102		
R0070	Intangible asset risk	0		
R0100	**Basic Solvency Capital Requirement**	52,285		

		C0100
	Calculation of Solvency Capital Requirement	
R0130	Operational risk	4,243
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**	56,529
R0210	Capital add-on already set	0
R0220	**Solvency capital requirement**	56,529
	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	12,011
	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**	56,529

ASSURANT

Assurant Group Limited

Undertakings in the scope of the group — G.32.01.22

								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
DE	213800OS2BKD4IHVRX02	LEI	ASSURANT DEUTSCHLAND GMBH	99	GESELLSCHAFT MIT BESCHRANKTER HAFTUNG	2	N/A	1.0000	1.0000	1.0000		1	1.0000	1		1
GB	213800NAVWNSFXOSTP41	LEI	ASSURANT GENERAL INSURANCE LIMITED	2	PRIVATE LIMITED COMPANY	2	Prudential Risk Authority	1.0000	1.0000	1.0000		1	1.0000	1		1
GB	213800L27R5N6AWK6751	LEI	ASSURANT GROUP LIMITED	5	PRIVATE LIMITED COMPANY	2	N/A	1.0000	1.0000	1.0000		1	1.0000	1		1
GB	213800B35UGORWSLV743	LEI	ASSURANT DIRECT LIMITED	99	PRIVATE LIMITED COMPANY	2	Financial Conduct Authority	0.0000	1.0000	0.0000		1	1.0000	1		1
IT	213800HQ8R1PAEMFPF92	LEI	ASSURANT ITALIA AGENZIA DI ASSICURAZIONE S.R.L.	99	SOCIETA A RESPONSABILITA LIMITATA	2	Istituto per la Vigilanza sulle Assicurazioni	1.0000	1.0000	1.0000		1	1.0000	1		1
GB	2138008J637EUY63UR16	LEI	ASSURANT Intermediary LIMITED	99	PRIVATE LIMITED COMPANY	2	Financial Conduct Authority	1.0000	1.0000	1.0000		1	1.0000	1		1
GB	213800NJ8BPFNKETXQ08	LEI	ASSURANT LIFE LIMITED	99	PRIVATE LIMITED COMPANY	2	N/A	1.0000	1.0000	1.0000		1	1.0000	1		1
IT	213800PUROWG3DZFHF98	LEI	ASSURANT SERVICES ITALIA SRL	99	SOCIETA A RESPONSABILITA LIMITATA	2	N/A	1.0000	1.0000	1.0000		1	1.0000	1		1
ES	213800YYR75A7HH9NY40	LEI	ASSURANT SOLUTIONS SPAIN SA	99	SOCIEDAD ANONIMA	2	N/A	1.0000	1.0000	1.0000		1	1.0000	1		1
FR	213800BW96SFPEDJ8S15	LEI	ASSURANT FRANCE	99	SOCIETE PAR ACTIONS SIMPLIFIEE A ASSOCIE UNIQUE	2	L'Organisme pour le registre des intermédiaires en assurance	1.0000	1.0000	1.0000		1	1.0000	1		1
GB	213800G4HFN4XA9XIZ61	LEI	DIGITAL SERVICES (UK) LIMITED	99	PRIVATE LIMITED COMPANY	2	Financial Conduct Authority	1.0000	1.0000	1.0000		1	1.0000	1		1
GB	213800UVWMJMRT8XV213	LEI	LIFESTYLE SERVICES GROUP LIMITED	99	PRIVATE LIMITED COMPANY	2	Financial Conduct Authority	1.0000	1.0000	1.0000		1	1.0000	1		1
GB	213800UR97CT6LXZ5S71	LEI	ASSURANT DEVICE CARE LIMITED	99	PRIVATE LIMITED COMPANY	2	N/A	1.0000	1.0000	1.0000		1	1.0000	1		1

Balance sheet P.02.01.02

		Solvency II value
	Assets	C0010
R0030	Intangible assets	0
R0040	Deferred tax assets	0
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)	73,776
R0080	Property (other than for own use)	0
R0090	Holdings in related undertakings, including participations	0
R0100	Equities	0
R0110	Equities - listed	0
R0120	Equities - unlisted	0
R0130	Bonds	41,316
R0140	Government Bonds	4,721
R0150	Corporate Bonds	35,636
R0160	Structured notes	0
R0170	Collateralised securities	959
R0180	Collective Investments Undertakings	32,460
R0190	Derivatives	0
R0200	Deposits other than cash equivalents	0
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:	580
R0280	Non-life and health similar to non-life	580
R0290	Non-life excluding health	580
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	14,286
R0370	Reinsurance receivables	0
R0380	Receivables (trade, not insurance)	14,728
R0390	Own shares (held directly)	0
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid	0
R0410	Cash and cash equivalents	2,009
R0420	Any other assets, not elsewhere shown	0
R0500	**Total assets**	105,378

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions – non-life	-12,551
R0520	Technical provisions – non-life (excluding health)	-12,551
R0530	TP calculated as a whole	0
R0540	Best Estimate	-15,717
R0550	Risk margin	3,166
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	3,146
R0790	Derivatives	0
R0800	Debts owed to credit institutions	0
R0810	Financial liabilities other than debts owed to credit institutions	0
R0820	Insurance & intermediaries payables	1,056
R0830	Reinsurance payables	1,283
R0840	Payables (trade, not insurance)	346
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	9,167
R0900	**Total liabilities**	2,447
R1000	**Excess of assets over liabilities**	102,931

Premiums, claims and expenses by line of business — P.05.01.02.01

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)		Total
		Fire and other damage to property insurance	Miscellaneous financial loss	
		C0070	C0120	C0200
	Premiums written			
R0110	Gross - Direct Business	143,525	1,341	144,866
R0120	Gross - Proportional reinsurance accepted	0	0	0
R0130	Gross - Non-proportional reinsurance accepted			0
R0140	**Reinsurers' share**	49,098	0	49,098
R0200	**Net**	94,427	1,341	95,768
	Premiums earned			
R0210	Gross - Direct Business	140,099	1,340	141,439
R0220	Gross - Proportional reinsurance accepted	0	0	0
R0230	Gross - Non-proportional reinsurance accepted			0
R0240	**Reinsurers' share**	47,482	0	47,482
R0300	**Net**	92,617	1,340	93,957
	Claims incurred			
R0310	Gross - Direct Business	79,491	191	79,681
R0320	Gross - Proportional reinsurance accepted	0	0	0
R0330	Gross - Non-proportional reinsurance accepted			0
R0340	**Reinsurers' share**	24,383	0	24,383
R0400	**Net**	55,108	191	55,298
	Changes in other technical provisions			
R0410	Gross - Direct Business	0	0	0
R0420	Gross - Proportional reinsurance accepted	0	0	0
R0430	Gross - Non- proportional reinsurance accepted			0
R0440	Reinsurers'share	0	0	0
R0500	Net	0	0	0
R0550	**Expenses incurred**	30,596	947	31,543
R1200	**Other expenses**			0
R1300	**Total expenses**			31,543

Non-lfie Technical Provisions P.17.01.02

		Direct business and accepted proportional reinsurance		
		Fire and other damage to property insurance	Miscellaneous financial loss	Total Non-Life obligation
		C0080	C0130	C0180
R0010	**Technical provisions calculated as a whole**	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
	Technical provisions calculated as a sum of BE and RM			
	Best estimate			
	Premium provisions			
R0060	Gross	-21,527	24	-21,503
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	104	0	104
R0150	Net Best Estimate of Premium Provisions	-21,630	24	-21,607
	Claims provisions			
R0160	Gross	5,583	203	5,786
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	476	0	476
R0250	Net Best Estimate of Claims Provisions	5,107	203	5,310
R0260	**Total Best estimate - gross**	-15,944	226	-15,717
R0270	**Total Best estimate - net**	-16,523	226	-16,297
R0280	**Risk margin**	3,159	7	3,166
	Amount of the transitional on Technical Provisions			
R0290	Technical Provisions calculated as a whole	0	0	0
R0300	Best estimate	0	0	0
R0310	Risk margin	0	0	0
	Technical provisions - total			
R0320	Technical provisions - total	-12,784	233	-12,551
R0330	Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	580	0	580
R0340	Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	-13,364	233	-13,131

Assurant General Insurance Limited

Non-lfie Insurance claims information (simplified template for public disclosure) P.19.01.21.AY

Total Non-Life Business

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

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

		Development year												
	Year	**0**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10 & +**	**In Current year**	**Sum of years (cumulative)**
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
R0100	**Prior**											0	0	0
R0160	**N-9**	18,192	3,691	223	29	13	2	0	0	0	0		0	22,151
R0170	**N-8**	18,978	5,993	496	24	2	0	2	0	0			0	25,495
R0180	**N-7**	49,047	8,115	224	32	0	6	0	0				0	57,424
R0190	**N-6**	110,470	10,929	277	30	7	0	0					0	121,712
R0200	**N-5**	138,490	10,695	162	36	0	0						0	149,383
R0210	**N-4**	158,534	9,630	185	11	1							1	168,361
R0220	**N-3**	156,771	8,414	229	0								0	165,413
R0230	**N-2**	163,277	6,491	204									204	169,972
R0240	**N-1**	90,338	8,111										8,111	98,449
R0250	**N**	72,099											72,099	72,099
R0260												**Total**	80,416	1,050,460

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

		Development year											
	Year	**0**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10 & +**	**Year end (discounted data)**
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
R0100	**Prior**											0	0
R0160	**N-9**	0	0	0	16	7	0	0	0	0	0		0
R0170	**N-8**	0	0	14	4	4	0	0	0	0			0
R0180	**N-7**	0	151	4	3	1	0	0	0				0
R0190	**N-6**	9,297	238	7	7	0	0	0					0
R0200	**N-5**	10,689	753	19	0	0	0						0
R0210	**N-4**	12,989	54	0	2	0							0
R0220	**N-3**	14,298	91	6	0								0
R0230	**N-2**	8,614	389	6									6
R0240	**N-1**	6,534	233										222
R0250	**N**	5,831											5,557
R0260												**Total**	5,786

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
	Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35					
R0010	Ordinary share capital (gross of own shares)	49,000	49,000		0	
R0030	Share premium account related to ordinary share capital	0	0		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
R0070	Surplus funds	0	0			
R0090	Preference shares	0		0	0	0
R0110	Share premium account related to preference shares	0		0	0	0
R0130	Reconciliation reserve	53,931	53,931			
R0140	Subordinated liabilities	0		0	0	0
R0160	An amount equal to the value of net deferred tax assets	0				0
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**	102,931	102,931	0	0	0
	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	102,931	102,931	0	0	0
R0510	Total available own funds to meet the MCR	102,931	102,931	0	0	
R0540	Total eligible own funds to meet the SCR	102,931	102,931	0	0	0
R0550	Total eligible own funds to meet the MCR	102,931	102,931	0	0	
R0580	**SCR**	48,044				
R0600	**MCR**	12,011				
R0620	**Ratio of Eligible own funds to SCR**	2				
R0640	**Ratio of Eligible own funds to MCR**	9				

		C0060
	Reconciliation reserve	
R0700	Excess of assets over liabilities	102,931
R0710	Own shares (held directly and indirectly)	0
R0720	Foreseeable dividends, distributions and charges	0
R0730	Other basic own fund items	49,000
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0
R0760	**Reconciliation reserve**	53,931
	Expected profits	
R0770	Expected profits included in future premiums (EPIFP) - Life business	0
R0780	Expected profits included in future premiums (EPIFP) - Non- life business	23,982
R0790	**Total Expected profits included in future premiums (EPIFP)**	23,982

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

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
R0010	Market risk	5,548		
R0020	Counterparty default risk	4,153		
R0030	Life underwriting risk	0		
R0040	Health underwriting risk	0		
R0050	Non-life underwriting risk	39,791		
R0060	Diversification	-5,692		
R0070	Intangible asset risk	0		
R0100	**Basic Solvency Capital Requirement**	43,801		

		C0100
	Calculation of Solvency Capital Requirement	
R0130	Operational risk	4,243
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**	48,044
R0210	Capital add-on already set	0
R0220	**Solvency capital requirement**	48,044
	Other information on SCR	
R0400	Capital requirement for duration-based equity risk sub-module	0
R0410	Total amount of Notional Solvency Capital Requirement for remaining part	0
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds	0
R0430	Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	0
R0440	Diversification effects due to RFF nSCR aggregation for article 304	0

		Yes/No
	Approach to tax rate	C0109
R0590	Approach based on average tax rate	3 - Not applicable as LAC DT is not used (in this case R0600 to R0690 are not applicable)

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

Minimum Capital Requirement - only life or only non-life or reinsurance activity — P.28.01.01

Linear formula component for non-life insurance and reinsurance obligations

		C0010
R0010	MCRNL Result	7,288

		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	0	94,427
R0090	General liability insurance and proportional reinsurance	0	0
R0100	Credit and suretyship insurance and proportional reinsurance	0	0
R0110	Legal expenses insurance and proportional reinsurance	0	0
R0120	Assistance and proportional reinsurance	0	0
R0130	Miscellaneous financial loss insurance and proportional reinsurance	226	1,341
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	7,288
R0310	SCR	48,044
R0320	MCR cap	21,620
R0330	MCR floor	12,011
R0340	Combined MCR	12,011
R0350	Absolute floor of the MCR	2,325

		C0070
R0400	**Minimum Capital Requirement**	12,011