



Assurant Group Limited Single Group Solvency and Financial Condition Report

Year ended 31 December 2021



ASSURANT®

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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 and ALL. 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, AGIL and ALL
Brexit	The exit of the UK from the EU
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
ESC	Extended Service Contracts
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 firms	AGIL & ALL
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 two of Assurant's UK based insurance companies, AGIL and ALL, 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 and ALL are regulated by the FCA and PRA. Both are subject to SII regulations and are at times referred to in this document as the "SII insurance firms". The Group has no other entities that are subject to SII on a solo basis.

This SFCR has been prepared under the requirements of the SII regulations as implemented in the UK by the PRA, which became effective from 1 January 2016.

The SFCR covers insurance and non-insurance business undertaken by AGL as well as its two SII insurance firms. 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, AGIL and ALL. 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 firms.

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
<p>As people become more dependent on connectivity and technology, we design, create, and manage various products that meet consumer needs within a connected and mobile life.</p> <p>Our product philosophy is to continually innovate and deliver the type of solutions that meet consumers ever changing needs.</p> <p>All our products are distributed by well-known brands throughout the UK and across Europe.</p>	<p>Assurant can create tailor-made product and service programmes across a range of consumer markets to offer an end-to-end packaged solution.</p>	<p>Our propositions to clients are highly flexible and can range from a full “turn-key” solution through to an individual outsourced service.</p> <p>No two businesses are the same and we believe that offering flexibility to suit our clients’ needs, has always been, and will continue to be paramount to a successful business relationship.</p>

What we offer:		
<ul style="list-style-type: none"> • Mobile Device Protection • Extended Warranty • Digital Secure • Airport Lounge Access • Mobile Security • Protection Accessories 	<ul style="list-style-type: none"> • Connected Living • “The Hubb” • Lifestyle Bundles 	<ul style="list-style-type: none"> • Sales Support and Consultancy • Outsourced Customer Servicing • Fraud Investigation • Supply Chain Management • Brokering • Underwriting

Performance for the period

For the year ended 31 December 2021, AGL Group made an underwriting profit of £11,726,000 (2020: loss £1,615,000) under UK GAAP. AGIL made an underwriting profit of £11,720,000 (2020: loss £322,000) and ALL an underwriting profit of £6,000 (2020: loss £1,293,000) under UK GAAP.

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 Audit, Risk and Compliance Committee together with the appropriate recommendations, including risk mitigation, which could include reassessing risk appetite.

AGL Group employs a comprehensive Risk Management Framework 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 Risk Management Framework and risk management policies and procedures.

The Risk function is responsible for overseeing implementation of the risk strategy and challenging the risks inherent within the business strategy.

The main risks AGL Group, AGIL and ALL are exposed to are underwriting risk followed by credit risk due to counterparty default.

Capital and Solvency

AGL Group, AGIL and ALL calculate their solvency capital requirement using the Standard Formula. 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 the two SII insurance firms are summarised below:

As at 31 December 2021	AGL Group	AGIL	ALL
£'000			
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%

As at 31 December 2020	AGL Group	AGIL	ALL
£'000			
Available Own Funds	162,204	93,300	6,794
Eligible Own Funds to meet the MCR	129,377	93,300	6,794
Eligible Own Funds to meet the SCR	157,460	93,300	6,794
SCR	63,840	54,413	3,338
Solvency Ratio %	247%	171%	204%

AGL Group, AGIL and ALL maintained own funds more than their SCR and MCR requirements for the full 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 Prudential Regulatory Authority 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

Claude Sarfo-Agyare

Chief Financial Officer

8 April 2022

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 2021:

- 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 and Assurant Life 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 an EU instrument other than the Solvency II regulations ('the sectoral information').

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 2021 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 COVID-19 will 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, and the impacts that these are forecast to have on the company's liquidity and compliance with external capital requirements in future periods; and
- reviewing the disclosures included within the financial statements, assessing their consistency with our understanding of the company's operations and environment.

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
- 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: valuation of technical provisions, 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 around future premium, claim and expenses that will be incurred by the Company, which are uncertain and may therefore be susceptible to possible manipulation.

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 2020 in order to evaluate their consistency with our understanding of its business and performance in 2021.

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, reviewing internal audit reports, and reviewing correspondence with HMRC.

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 EU instruments 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.



Assurant Group Limited Single Group Solvency and Financial Condition Report

Deloitte LLP
Hanover Building
Corporation Street
Manchester
M4 4AH

8 April 2022

A Business and performance

A.1 Business

Undertakings included in the SFCR

This is the single Group SFCR for AGL Group. It covers the business of AGL Group on a consolidated group basis, with AGL as the supervised parent company, and individually for the two UK incorporated insurance firms AGIL and ALL.

		Legal Form	Principle activity
Supervised Group Parent:	Assurant Group Limited	Private limited company	Holding company
SII Firms:	Assurant General Insurance Limited PRA firm reference number: 202735	Private limited company	General insurance
	Assurant Life Limited PRA firm reference number: 203060	Private limited company	Life insurance

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

Regulator

AGL Group (on a group basis), AGIL and ALL are supervised by the PRA in the UK. AGIL and ALL are 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 and ALL are audited by Deloitte LLP who can be contacted on:

Deloitte LLP
The Hanover Building
Corporation Street
Manchester
M4 4AH

Shareholder

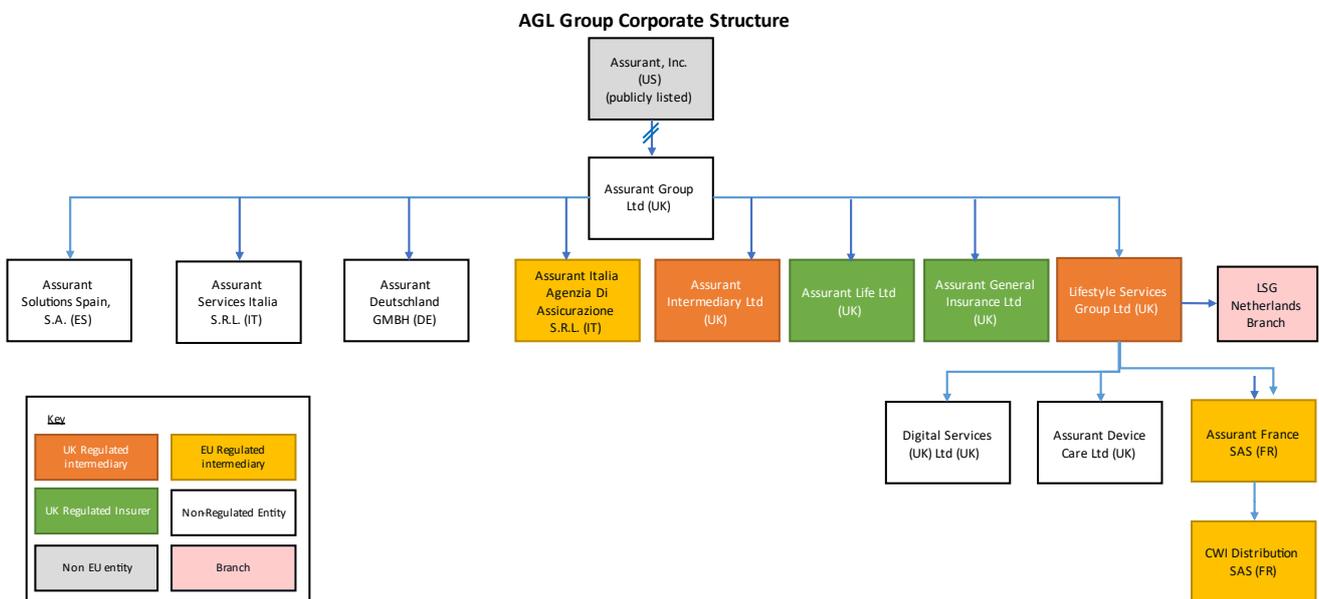
AGL directly holds 100% of the issued share capital and voting rights of AGIL and ALL.

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:



Notes:

1. AGL Group refers to Assurant Group Limited and its subsidiaries (direct and indirect).
2. All depicted entities are 100% owned by their immediate shareholder (shown by blue connecting lines) except for Assurant, Inc. publicly listed.
3. This chart does not show (a) intermediary holding companies above AGL or (b) dormant entities within the AGL Group.

Assurant Direct Limited 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 is a mixed business of insurance underwriting, claims management and insurance administration, which it operates through companies based in the UK and Europe. Its clients are largely business clients. The AGL Group provides extended warranty, Connected Living Device insurance and blended insurance and non-insurance “lifestyle” products.

AGL Group operates two UK insurance companies, AGIL and ALL. 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 AGL Group’s insurance operations are based in the UK with some non insurance operations in France 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 entities			
• Assurant General Insurance Limited	• United Kingdom	• General Insurance underwriter	• Fire and Other Property Damage • Miscellaneous Financial Loss**
• Assurant Life Limited	• United Kingdom	• Life Insurance underwriter	• Health SLT • Other Life

** During 2021 the Income Protection line of business was merged with Miscellaneous Financial Loss

Legal Entity	Country of incorporation	Principal activity	Major lines of business
Insurance intermediary entities			
<ul style="list-style-type: none"> Lifestyle Services Group Limited 	<ul style="list-style-type: none"> United Kingdom Branches: <ul style="list-style-type: none"> Netherlands 	<ul style="list-style-type: none"> Intermediary and administrator for products underwritten by AGIL and other underwriters. 	
<ul style="list-style-type: none"> Assurant Intermediary Limited 	<ul style="list-style-type: none"> United Kingdom 	<ul style="list-style-type: none"> Intermediary and administrator for products underwritten by AGIL. 	
<ul style="list-style-type: none"> Assurant Direct Limited 	<ul style="list-style-type: none"> United Kingdom 	<ul style="list-style-type: none"> Intermediary and administrator for products underwritten by AGIL and other underwriters 	
<ul style="list-style-type: none"> CWI Distribution 	<ul style="list-style-type: none"> France 	<ul style="list-style-type: none"> Intermediary and administrator for products underwritten by AGIL and other underwriters. 	
<ul style="list-style-type: none"> Assurant France 	<ul style="list-style-type: none"> France 	<ul style="list-style-type: none"> Intermediary and administrator for products underwritten by AGIL and other underwriters. 	
Other material service companies			
<ul style="list-style-type: none"> Assurant Services Italia S.r.l. 	<ul style="list-style-type: none"> Italy 	<ul style="list-style-type: none"> Service contracts covering mobile device repair, replacement, and upgrade programmes. 	

Other group entities not included above do not have a material impact on AGIL solvency and capital position.

Assurant Services Italia S.r.l. (ASITA), issues service contracts through an Italian company, which has some insurance properties which are not insurance contracts for Italian regulatory purposes.

All overseas branches in AGIL and ALL were formally closed during the year, apart from the German branches. The branches remained inactive during 2021 and will be formally de-registered in 2022.

Significant events during the reporting period

COVID 19

COVID-19 has remained an ongoing area for monitoring, as new variants and restrictions emerged in concurrence with significant impacts upon the labour market, auto and hospitality sectors. As a global organisation, Assurant has actively monitored the developments and has acted swiftly and deliberately to safeguard employees, customers and business operations in line with Assurant values. The AGL Group has demonstrated resilience, both operationally and financially, throughout the COVID-19 crisis.

Whilst the COVID-19 crisis has severely affected the workforce, the AGL Group has responded to the challenges in terms of its ability to provide ongoing customer policy and claims administration services through AEG related undertakings and other third-party providers. Work from home protocols have been in place for the majority of staff and at third party contact centre providers. For those employees that need to work in Assurant facilities, Assurant continues to enforce safety and hygiene protocols, such as social distancing, per UK Government requirements and the guidelines of the Centre for Disease Control and the World Health Organisation, to safeguard its employees.

Further lockdowns occurred in 2021 with challenges experienced in servicing customer claims due to job market changes putting pressure on resourcing and claims cost increases where repair options were restricted because of lockdowns and global shortages of device repair parts.

In 2021, the value of the investment portfolio was impacted by the expectation of increased future interest rates following the high UK inflation, both forecast and seen. AGL Group worked with its investment advisors, including reviewing the impact of various stresses on the portfolio, to determine the impact and ensure they remained within AGL Group's risk buffers.

Entities in the AGL group have only one reinsurance arrangement in place, which is with a reinsurance captive entity within a global mobile phone operators group and which has shown strong financial standing throughout the period of pandemic.

A.2 Underwriting Performance

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

AGIL and ALL prepare 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 audited UK GAAP financial statements in respect of AGIL and ALL and to unaudited UK GAAP financial statements in respect of AGL Group.

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

AGL Group			General Business	Long Term Business	
Year ended 31 December 2021	Fire & Other		Technical	Technical	
£'000	Property	Other	Account	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 movement in long term business provision	-	-	-	-	-
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					General Business
Year ended 31 December 2021	Fire & Other				Technical
£'000	Property	Other			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)			(74,653)
Net operating expenses	(31,000)	(891)			(31,891)
Net underwriting result	11,011	449			11,460

ALL	Long Term Business Technical Account		
Year ended 31 December 2021	Health Insurance	Other Life Business	Technical Account
£'000			
Net written premiums	-	6	6
Net premiums earned	-	6	6
Net movement in long term business provision	-	-	-
Net claims incurred including claims management expenses	(14)	1	(13)
Net operating expenses	42	49	91
Net underwriting result before equalisation	28	56	84
Other expenses attributed to the long term business account			(121)
Tax and investment income attributed to the long term business account			44
Statutory balance on the long term business account			6

AGL Group	Fire & Other Damage to Property		General Business Technical Account	Long Term Business Technical Account	Total
Year ended 31 December 2020					
£'000					
Net written premiums	209,492	1,208	210,700	(35)	210,665
Net premiums earned	214,396	1,646	216,042	(35)	216,007
Net movement in long term business provision	-	-	-	297	297
Net claims incurred including claims management expenses	(132,785)	(399)	(133,184)	(44)	(133,228)
Net operating expenses	(82,898)	(482)	(83,380)	(1,649)	(85,064)
Net underwriting result	(1,287)	765	(521)	(1,466)	(1,987)

AGIL	Fire & Other Damage to Property		General Business Technical Account
Year ended 31 December 2020			
£'000			
Net written premiums	209,492	1,208	210,700
Net premiums earned	214,396	1,646	216,042
Net claims incurred including claims management expenses	(132,785)	(399)	(133,184)
Net operating expenses	(82,898)	(482)	(83,380)
Net underwriting result	(1,287)	765	(522)

ALL	Long Term Business Technical Account		
Year ended 31 December 2020	Health Insurance	Other Life Business	Technical Account
£'000			
Net written premiums	(7)	(28)	(35)
Net premiums earned	(7)	(28)	(35)
Net movement in long term business provision	15	282	297
Net claims incurred including claims management expenses	55	(99)	(44)
Net operating expenses	(495)	(1,189)	(1,684)
Net underwriting result before equalisation	(432)	(1,034)	(1,466)
Other expenses attributed to the long term business account			(227)
Tax and investment income attributed to the long term business account			436
Statutory balance on the long term business account			(1,257)

The analysis of the long-term business technical account for AGL Group and ALL excludes investment income and tax charges/credits that are attributed to long-term business for the purposes of statutory reporting.

For purposes of the consolidation, 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, AGIL and ALL in Appendix F.

Results and performance

Consolidated

The underwriting performance of the two SII insurers is discussed below.

AGIL

Gross written premiums decreased by 43.2% to £168,876,000 from £297,439,000 compared to 2020. The reduction in written premiums was mainly due to the transfer of EU related policies to an AEG group undertaking in the prior year. Underlying UK related business has reduced during the year as a contract with a major retail bank came to an end in April 2021. However, AGIL did see some growth of business with a Fintech challenger bank in the UK.

The Company's net earned premiums decreased by 45.4% to £118,005,000 from £216,042,000 in 2020. This reduction was primarily as a consequence of the matters mentioned above. The loss ratio increased from 62.2% in 2020 to 64.2% in 2021 driven by change in the mix of the claims and increase in the cost of fulfilling claims as a direct result of price increases and shortage of device parts in global markets. The Company's net operating expenses decreased by 62.1% to £31,027,000 from £81,895,000 due to lower

commissions paid further to reduction in business during the year and reduction in expense recharges from the related group undertakings during the year.

ALL

Gross written premiums during the year amounted to £5,875 compared to £(7,000) the year before. This is due to a reduction in the level of cancellations in the EU creditor insurance business and occurred prior to the EU business transfer to a European group undertaking in November 2020.

In the current year the Company has made a Profit on ordinary activities after tax of £6,000 compared to a restated loss of £1,293,000 in the prior year. This is mainly due to the recognition of a non-recurring provision in the prior year for corporate expenses relating to claims fulfilment in the run off of ALL, which was subsequently transferred to a European group undertaking on 2 November 2020.

Analysis by geography

All general insurance business is underwritten in the UK and all risks are located in the UK. All long-term business underwritten by ALL 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 longer-term government and corporate bonds as well as short-term investments in collective investment undertakings, being money market liquidity funds and other short-term cash deposits. In addition to the investments held to support capital required and technical provisions in AGIL and ALL, the Group may also hold surplus working capital relating to the non-insurance businesses in short term deposits. All investments are made subject to the Group's agreed financial risk policies.

AGIL holds investments in collateralised securities, backed by personal loans and mortgages and by commercial mortgages. Within the Group, ADL holds a trading equity investment in an unlisted entity having nil carrying value.

Interest income is reducing as higher yielding investments purchased in the past have matured and been replaced with more recently issued bonds with lower yields as a result of the prolonged general low yield environment.

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)
Collateralised Securities	-	-	-	-
Collective Investment Undertakings	7	-	-	7
Cash & Deposits	82	-	-	82
Loans and mortgages	61	-	-	61
Equity - Unlisted	-	-	-	-
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)
Collateralised Securities	-	-	-	-
Collective Investment Undertakings	5	-	-	5
Cash & Deposits	-	-	-	-
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)	-
Corporate Bonds	-	-	-	-
Collective Investment Undertakings	-	-	-	-
Cash & Deposits	2	-	-	2
Loans and mortgages	59	-	-	59
Total investment income	61	-	(1)	60

AGL Group as at 31 December 2020 £'000	Interest income / (expense)	Realised gains / (losses)	Unrealised gains / (losses)	Total
Government Bonds	180	12	104	296
Corporate Bonds	1,598	(150)	1,305	2,753
Collateralised Securities	-	-	-	-
Collective Investment Undertakings	84	-	-	84
Cash & Deposits	188	-	-	188
Loans and mortgages	109	-	-	109
Equity - Unlisted	-	(9,202)	-	(9,202)
Other	-	-	-	-
Total investment income	2,160	(9,340)	1,409	(5,770)
AGIL as at 31 December 2020 £'000	Interest income / (expense)	Realised gains / (losses)	Unrealised gains / (losses)	Total
Government Bonds	160	12	101	272
Corporate Bonds	1,599	(150)	1,305	2,753
Collateralised Securities	-	-	-	-
Collective Investment Undertakings	38	-	-	38
Cash & Deposits	(4)	-	-	(4)
Loans and mortgages	358	-	-	358
Total investment income	2,150	(138)	1,405	3,417
ALL as at 31 December 2020 £'000	Interest income / (expense)	Realised gains / (losses)	Unrealised gains / (losses)	Total
Government Bonds	20	-	3	24
Corporate Bonds	-	-	-	-
Collective Investment Undertakings	-	-	-	-
Cash & Deposits	1	-	-	1
Loans and mortgages	69	-	-	69
Total investment income	90	-	3	94

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	ALL
Year ended 31 December 2021	260	260	-
Year ended 31 December 2020	199	199	-

A.4 Performance of other activities

AGL Group has a significant amount of non-insurance business including commission income from acting as intermediary for third party insurers, fees for providing insurance and claims administration services and revenue and other fee income in respect of non-insurance products. These fees are generated by the Group's intermediary entities and service companies and are not part of the activity of the insurance firms.

AGIL and ALL do not have any sources of material 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. Both insurance firms have small amount of net assets denominated in Euros and made gains on the decrease in the value of British Pound Sterling against the Euro in the year.

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

Year ended 31 December 2020 £'000	AGL Group	AGIL	ALL
Commission and fee income external	107,445	-	-
Commission income from other group companies	49,652	-	-
Operating expenses	(123,707)	358	321
Non-insurance result	33,390	358	321

The above expenses exclude amortisation of goodwill and intangibles arising on consolidation of the group.

AGL Group recognises finance Leases for Solvency II purposes for principle office locations in each of the footprint countries. These arrangements are on standard commercial leases.

AGIL and ALL do not have any leasing arrangements in place.

A.5 Any other disclosures

Inflation

Towards the end of 2021, increased levels of inflation were recorded, mainly in relation to increased energy prices and pressures on supply chains. It remains to be seen whether the higher rates of inflation are temporary or continue longer term. Higher cost levels could reflect in higher costs of spare parts and repair fees as well as overheads.

Russo-Ukrainian War

During 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. The Group does not have direct exposure to the countries concerned nor is it impacted by sanctions. The investment portfolio does not hold bonds in these territories either. Nevertheless, whilst individual exposures may be modest, the impact on capital markets and inflation more generally may significantly impact the Group in 2022.

B System of governance

B.1 General information on the system of governance

Governance Framework Overview

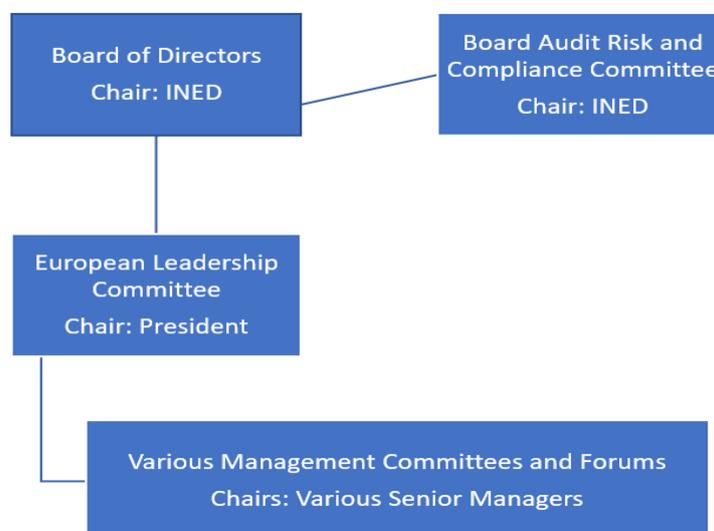
AGL Group’s system of governance sits within the overarching system of governance of AEG, which operates a robust internal governance framework across all of its entities, countries and lines of business. The framework is organised in a manner relevant to business activities and size, factoring in specific 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 2021, the governance framework for the AGL Group was organised through the following key bodies:

Governance Framework for AGL Group



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 the 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.

During 2021, the Board was composed as listed in the table below. All directors held office for the whole year.

Director	Role	Approved Function
Colin Martin Kersley	INED	SMF9 - Chairman
Stuart Edward Purdy	INED	SMF10 - Chair of the Risk Committee SMF11 - Chair of Audit Committee
Christian Wesley Formby-Hernandez	Executive	SMF1 - Chief Executive Officer
Claude Kwasi Sarfo-Agyare	Executive	SMF2 - Chief Finance Officer
Michael John Carter**	Executive	SMF7 - Group Entity Senior Manager
Ricardo Jesus Morales-Gomez	Group Non-Executive Director	SMF7 - Group Entity Senior Manager

** resigned 31st December 2021

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:

- Establishment of purpose, values, and strategy, ensuring alignment with the desired culture.
- Ensuring the necessary resources are in place to enable agreed objectives to be met and measuring performance against such objectives.
- Leadership within a framework of prudent and effective controls which enable risk to be assessed and managed.
- 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 Audit, Risk and Compliance Committee 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. Formal and regular meetings are held which include regular 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 European Leadership Committee 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. Formal and regular meetings are held and relevant outputs are reported to the Board regularly 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 recently completed internal review, 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 2021.

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 as at 31 December 2021 and all are subject to AEG’s Fit and Proper Policy.

A complete list of SMF holders is shown below:

Name	Approved Function
C W Formby-Hernandez	SMF1 - Chief Executive Function
C Sarfo-Agyare	SMF2 - Chief Finance Function
M J Schofield	SMF4 - Chief Risk Function

M Klimek	SMF5 - Internal Audit Function
M J Carter	SMF7 - Group Entity Senior Insurance Manager
R Morales-Gomez	SMF7 - Group Entity Senior Insurance Manager
C M Kersley	SMF9 - Chair of the Governing Body
S E Purdy	SMF10 - Chair of the Risk Committee SMF11 - Chair of the Audit Committee
R Weddell	SMF16 - Compliance Oversight SMF17 - Money Laundering Reporting Officer (ALL only)
C Woolnough M Davies J Fell R Carson	SMF18 - Other Overall Responsibility
A Sheard	SMF18 - Other Overall Responsibility (AGIL only)
W T Diffey	SMF20 - Chief Actuarial Officer
G A Davies	SMF23 - Chief Underwriting Function
C W Formby-Hernandez	Responsible for Insurance Distribution

The detailed responsibilities of each SMF holder are documented in Management Responsibilities Maps for each insurer within the AGL Group which are reviewed and approved by the Board on a regular basis. 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

There were no material transactions with the shareholders of AGL Group in 2021.

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, 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 Risk Management Framework 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 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 AGL Group 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 to ascertain if the risk appetite requires updating or if an exception should be granted.
- 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	<ul style="list-style-type: none"> • 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 Advisory Services (Internal Audit)	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Design, interpret and develop overall risk management framework • 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	<ul style="list-style-type: none"> • Executive 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.

Business areas are responsible for completing a Risk and Control Self-Assessment or RCSA which contributes to the Risk Register of the business. They update the risk registers on a periodic basis

defined in the risk register process, using measurement techniques specified in Assurant’s Risk Management Framework.

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 Risk Management Framework, 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 Group'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 Group'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 practise 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 Senior Manager Functions (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. 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 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, 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, 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 the Assurant Chief Audit Executive and to the ARCC, the Internal Audit Services function, led by the Head of Internal Audit for Europe (HoIA), is responsible for regularly assessing the adequacy of the internal controls system of AGL Group and its subsidiaries, including AGIL and ALL, and reporting the findings to the Board (via the ARCC).

The bi-annual audit plan is prepared and submitted to the ARCC every 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 AIZ Audit Committee; and administratively to Assurant's Chief Financial Officer.

The Internal Audit Charter defines the framework for the activities of the internal Audit function and is approved by the AIZ Audit Committee.

The internal audit reporting structure and the 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 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 have 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 ARCC and the AIZ Audit Committee.

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 ORSA capital 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 provides opinions 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 and ALL operate as part of the overall AGL Group that is supervised on a group basis by the PRA. AGIL and ALL have no employees and all services are provided by other Assurant Europe Group companies. As the boards of directors of AGL, AGIL and ALL 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:

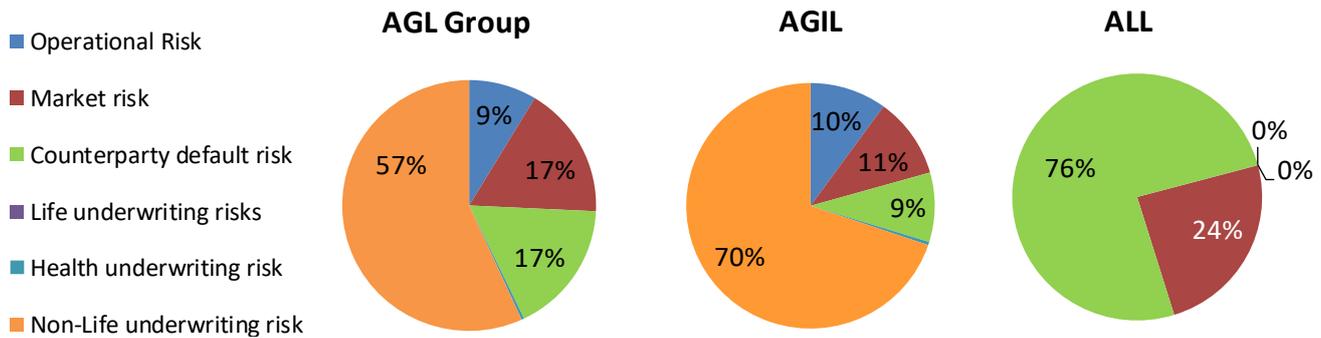
Name of Provider	Outsourced function	Jurisdiction
Assurant, Inc.	Investment Management Services	UK, US
Blackrock, Inc.	Investment Management Services	UK, US
Teleperformance Romania	Administration and Claims Management	EU

B.8 Any other disclosures

None.

C Risk management

The main risks AGL Group and AGIL are exposed to are underwriting risk followed by credit risk due to counterparty default. As ALL no longer has any in force policies its main risk is counterparty default risk. The charts below show the distribution of the SCR required for the Group and each SII 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, AGIL's and ALL'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 or 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 lockdowns across the UK and Europe in response to the COVID-19 pandemic led to a reduction in sales due to closure of shops and a change in the claims profile, with a higher proportion of claims relating to accidental damage as opposed to loss and theft however as lockdowns have now eased, the claims profile is beginning to return to pre-COVID experience. Increased claims costs due Global shortages of device parts has increased claims cost severity.

Life and Health Similar to Life Techniques Business:

- ALL issued creditor policies, classified as Life business, of up to 10 years in length at the point of sale where the actual experience could vary significantly from that anticipated when the policy was originally priced. During the year a few remaining in-force policies came to an end hence ALL no longer has any remaining active policies.

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 firms' 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.

ALL holds no investments. Management of the AGIL investment portfolio is outsourced to the 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. 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 AGL Group’s and AGIL’s investment portfolios 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 fair value of the portfolio would tend to rise and vice versa.
Currency Risk	AGL Group has some 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, AGIL and ALL had no exposure to property risk in the year ended 31 December 2021.
Equity Risk	Assurant Direct Limited, a fellow company that is included in the supervised group due to having common management, holds a strategic equity trade investment although this is valued at zero. AGIL and ALL had no exposure to equity risk in the year ended 31 December 2021.

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 which are actively traded.

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 portfolios 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.

ALL holds no investments other than cash and is therefore not directly subject to the risks relating to Credit spread widening, property or equity value changes.

Market prices of the assets held were further affected by COVID-19 during 2021 with widening of credit spreads leading to a reduction in market value. There were also a small number of downgrades of issues held in the investment portfolio. In line with process, these were individually discussed with the asset managers and appropriate action taken. No defaults were experienced in the portfolio and the market value movements continue to be monitored.

Equity risk is nil. Assurant Direct Limited holds a trading investment in an unlisted company. The investment is strategic in nature and not held for speculative reasons or as part of the Group's general investment portfolio. The valuation of the investment is reviewed at least annually and at 31 December 2021 was valued at £Nil (2020: £Nil). This investment is valued at nil because of reductions in its expected future financial returns.

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, AGIL and ALL 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 and ALL are 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 each quarter and 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, AGIL and ALL at the reporting period end.

No material defaults have occurred during 2021.

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 of Moody's, Fitch and/or 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 from time to time. As AGL Group has a number of UK banks who are clients as

well as providing the Group, AGIL and ALL 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 liquidity and concentration requirements set out in the Risk Policy.

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 convertible into cash within 5 working days.

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.

ALL holds its assets in timed deposits. This does give rise to a concentration of liquidity risk should there be an issue with the deposit taker however as ALL has limited external payments as it no longer has in force policies, the risk is minimal as the cash is held to cover expenses and capital. The timed deposit is held with a large bank with a credit rating and thus the likelihood of not being able to extract the cash is thought to be low.

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:

	AGL Group	AGIL	ALL
Expected profit in future premiums			
£'000			
As at 31 December 2021	15,320	4,621	-
As at 31 December 2020	11,347	11,347	-

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 Risk Management Framework.

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 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, 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, and subsequent estimates of frequency and severity are assessed 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

Climate Change

Climate change spans other risk types but can be roughly attributed to a changing planet, regulation, technology changes and consumers preferences. Assurant has risk mitigating practices in place in order to deal effectively with these changes. The impact of climate change and changes in regulation continues to be monitored.

COVID 19

The external environment has provided challenges and disruption to AGL's Risk Profile through ongoing impacts and responses to the Covid-19 outbreak. COVID-19 has remained an ongoing area for monitoring, as new variants and restrictions emerged in concurrence with significant impacts upon the labour market, auto and hospitality sectors. An initial assessment of the impact of COVID on the risk profile was performed in 2020 and remains an ongoing exercise as global leaders continue to manage the pandemic and build a roadmap for a return to 'normal life'. This assessment concluded that Covid-19 did not have a significant impact on the financial performance and the AOP included a period of assumed lockdown as a result of Covid within 2021.

Further lockdowns did occur in 2021 with challenges experienced in servicing customer claims due to job market changes putting pressure on resourcing and claims cost increases where repair options were restricted because of lockdowns. Whilst the COVID-19 crisis has severely affected the workforce, the Company has responded to the challenges in terms of its ability to provide ongoing customer policy and claims administration services through AEG related undertakings and other third-party providers. Work from home protocols have been in place for the majority of staff and at third party contact centre providers. For those employees that need to work in Assurant facilities, Assurant has enforced safety and hygiene protocols, such as social distancing, per UK Government requirements and the guidelines of the Center for Disease Control and the World Health Organisation, to safeguard its employees.

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

Russo-Ukrainian War

On the 24th of February Russia began a large-scale military assault on Ukraine, on the orders of Russian President Putin. We do not expect any direct impact on operations as we do not have business or personnel in Ukraine. The war could have a significant impact on the world's economic recovery after COVID-19. There are two key effects: higher inflation and nervous financial markets. The Russian invasion could worsen these effects, as energy prices are rising as a result of the war, which could in turn lead additional supply chain costs, thereby affecting the cost of claims.

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 2022 analysis shows that the most significant risk to AGL is a deterioration in loss ratio for the business underwritten by AGIL. 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 and ALL prepare 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 ALL 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 has made an application to its regulator, the PRA, to de-authorise as an insurance firm. Subject to the approval of shareholder, it is the intention of Directors of the Company to place the ALL into voluntary liquidation upon receiving the confirmation of de-authorisation from the PRA. As a consequence, the Directors do not consider ALL a going concern. This requires that the valuation of 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:

As at 31 December 2021 £'000	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	-
<i>Government Bonds</i>	7,775	7,775	-	7,704	7,704	-
<i>Corporate Bonds</i>	66,548	66,548	-	67,329	67,329	-
<i>Collateralised securities</i>	1,659	1,659	-	-	-	-
Equities - unlisted	-	-	-	-	-	-
Collective Investments Undertakings	17,412	14,636	-	17,412	14,636	-
Deposits other than cash equivalents	-	-	-	-	-	-
Loans and mortgages	-	12,901	2,730	-	12,901	2,730
Reinsurance recoverables	(945)	(945)	-	497	497	-
Deposits to cedants	-	-	-	-	-	-
Insurance and intermediaries receivables	35,571	17,060	-	44,068	17,060	-
Reinsurance receivables	-	-	-	-	-	-
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

As at 31 December 2020 £'000	Solvency II Balance Sheet			Financial Statements		
	AGL Group	AGIL	ALL	AGL Group	AGIL	ALL
Goodwill & Intangible Assets	-	-	-	6,187	-	-
Deferred acquisition costs	-	-	-	655	391	-
Deferred tax assets	3,332	-	-	930	126	-
Property, plant & equipment held for own use	5,245	-	-	3,723	-	-
Investments, comprising:	109,621	101,016	2,628	108,573	99,983	2,613
Bonds comprising:	79,549	77,181	2,368	78,502	76,148	2,353
<i>Government Bonds</i>	12,389	10,021	2,368	12,284	9,931	2,353
<i>Corporate Bonds</i>	66,294	66,294	-	66,218	66,217	-
<i>Collateralised securities</i>	866	866	-	-	-	-
Equities - unlisted	-	-	-	-	-	-
Collective Investments Undertakings	29,910	23,835	260	29,910	23,835	260
Deposits other than cash equivalents	161	-	-	161	-	-
Loans and mortgages	3,950	12,564	2,671	3,950	12,564	2,671
Reinsurance recoverables	(547)	(547)	-	864	864	-
Deposits to cedants	-	-	-	-	-	-
Insurance and intermediaries receivables	42,265	16,339	20	64,345	16,339	20
Reinsurance receivables	-	-	-	-	-	-
Receivables (trade, not insurance)	22,351	2,785	1,049	9,398	2,785	1,049
Cash and cash equivalents	50,807	16,807	2,028	50,807	16,807	2,028
Other assets	24,776	751	16	33,175	1,784	31
Total assets	261,799	149,715	8,412	282,607	151,643	8,412

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 except for certain exceptions. 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 a reduction in 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.

Unlisted Equities

AGL Group's unlisted equities are held at fair value on the SII balance sheet. In the financial statements the investments are held at the lower of cost and net realisable value.

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

Results

AGL Group's technical provisions by material line of business as at 31 December 2021 are set out in reporting templates 12.01.02 Life and Health SLT Technical Provisions (for AGL and ALL) and also 17.01.02 Non-Life Technical Provisions (AGL and AGIL).

The negative TP in AGL is driven primarily by the Lloyds contract, in the Solvency II line of business "Fire & Other Damage to Property". This contract has high profitability and long contract boundaries, which leads to significant negative premium provisions, partially offsetting the claims provision.

There is a further negative contribution at the group level due to the way that expenses and fees are arranged within the service entities. These expenses and fees therefore represent an external cost to AGIL, but not to AGL as a group.

ALL's remaining UK policies came to an end in the year; as a result the company has no policies and therefore holds no technical provisions as at year end 2021 and 2020

As at 31 December 2021 £'000	Income Protection	Fire & Other Damage to Property*	Misc. Financial Loss	Total Non- Life	Other Life	Health (Similar to life)	Total
AGL Group							
Gross best estimate	-	(17,483)	373	(17,110)	-	-	(17,110)
Reinsurance recoverable	-	945	-	945	-	-	945
Net best estimate	-	(16,538)	373	(16,165)	-	-	(16,165)
Risk margin	-	3,369	63	3,432	-	-	3,432
Total technical provisions	-	(13,170)	436	(12,734)	-	-	(12,734)
AGIL							
Gross best estimate	-	(3,120)	373	(2,747)			(2,747)
Reinsurance recoverable	-	945	-	945			945
Net best estimate	-	(2,175)	373	(1,802)			(1,802)
Risk margin	-	3,369	63	3,432			3,432
Total technical provisions	-	1,194	436	1,630			1,630

As at 31 December 2020 £'000	Income Protection	Fire & Other Damage to Property*	Misc. Financial Loss	Total Non- Life	Other Life	Health (Similar to life)	Total
AGL Group							
Gross best estimate	23	(2,000)	110	(1,867)	-	-	(1,867)
Reinsurance recoverable	-	(548)	-	(548)	-	-	(548)
Net best estimate	23	(1,452)	110	(1,319)	-	-	(1,319)
Risk margin	1	3,007	5	3,013	-	-	3,013
Total technical provisions	24	1,555	115	1,694	-	-	1,694
AGIL							
Gross best estimate	23	(3,040)	110	(2,906)			(2,907)
Reinsurance recoverable	-	547	-	547			(548)
Net best estimate	23	(2,492)	110	(2,359)			(2,359)
Risk margin	1	3,007	5	3,013			3,013
Total technical provisions	24	515	115	654			654

*direct and proportional reinsurance

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.

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 most material AGL and AGIL assumptions are those relating to the loss assumptions and the future earned premium. The loss assumptions are outputs from the business planning and experience analysis process and the future earned premium assumptions are reconciled with the financial statements.

During the year, both AGL Group and AGIL has reassessed the contract boundary on certain contracts and this has resulted in adjustments to the balances in the table below.

The material assumptions used in the calculation of the Technical Provisions are presented annually to the ARCC for approval by the Board.

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 the Group 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 electrical appliances may result in higher settlement amounts. The business plan assumptions are derived and adjusted from historic data and reviewed by the Reserving Forum prior to use in the calculation of the Technical Provisions.

The AGIL 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 ALL UK GAAP accounts use the Solvency II valuation methodology as the basis of preparation. As a result, there are no significant differences between the Solvency II and the UK GAAP valuation bases for the ALL legal entity at the year end.

ALL has no in-force policies at year end, and therefore there are no technical provisions recognised in the Solvency II or UK GAAP balance sheets.

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 methodology for the calculation of the premium provision for AGIL and AGL Group under Solvency II is fundamentally different to that used in the financial statements. The Premium provision is based on the probability-weighted average of future cash flows 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. Though not directly comparable the main difference arises due to the recognition of future profit on issued policies and expected profit in future premiums.

Claims Provision

The calculation of the AGIL Solvency II best estimate claims provision is based closely on the UK GAAP valuation. Under Solvency II 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.

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.

ALL has no technical provisions on a UKGAAP basis nor on a Solvency II basis.

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

All lines of business As at 31 December 2021 £'000	AGL Group Unaudited	AGIL Audited
Technical provisions per financial statements*	8,428	4,333
Remove Non SII Technical Provisions	(4,408)	(313)
Contract boundary adjustment	(19,668)	(8,491)
Adjustment to best estimate premium provision	(3,387)	(200)
Difference in expense assumptions	75	75
Allowance for lapses	-	-
Adjustment to best estimate claims reserves	2,847	2,847
Discounting	(45)	(39)
Risk Margin	3,432	3,432
Miscellaneous & FX	(8)	(14)
Technical provisions per SII balance sheet	(12,734)	1,630

All lines of business
As at 31 December 2020 £'000

	AGL Group Unaudited	AGIL Audited
Technical provisions per financial statements*	15,947	6,086
Remove Non SII Technical Provisions	(9,861)	-
Contract boundary adjustment	(9,942)	(11,202)
Adjustment to best estimate premium provision	(204)	(204)
Difference in expense assumptions	-	-
Allowance for lapses	-	-
Adjustment to best estimate claims reserves	2,763	2,919
Discounting	66	2
Risk Margin	3,013	3,013
Miscellaneous & FX	(88)	40
Technical provisions per SII balance sheet	1,694	654

* unearned premium reserve less deferred acquisition costs plus claims reserves, net of reinsurance.

Matching Adjustment

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

Volatility adjustment

AGL Group (Including AGIL and ALL) 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 and ALL) 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. AGL Group utilises one significant reinsurance treaty, of a quota share nature, in order to share risk by ceding back to the Vodafone captive.

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 2021 £'000	AGL Group	AGIL	ALL
Insurance creditors, reinsurance creditors, trade payables and other financial liabilities	33,918	28,611	81
Subordinated loan notes included in basic own funds	-	-	-
Other liabilities	36,645	9,541	24
Total Other Liabilities	70,563	38,152	105

Solvency II Other Liabilities As at 31 December 2020 £'000	AGL Group	AGIL	ALL
Insurance creditors, reinsurance creditors, trade payables and other financial liabilities	46,577	43,887	1,520
Subordinated loan notes included in basic own funds	33,332	-	-
Other liabilities	42,392	12,421	98
Total Other Liabilities	122,301	56,308	1,618

Financial Statements Other Liabilities As at 31 December 2021 £'000	AGL Group	AGIL	ALL
Insurance creditors, reinsurance creditors and trade payables.	29,096	28,611	81
Subordinated loan notes included in basic own funds	-	-	-
Other liabilities	34,527	9,027	24
Total Other Liabilities	63,623	37,638	105

Financial Statements Other Liabilities As at 31 December 2020 £'000	AGL Group	AGIL	ALL
Insurance creditors, reinsurance creditors and trade payables.	40,436	43,887	1,520
Subordinated loan notes included in basic own funds	33,332	-	-
Other liabilities	42,854	11,515	98
Total Other Liabilities	116,622	55,402	1,618

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

During the year the PRA granted declassification of subordinated loan notes issued by AGL Group to an intermediate parent company, outside of the European supervised group.

In 2020 the loan notes were valued under SII 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 adjustments were made to take account of the own credit standing of the issuer. In the financial statements the loan notes were valued at amortised cost.

Further details of the notes and the repayment during the year are given in Section E.1.

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, AGIL or ALL 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, AGIL and ALL have no material liabilities under finance leases.

AGL Group, AGIL and ALL 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 and ALL.

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, AGIL and ALL. 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, AGIL's and ALL'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, AGIL and ALL comprise:

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

As at 31 December 2020	AGL Group	AGIL	ALL
£'000			
Tier 1	125,540	93,300	6,794
Tier 2	33,332	-	-
Tier 3	3,332	-	-
Available Own Funds	162,204	93,300	6,794

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.

During the year AGL Group Tier 2 own funds that were made up of subordinated loans issued to ABI International and later novated to Solvency Holdings, were declassified. The loans were subordinate to the claims of policyholders of the Group, available to absorb losses, had a minimum term of at least 10 years and no contractual repayment within the first 5 years. Interest was paid annually. No principal or interest was repayable if AGL Group was in breach of the group SCR or if payment would result in a breach.

As a result of the declassification the these loans were removed from Own Funds.

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.

Available own funds for AGL Group decreased by £30,529k during the year largely due to the declassification subordinated loans. AGIL available own funds were £5,845k higher than prior year. ALL available own funds were £589k below prior year.

The amount of Tier 2 and Tier 3 own funds that are eligible to be set against the SCR is restricted to 50% of that requirement.

Eligible own funds for AGL Group, AGIL and ALL comprise:

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

As at 31 December 2020	AGL Group	AGIL	ALL
£'000			
Tier 1	125,540	93,300	6,794
Tier 2	31,920	-	-
Tier 3	-	-	-
Eligible Own Funds	157,460	93,300	6,794

The total amount of Tier 2 and Tier 3 available own funds that are eligible against the SCR are restricted to 50% of the SCR, giving rise to the difference between eligible and available own funds. In general Eligible own funds for AGL Group have decreased during the year as described above.

The Eligible own funds for AGIL and ALL are the same as available own funds.

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

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

As at 31 December 2020	AGL Group	AGIL	ALL
£'000			
Tier 1	125,540	93,300	6,794
Tier 2	3,837	-	-
Tier 3	-	-	-
Eligible Own Funds	129,377	93,300	6,794

Eligible own funds for AGL Group to meet the MCR are £137,358k in 2021 (2020 129,377k).

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 2021	AGL Group	AGIL	ALL
£'000			
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

As at 31 December 2020	AGL Group	AGIL	ALL
£'000			
Equity per financial statements	148,783	88,901	6,794
Valuation of goodwill and intangibles	(5,353)	-	-
Difference between the valuation of technical provisions on a UK GAAP basis and under Solvency II	4,127	5,431	-
Other valuation differences	(11,237)	-	-
Deferred tax adjustment	2,030	(1,032)	-
Excess of assets over liabilities for solvency purposes	138,350	93,300	6,794

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, AGIL and ALL as at 31 December 2021 are:

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	-
Life Underwriting Risk	-	-	-
Health Underwriting Risk	244	244	-
Sum of risk modules	66,437	52,471	870
Diversification between risk modules	(12,886)	(6,815)	(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

As at 31 December 2020
£'000

	AGL Group	AGIL	ALL
Market Risk	10,661	7,108	384
Counterparty Default Risk	15,687	4,300	672
Non-Life Underwriting Risk	41,075	40,624	-
Life Underwriting Risk	-	-	-
Health Underwriting Risk	288	288	-
Sum of risk modules	67,711	52,319	1,056
Diversification between risk modules	(12,960)	(6,983)	(203)
Basic SCR	54,751	45,336	853
Operational Risk	9,089	9,077	12
Standard Formula SCR	63,840	54,413	866
MCR	19,185	15,847	3,338

AGL Group, AGIL and ALL 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 has decreased by £5,214k in the year. Counterparty risk decreased as counterparty position were managed more efficiently and operational risk reduced in line with last years Part VII transfer of European business. AGIL mirrors this change in its SCR as it is now the only insurance business in the group writing business.

ALL’s SCR is below the MCR, and therefore SCR movements do not affect ALL’s capital requirement. The MCR is at the absolute floor required by the SII regulation, which is based in Euros, and only changes when the Eurosterling rates that firms are required to apply in the calculation change are updated, which occurs annually.

AGL Group, AGIL and ALL 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, AGIL nor ALL 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 SCRs for AGIL and ALL.

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, AGIL or ALL.

E.6 Any other disclosures

COVID-19

As described in Section A.1, there are various risks that may arise due to the disruption caused by COVID19. Management is monitoring the impacts of these on the Group's and insurers' capital position and plans.

There is no other material information to disclose regarding the capital management of the AGL Group, AGIL or ALL.

Share Reduction

During the year, AGL reduced its share capital by £237,109k and share premium by £6,277k, and AGIL reduced its share capital by £31,948k and share premium by £15,277k. These amounts were converted into retained earnings reserves using the solvency statement procedure under the Companies Act 2006.

This procedure did not result in any transaction with the shareholder and is merely a change in the composition of the Company's equity. It had no impact on Tier 1 Own funds.

F. Appendices

Public Group QRTs - Assurant Group Limited, Assurant
General Insurance Limited, Assurant Life Limited

Balance Sheet
G.02.01.02

		Solvency II value
		C0010
	Assets	0
R0030	Intangible assets	0
R0040	Deferred tax assets	5,951
R0050	Pension benefit surplus	0
R0060	Property, plant & equipment held for own use	3,959
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	93,394
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	75,982
R0140	Government Bonds	7,775
R0150	Corporate Bonds	66,548
R0160	Structured notes	0
R0170	Collateralised securities	1,659
R0180	Collective Investments Undertakings	17,412
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:	-945
R0280	Non-life and health similar to non-life	-945
R0290	Non-life excluding health	-945
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	35,571
R0370	Reinsurance receivables	0
R0380	Receivables (trade, not insurance)	24,231
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	26,690
R0420	Any other assets, not elsewhere shown	21,270
R0500	Total assets	210,121

		Solvency II value
		C0010
R0510	Liabilities	
R0510	Technical provisions – non-life	-13,679
R0520	Technical provisions – non-life (excluding health)	-13,679
R0530	TP calculated as a whole	0
R0540	Best Estimate	-17,110
R0550	Risk margin	3,432
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	3,055
R0790	Derivatives	0
R0800	Debts owed to credit institutions	0
R0810	Financial liabilities other than debts owed to credit institutions	4,135
R0820	Insurance & intermediaries payables	5,730
R0830	Reinsurance payables	396
R0840	Payables (trade, not insurance)	23,656
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	33,590
R0900	Total liabilities	56,884
R1000	Excess of assets over liabilities	153,237

Premiums, claims and expenses by line of business - Table 1 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	167,101	1,774	168,876
R0120	Gross - Proportional reinsurance accepted	0	0	0
R0130	Gross - Non-proportional reinsurance accepted			0
R0140	Reinsurers' share	51,152	0	51,152
R0200	Net	115,949	1,774	117,724
Premiums earned				
R0210	Gross - Direct Business	167,255	1,902	169,157
R0220	Gross - Proportional reinsurance accepted	0	0	0
R0230	Gross - Non-proportional reinsurance accepted			0
R0240	Reinsurers' share	51,152	0	51,152
R0300	Net	116,103	1,902	118,005
Claims incurred				
R0310	Gross - Direct Business	93,861	562	94,422
R0320	Gross - Proportional reinsurance accepted	0	0	0
R0330	Gross - Non-proportional reinsurance accepted			0
R0340	Reinsurers' share	19,769	0	19,769
R0400	Net	74,092	562	74,653
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	31,000	891	31,891
R1200	Other expenses			0
R1300	Total expenses			31,891

Premiums, claims and expenses by line of business - Table 2 G.05.01.02.02
Premiums written

R1410	Gross
R1420	Reinsurers' share
R1500	Net

Premiums earned

R1510	Gross
R1520	Reinsurers' share
R1600	Net

Claims incurred

R1610	Gross
R1620	Reinsurers' share
R1700	Net

Changes in other technical provisions

R1710	Gross
R1720	Reinsurers' share
R1800	Net
R1900	Expenses incurred
R2500	Other expenses
R2600	Total expenses

Line of Business for: life insurance obligations		Total
Health insurance	Other life insurance	
C0210	C0240	C0300
0	6	6
0	0	0
0	6	6
0	6	6
0	0	0
0	6	6
14	-1	13
0	0	0
14	-1	13
0	0	0
0	0	0
0	0	0
-42	-49	-91
		0
		-91

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)	40,000	40,000		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 Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	0	0		0	
R0050 Subordinated mutual member accounts	0		0	0	0
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	107,286	107,286			
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	5,951				5,951
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)	-9,928	-9,928	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 activities	0	0	0	0	0
R0240 whereof deducted according to art 228 of the Directive 2009/138/EC	0	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 deduction	0	0	0	0	0
R0290 Total basic own funds after deductions	143,309	137,358	0	0	5,951
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	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	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	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)	143,309	137,358	0	0	5,951
R0530 Total available own funds to meet the minimum consolidated group SCR	137,358	137,358	0	0	
R0560 Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	143,309	137,358	0	0	5,951
R0570 Total eligible own funds to meet the minimum consolidated group SCR	137,358	137,358	0	0	
Consolidated Group SCR					
R0610 Minimum consolidated Group SCR	15,809				
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	8,6887				
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)	143,309	137,358	0	0	5,951
R0670 SCR for entities included with D&A method					
R0680 Group SCR	58,626				
R0690 Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	2,4445				
Reconciliation reserve					
R0700 Excess of assets over liabilities	153,237				
R0710 Own shares (held directly and indirectly)					
R0720 Forseeable dividends, distributions and charges					
R0730 Other basic own fund items	36,023				
R0740 Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds					
R0750 Other non available own funds	9,928				
R0760 Reconciliation reserve before deduction for participations	107,286				
Expected profits					
R0770 Expected profits included in future premiums (EPIFP) - Life business					
R0780 Expected profits included in future premiums (EPIFP) - Non- life business	15,320				
R0790 Total Expected profits included in future premiums (EPIFP)	15,320				

	Gross solvency capital requirement	USP	Simplifications
	C0110	C0090	C0120
R0010 Market risk	12,423		
R0020 Counterparty default risk	12,467		
R0030 Life underwriting risk	0		
R0040 Health underwriting risk	244		
R0050 Non-life underwriting risk	41,303		
R0060 Diversification	-12,886		
R0070 Intangible asset risk	0		
R0100 Basic Solvency Capital Requirement	53,551		
Calculation of Solvency Capital Requirement			
R0130 Operational risk	5,075		
R0140 Loss-absorbing capacity of technical provisions			
R0150 Loss-absorbing capacity of deferred taxes			
R0160 Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC			
R0200 Solvency capital requirement excluding capital add-on	58,626		
R0210 Capital add-on already set			
R0220 Solvency capital requirement	58,626		
Other information on SCR			
R0400 Capital requirement for duration-based equity risk sub-module			
R0410 Total amount of Notional Solvency Capital Requirements for remaining part			
R0420 Total amount of Notional Solvency Capital Requirements for ring fenced funds			
R0430 Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios			
R0440 Diversification effects due to RFF nSCR aggregation for article 304			
R0470 Minimum consolidated group solvency capital requirement	15,809		
Information on other entities			
R0500 Capital requirement for other financial sectors (Non-insurance capital requirements)			
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			
R0520 Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational retirement provisions			
R0530 Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement for non-regulated entities carrying out financial activities			
R0540 Capital requirement for non-controlled participation requirements			
R0550 Capital requirement for residual undertakings			
Overall SCR			
R0560 SCR for undertakings included via D and A			
R0570 Solvency capital requirement	58,626		

Undertaking in the scope of the group G.32.01.22

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	Criteria of influence					Proportional share used for group solvency calculation	Inclusion in the scope of group supervision		Group solvency calculation
								% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence		YES/NO	Date of decision if art. 214 is applied	
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
DE	213800050KX01HVRX02	UEI	ASSURANT DEUTSCHLAND GMBH	99	GESELLSCHAFT MIT BESCHRANKTER HAFTUNG	2	N/A	100%	100%	100%	0	1	1,0000	1		1
GB	213800NAVNS700ST1941	UEI	ASSURANT GENERAL INSURANCE LIMITED	2	PRIVATE LIMITED COMPANY	2	Prudential Risk Authority	100%	100%	100%	0	1	1,0000	1		1
GB	213800272E0N6A96E251	UEI	ASSURANT GROUP LIMITED	2	PRIVATE LIMITED COMPANY	2	N/A	100%	100%	100%	0	1	1,0000	1		1
GB	213800B35UG0RW5LV743	UEI	ASSURANT DIRECT LIMITED	99	PRIVATE LIMITED COMPANY	2	Financial Conduct Authority	9%	100%	0%	0	1	1,0000	1		1
FR	213800JMRUVUWAKR3072	UEI	ASSURANT HOLDINGS FRANCE SAS	99	SOCIETE PAR ACTIONS SIMPLIFIEE A ASSOCIE UNIQUE	2	N/A	100%	100%	100%	0	1	1,0000	1		1
IT	213800R0R10A0P9902	UEI	ASSURANT ITALIA AGENZIA DI ASSICURAZIONE S.p.A.	99	SOCIETA A RESPONSABILITA LIMITATA	2	Istituto per la Vigilanza sulle Assicurazioni	100%	100%	100%	0	1	1,0000	1		1
GB	213800R0637E16RUK16	UEI	ASSURANT Intermediary LIMITED	99	PRIVATE LIMITED COMPANY	2	Financial Conduct Authority	100%	100%	100%	0	1	1,0000	1		1
GB	213800R08P9NKE1K08	UEI	ASSURANT LIFE LIMITED	1	PRIVATE LIMITED COMPANY	2	Prudential Risk Authority	100%	100%	100%	0	1	1,0000	1		1
IT	213800R0R0W3DZ1H998	UEI	ASSURANT SERVICES ITALIA SRL	99	SOCIETA A RESPONSABILITA LIMITATA	2	N/A	100%	100%	100%	0	1	1,0000	1		1
FR	213800R0R0W3DZ1H998	UEI	ASSURANT SOLUTIONS SPAIN SA	99	SOCIETA ANONIMA	2	N/A	100%	100%	100%	0	1	1,0000	1		1
FR	213800R0R0W3DZ1H998	UEI	ASSURANT FRANCE	99	SOCIETE PAR ACTIONS SIMPLIFIEE A ASSOCIE UNIQUE	2	L'Organisme pour le registre des intermediaires en assurance	100%	100%	100%	0	1	1,0000	1		1
FR	213800R0R0W3DZ1H998	UEI	CWI DISTRIBUTION	99	SOCIETE PAR ACTIONS SIMPLIFIEE	2	L'Organisme pour le registre des intermediaires en assurance	100%	100%	100%	0	1	1,0000	1		1
FR	213800R0R0W3DZ1H998	UEI	CWI GROUP	99	SOCIETE PAR ACTIONS SIMPLIFIEE	2	N/A	100%	100%	100%	0	1	1,0000	1		1
GB	213800G4HFN4X5K1Z61	UEI	DIGITAL SERVICES (UK) LIMITED	99	PRIVATE LIMITED COMPANY	2	Financial Conduct Authority	100%	100%	100%	0	1	1,0000	1		1
GB	213800G4HFN4X5K1Z61	UEI	LIFESTYLE SERVICES GROUP LIMITED	99	PRIVATE LIMITED COMPANY	2	Financial Conduct Authority	100%	100%	100%	0	1	1,0000	1		1
GB	213800R07C16LZ25571	UEI	ASSURANT DEVICE CARE LIMITED	99	PRIVATE LIMITED COMPANY	2	N/A	100%	100%	100%	0	1	1,0000	1		1
GB	21380045U6ZQZKARKU28	UEI	STAMS LIMITED	99	PRIVATE LIMITED COMPANY	2	Financial Conduct Authority	100%	100%	100%	0	1	1,0000	1		1

		Solvency II value
		C0010
Assets		
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)	90,618
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	75,982
R0140	Government Bonds	7,775
R0150	Corporate Bonds	66,548
R0160	Structured notes	0
R0170	Collateralised securities	1,659
R0180	Collective Investments Undertakings	14,636
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	12,901
R0240	Loans on policies	0
R0250	Loans and mortgages to individuals	0
R0260	Other loans and mortgages	12,901
R0270	Reinsurance recoverables from:	-945
R0280	Non-life and health similar to non-life	-945
R0290	Non-life excluding health	-945
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	17,060
R0370	Reinsurance receivables	0
R0380	Receivables (trade, not insurance)	16,398
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	1,941
R0420	Any other assets, not elsewhere shown	9
R0500	Total assets	137,981

		Solvency II value
		C0010
R0510	Liabilities	685
R0520	Technical provisions – non-life	685
R0530	Technical provisions – non-life (excluding health)	0
R0540	TP calculated as a whole	-2,747
R0550	Best Estimate	3,432
R0560	Risk margin	0
R0570	Technical provisions - health (similar to non-life)	0
R0580	TP calculated as a whole	0
R0590	Best Estimate	0
R0600	Risk margin	0
R0610	Technical provisions - life (excluding index-linked and unit-linked)	0
R0620	Technical provisions - health (similar to life)	0
R0630	TP calculated as a whole	0
R0640	Best Estimate	0
R0650	Risk margin	0
R0660	Technical provisions – life (excluding health and index-linked and unit-linked)	0
R0670	TP calculated as a whole	0
R0680	Best Estimate	0
R0690	Risk margin	0
R0700	Technical provisions – index-linked and unit-linked	0
R0710	TP calculated as a whole	0
R0720	Best Estimate	0
R0730	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	514
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	1,652
R0830	Reinsurance payables	396
R0840	Payables (trade, not insurance)	26,563
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	9,026
R0900	Total liabilities	38,836
R1000	Excess of assets over liabilities	99,145

Premiums, claims and expenses by line of business - table 1
P.05.02.01

		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	R0110	167,101	1,774	168,876
R0120	Gross - Proportional reinsurance accepted	R0120			
R0130	Gross - Non-proportional reinsurance accepted	R0130			
R0140	Reinsurers' share	R0140	51,152	0	51,152
R0200	Net	R0200	115,949	1,774	117,724
Premiums earned					
R0210	Gross - Direct Business	R0210	167,255	1,902	169,157
R0220	Gross - Proportional reinsurance accepted	R0220			
R0230	Gross - Non-proportional reinsurance accepted	R0230			
R0240	Reinsurers' share	R0240	51,152	0	51,152
R0300	Net	R0300	116,103	1,902	118,005
Claims incurred					
R0310	Gross - Direct Business	R0310	93,861	562	94,422
R0320	Gross - Proportional reinsurance accepted	R0320			
R0330	Gross - Non-proportional reinsurance accepted	R0330			
R0340	Reinsurers' share	R0340	19,769	0	19,769
R0400	Net	R0400	74,092	562	74,653
Changes in other technical provisions					
R0410	Gross - Direct Business	R0410			
R0420	Gross - Proportional reinsurance accepted	R0420			
R0430	Gross - Non- proportional reinsurance accepted	R0430			
R0440	Reinsurers'share	R0440			
R0500	Net	R0500			
R0550	Expenses incurred	R0550	31,000	891	31,891
R1200	Other expenses	R1200			
R1300	Total expenses	R1300			31,891

Non-Life Technical Provisions
P.17.01.02

Direct business and accepted		Total Non-Life obligation
Fire and other damage to property insurance	Miscellaneous financial loss	
C0080	C0130	C0180
-9,636	8	-9,628
-1,437	0	-1,437
-8,199	8	-8,191
6,516	365	6,881
492	0	492
6,024	365	6,389
-3,120	373	-2,747
-2,175	373	-1,802
3,369	63	3,432
0	0	0
0	0	0
0	0	0
249	436	685
-945	0	-945
1,194	436	1,630

Best estimate

Premium provisions

R0060 Gross

R0140 Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default

R0150 Net Best Estimate of Premium Provisions

Claims provisions

R0160 Gross

R0240 Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default

R0250 Net Best Estimate of Claims Provisions

 R0260 **Total Best estimate - gross**

 R0270 **Total Best estimate - net**

 R0280 **Risk margin**
Amount of the transitional on Technical Provisions

R0290 Technical Provisions calculated as a whole

R0300 Best estimate

R0310 Risk margin

Technical provisions - total

R0320 Technical provisions - total

R0330 Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total

R0340 Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total

Total Non-Life Business

20020	Accident year / Underwriting year	Z0020	Accident year [AY]
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Gross Claims Paid (non-cumulative)
(absolute amount)

Year	Development year											In Current year	Sum of years (cumulative)		
	0	1	2	3	4	5	6	7	8	9	10 & +				
	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110				
R0100	Prior														
R0160	N-9	11,409	4,179	275	504	207	91	7	0	0	0	0	0	0	0
R0170	N-8	18,192	3,591	223	29	13	2	0	0	0	0	0	0	0	0
R0180	N-7	18,978	5,993	496	24	2	0	2	0	0	0	0	0	0	0
R0190	N-6	49,047	8,115	224	32	0	6	0	0	0	0	0	0	0	0
R0200	N-5	110,470	10,929	277	30	7	0	0	0	0	0	0	0	0	0
R0210	N-4	138,490	10,695	162	36	0	0	0	0	0	0	0	0	0	0
R0220	N-3	158,534	9,630	185	11	0	0	0	0	0	0	0	0	0	0
R0230	N-2	156,771	8,414	229	0	0	0	0	0	0	0	0	0	0	0
R0240	N-1	163,277	6,491	0	0	0	0	0	0	0	0	0	0	0	0
R0250	N	90,338	0	0	0	0	0	0	0	0	0	0	0	0	0
R0260															
Total													97,068	986,715	

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

Year	Development year											Year end (discounted data)			
	0	1	2	3	4	5	6	7	8	9	10 & +				
	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300				
R0100	Prior														
R0160	N-9	0	0	0	0	0	0	0	0	0	0	0	0	0	0
R0170	N-8	0	0	0	16	7	0	0	0	0	0	0	0	0	0
R0180	N-7	0	0	14	4	4	0	0	0	0	0	0	0	0	0
R0190	N-6	0	151	4	3	1	0	0	0	0	0	0	0	0	0
R0200	N-5	9,297	238	7	7	0	0	0	0	0	0	0	0	0	0
R0210	N-4	10,689	753	19	0	0	0	0	0	0	0	0	0	0	0
R0220	N-3	12,989	54	0	2	0	0	0	0	0	0	0	0	0	0
R0230	N-2	14,298	91	6	0	0	0	0	0	0	0	0	0	0	0
R0240	N-1	8,614	389	0	0	0	0	0	0	0	0	0	0	0	0
R0250	N	6,534	0	0	0	0	0	0	0	0	0	0	0	0	0
R0260															
Total													6,881		

	Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
	C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated					
R0010 Ordinary share capital (gross of own shares)	40,000	40,000		0	
R0030 Share premium account related to ordinary share capital	0	0		0	
R0040 Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	0	0		0	
R0050 Subordinated mutual member accounts	0		0	0	0
R0070 Surplus funds	0	0			
R0090 Preference shares	0		0	0	0
R0110 Share premium account related to preference shares	0		0	0	0
R0130 Reconciliation reserve	59,145	59,145			
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	99,145	99,145	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	99,145	99,145	0	0	0
R0510 Total available own funds to meet the MCR	99,145	99,145	0	0	
R0540 Total eligible own funds to meet the SCR	99,145	99,145	0	0	0
R0550 Total eligible own funds to meet the MCR	99,145	99,145	0	0	
R0580 SCR	50,731				
R0600 MCR	12,683				
R0620 Ratio of Eligible own funds to SCR	1,9543				
R0640 Ratio of Eligible own funds to MCR	7.8174				
Reconciliation reserve					
R0700 Excess of assets over liabilities	99,145				
R0710 Own shares (held directly and indirectly)					
R0720 Foreseeable dividends, distributions and charges	0				
R0730 Other basic own fund items	40,000				
R0740 Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0				
R0760 Reconciliation reserve	59,145				
Expected profits					
R0770 Expected profits included in future premiums (EPIFP) - Life business					
R0780 Expected profits included in future premiums (EPIFP) - Non- life business	4,621				
R0790 Total Expected profits included in future premiums (EPIFP)	4,621				

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
R0010	Market risk	R0010		
R0020	Counterparty default risk	R0020		
R0030	Life underwriting risk	R0030		
R0040	Health underwriting risk	R0040		
R0050	Non-life underwriting risk	R0050		
R0060	Diversification	R0060		
R0070	Intangible asset risk	R0070		
R0100	Basic Solvency Capital Requirement	R0100		
Calculation of Solvency Capital Requirement				
R0130	Operational risk	R0130		
R0140	Loss-absorbing capacity of technical provisions	R0140		
R0150	Loss-absorbing capacity of deferred taxes	R0150		
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160		
R0200	Solvency capital requirement excluding capital add-on	R0200		
R0210	Capital add-on already set	R0210		
R0220	Solvency capital requirement	R0220		
Other information on SCR				
R0400	Capital requirement for duration-based equity risk sub-module	R0400		
R0410	Total amount of Notional Solvency Capital Requirement for remaining part	R0410		
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420		
R0430	Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430		
R0440	Diversification effects due to RFF nSCR aggregation for article 304	R0440		
Approach to tax rate				
R0590	Approach based on average tax rate	R0590		
Calculation of loss absorbing capacity of deferred taxes				
R0600	DTA	R0600		
R0610	DTA carry forward	R0610		
R0620	DTA due to deductible temporary differences	R0620		
R0630	DTL	R0630		
R0640	LAC DT	R0640		
R0650	LAC DT justified by reversion of deferred tax liabilities	R0650		
R0660	LAC DT justified by reference to probable future taxable economic profit	R0660		
R0670	LAC DT justified by carry back, current year	R0670		
R0680	LAC DT justified by carry back, future years	R0680		
R0690	Maximum LAC DT	R0690		

Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activi P.28.01.01
Linear formula component for non-life insurance and reinsurance obligations

		C0010		
R0010	MCRNL Result	8,982	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			
R0030	Income protection insurance and proportional reinsurance			
R0040	Workers' compensation insurance and proportional reinsurance			
R0050	Motor vehicle liability insurance and proportional reinsurance			
R0060	Other motor insurance and proportional reinsurance			
R0070	Marine, aviation and transport insurance and proportional reinsurance			
R0080	Fire and other damage to property insurance and proportional reinsurance		0	115,949
R0090	General liability insurance and proportional reinsurance			
R0100	Credit and suretyship insurance and proportional reinsurance			
R0110	Legal expenses insurance and proportional reinsurance			
R0120	Assistance and proportional reinsurance			
R0130	Miscellaneous financial loss insurance and proportional reinsurance		373	1,774
R0140	Non-proportional health reinsurance			
R0150	Non-proportional casualty reinsurance			
R0160	Non-proportional marine, aviation and transport reinsurance			
R0170	Non-proportional property reinsurance			

Linear formula component for life insurance and reinsurance obligations

		C0040		
R0200	MCRL Result	0	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
			C0050	C0060
R0210	Obligations with profit participation - guaranteed benefits		0	
R0220	Obligations with profit participation - future discretionary benefits		0	
R0230	Index-linked and unit-linked insurance obligations		0	
R0240	Other life (re)insurance and health (re)insurance obligations		0	
R0250	Total capital at risk for all life (re)insurance obligations			0

Overall MCR calculation

		C0070
R0300	Linear MCR	8,982
R0310	SCR	50,731
R0320	MCR cap	22,829
R0330	MCR floor	12,683
R0340	Combined MCR	12,683
R0350	Absolute floor of the MCR	2,112

		C0070
R0400	Minimum Capital Requirement	12,683

		Solvency II value
		C0010
Assets		
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)	0
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	0
R0140	Government Bonds	0
R0150	Corporate Bonds	0
R0160	Structured notes	0
R0170	Collateralised securities	0
R0180	Collective Investments Undertakings	0
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	2,730
R0240	Loans on policies	0
R0250	Loans and mortgages to individuals	0
R0260	Other loans and mortgages	2,730
R0270	Reinsurance recoverables from:	0
R0280	Non-life and health similar to non-life	0
R0290	Non-life excluding health	0
R0300	Health similar to non-life	0
R0310	Life and health similar to life, excluding health and index-linked and unit-linked	0
R0320	Health similar to life	0
R0330	Life excluding health and index-linked and unit-linked	0
R0340	Life index-linked and unit-linked	0
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	0
R0370	Reinsurance receivables	0
R0380	Receivables (trade, not insurance)	637
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	2,943
R0420	Any other assets, not elsewhere shown	0
R0500	Total assets	6,310

		Solvency II value
		C0010
		0
R0510	Liabilities	
R0520	Technical provisions – non-life	0
R0530	Technical provisions – non-life (excluding health)	0
R0540	TP calculated as a whole	0
R0550	Best Estimate	0
R0560	Risk margin	0
R0570	Technical provisions - health (similar to non-life)	0
R0580	TP calculated as a whole	0
R0590	Best Estimate	0
R0600	Risk margin	0
R0610	Technical provisions - life (excluding index-linked and unit-linked)	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	0
R0820	Insurance & intermediaries payables	0
R0830	Reinsurance payables	0
R0840	Payables (trade, not insurance)	81
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	24
R0900	Total liabilities	105
R1000	Excess of assets over liabilities	6,205

Premium, Claims and expenses by line of business - Table 2

P.05.01.02.02

Premiums written

R1410 Gross

R1420 Reinsurers' share

R1500 Net

Premiums earned

R1510 Gross

R1520 Reinsurers' share

R1600 Net

Claims incurred

R1610 Gross

R1620 Reinsurers' share

R1700 Net

Changes in other technical provisions

R1710 Gross

R1720 Reinsurers' share

R1800 Net

 R1900 **Expenses incurred**

 R2500 **Other expenses**

 R2600 **Total expenses**

Line of Business for: life insurance			Total
Health insurance	Other life insurance		
C0210	C0240	C0300	
0	6	6	
0	0	0	
0	6	6	
0	6	6	
0	0	0	
0	6	6	
14	-1	13	
0	0	0	
14	-1	13	
0	0	0	
0	0	0	
0	0	0	
-42	-49	-91	
		0	
		-91	

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
R0010	Market risk	212		
R0020	Counterparty default risk	658		
R0030	Life underwriting risk	0		
R0040	Health underwriting risk	0		
R0050	Non-life underwriting risk	0		
R0060	Diversification	-130		
R0070	Intangible asset risk	0		
R0100	Basic Solvency Capital Requirement	740		
Calculation of Solvency Capital Requirement				
R0130	Operational risk	0		
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	740		
R0210	Capital add-on already set	0		
R0220	Solvency capital requirement	740		
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		
Approach to tax rate				
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).	
Calculation of loss absorbing capacity of deferred taxes				
R0600	DTA			
R0610	DTA carry forward			
R0620	DTA due to deductible temporary differences			
R0630	DTL			
R0640	LAC DT			
R0650	LAC DT justified by reversion of deferred tax liabilities			
R0660	LAC DT justified by reference to probable future taxable economic profit			
R0670	LAC DT justified by carry back, current year			
R0680	LAC DT justified by carry back, future years			
R0690	Maximum LAC DT			

Linear formula component for non-life insurance and reinsurance obligations

		C0010		
R0010	MCRNL Result	0	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	0
R0030	Income protection insurance and proportional reinsurance	0	0	0
R0040	Workers' compensation insurance and proportional reinsurance	0	0	0
R0050	Motor vehicle liability insurance and proportional reinsurance	0	0	0
R0060	Other motor insurance and proportional reinsurance	0	0	0
R0070	Marine, aviation and transport insurance and proportional reinsurance	0	0	0
R0080	Fire and other damage to property insurance and proportional reinsurance	0	0	0
R0090	General liability insurance and proportional reinsurance	0	0	0
R0100	Credit and suretyship insurance and proportional reinsurance	0	0	0
R0110	Legal expenses insurance and proportional reinsurance	0	0	0
R0120	Assistance and proportional reinsurance	0	0	0
R0130	Miscellaneous financial loss insurance and proportional reinsurance	0	0	0
R0140	Non-proportional health reinsurance	0	0	0
R0150	Non-proportional casualty reinsurance	0	0	0
R0160	Non-proportional marine, aviation and transport reinsurance	0	0	0
R0170	Non-proportional property reinsurance	0	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	0	0
R0220	Obligations with profit participation - future discretionary benefits	0	0	0
R0230	Index-linked and unit-linked insurance obligations	0	0	0
R0240	Other life (re)insurance and health (re)insurance obligations	0	0	0
R0250	Total capital at risk for all life (re)insurance obligations	0	0	0

Overall MCR calculation

		C0070
R0300	Linear MCR	0
R0310	SCR	740
R0320	MCR cap	333
R0330	MCR floor	185
R0340	Combined MCR	185
R0350	Absolute floor of the MCR	3,126
		C0070
R0400	Minimum Capital Requirement	3,126