



**Assurant General Insurance
Limited
Solvency and Financial
Condition Report**

Year ended 31 December 2023



ASSURANT®

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I Terms and Acronyms

Term	Definition
AGIL, the Company	Assurant General Insurance Limited
AGL	Assurant Group Limited, the UK holding company of AGIL. The supervised insurance holding company under Solvency II.
AGL Group, the Group	Assurant Group Limited and its subsidiaries
ARCC	Audit, Risk and Compliance Committee of AGL Group
Assurant, Inc. or AIZ	Assurant, Inc., the ultimate parent and controlling party of AGL
Board	The board of directors of AGIL
CAE	Chief Audit Executive of Assurant, Inc.
EEA, EU	European Economic Area, European Union respectively
ELC	European Leadership Committee
FCA	Financial Conduct Authority in the UK
GAAP	Generally Accepted Accounting Practices
IAS	Internal Audit Services
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
MPI	Mobile Phone Insurance
ORSA	Own Risk and Solvency Assessment
PRA	Prudential Regulation Authority in the UK
RMF	Risk Management Framework
SCR	Solvency Capital Requirement, calculated as per the Standard Formula set out in the Solvency II Directive
SFCR or Report	Solvency and Financial Condition Report (this document)
SII insurance firm	AGIL
SMF	Senior Manager Function: role which has been identified by the PRA as having 'significant influence' on the management and conduct of a firm's regulated activities. These are identified in a firm's Management Responsibilities Map.
Solvency II or SII	The Solvency II Regulations of the EU as implemented in the UK by the PRA

II Introduction

Assurant General Insurance Limited (AGIL) is an insurance company domiciled in England and Wales and operating in the United Kingdom. It is authorised by the PRA and regulated by the PRA and FCA. AGIL's immediate parent is Assurant Group Limited (AGL), an insurance holding company based in the United Kingdom. AGL is subject to PRA group supervision. AGL also owns, directly and indirectly, regulated insurance intermediaries and unregulated non-insurance companies. Together these companies are referred to in this document as AGL Group or the Group. AGIL's ultimate parent company is Assurant, Inc., which is domiciled in the United States of America.

III Summary

AGIL provides insurance protection for mobile phones and other consumer electronics. This protection is often provided in combination with non-insurance services that are provided by affiliate entities.

Performance for the period

AGIL obtained an underwriting profit for the year of £1,088,769 and a net result of £6,326,915, the latter driven by the performance of the Company's investment portfolio.

Further details are provided in Section A.

Risk Management

AGIL maintains a Risk Management Framework (RMF) with the following characteristics:

- 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 & Compliance Committee (ARCC) together with mitigation recommendations.
- Policies and procedures deal with monitoring techniques, measurement, and reporting, to ensure that the risk exposures that arise from the business are appropriately managed.
- These policies and procedures are embedded, and all employees are required to follow recurring training, communications and collaborative meetings with the Risk function.
- The Risk function is responsible for overseeing implementation of the risk strategy and challenging the risks inherent within the business strategy by engaging with the Risk Accountable Executives, Risk Owners and Risk Co-ordinators in their risk management and mitigation activities.

The main risks that AGIL is exposed to are underwriting risk, inherent in the nature of its insurance business, followed by credit risk due to counterparty default and market risk.

Capital and Solvency

AGIL's solvency position, according to the Solvency II standard formula model, is as follows:

AGIL (£'000)	2023	2022
Available Own Funds	79,469	102,931
Eligible Own Funds to meet the MCR	79,469	102,931
Eligible Own Funds to meet the SCR	79,469	102,931
SCR	38,065	48,044
Solvency Ratio %	209%	214%

AGIL maintained Own funds above its SCR and MCR requirements during the entire year.

Statement of Directors' Responsibilities

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

The PRA Rulebook for SII firms in Rule 6.1(2) and Rule 6.2(1) of the Reporting Part requires that AGIL must have in place a written policy ensuring the ongoing appropriateness of any information disclosed and that AGIL 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, AGIL has 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 publication of the SFCR, AGIL continues to comply and will continue to comply in the future with the relevant PRA rules and SII Regulations.

By Order of the Board



Christian Formby

Chief Executive Officer

5 April 2024

Independent Auditors' Report

Report of the external independent auditor to the Directors of Assurant General Insurance 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 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 2023:

- The 'Valuation for solvency purposes' and 'Capital Management' sections of the SFCR of the Company as at 31 December 2023, ('the Narrative Disclosures subject to audit'); and
- Templates P.02.01.02, P.17.01.02, P.23.01.01, P.25.01.21 and P.28.01 ('the Solo Templates subject to audit').

The Narrative Disclosures subject to audit and the Templates subject to audit are collectively referred to as the 'relevant elements of the 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 SFCR;
- Template P.05.02.01;
- the written acknowledgement by management of their responsibilities, including for the preparation of the SFCR ('the Responsibility Statement').

In our opinion, the information subject to audit in the relevant elements of the SFCR of the Company as at 31 December 2023 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 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 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 SFCR, which describe the basis of accounting. The 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 SFCR is required to be published, and intended users include but are not limited to the PRA. As a result, the 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 SFCR, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the SFCR is appropriate.

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

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

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

Other Information

The Directors are responsible for the Other Information.

Our opinion on the relevant elements of the 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 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 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 Solvency and Financial Condition Report

The Directors are responsible for the preparation of the 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 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 Solvency and Financial Condition Report

It is our responsibility to form an independent opinion as to whether the relevant elements of the 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 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 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 SFCR.

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

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

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

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

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

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

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

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

In response to the specific risk of fraud identified, our audit procedures included:

- obtaining an understanding of controls relating to the Company's reserving process, including the valuation of technical provisions under Solvency II;
- engaging with our internal actuarial specialists to challenge the reasonableness of claim estimates made by management, with reference to recently observed claims behaviour and experience;
- challenging the reasonableness of future premium and expense assumptions applied by management, with reference to our understanding of the Company's business and recently observed financial performance;
- independently re-calculating material inputs to management's technical provision calculation, assessing their reasonableness and consistency with the Solvency II regulations; and

- performing a ‘stand-back’ assessment of movements in the Company’s technical provisions from 2022 in order to evaluate their consistency with our understanding of its business and performance in 2023.

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

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

- reviewing SFCR disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, reviewing correspondence with the PRA and FCA and reviewing internal audit reports.

Report on Other Legal and Regulatory Requirements

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 General Insurance Limited’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 General Insurance 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 SFCR and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the PRA, for our audit work, for this report or for the opinions we have formed.

Deloitte LLP
Deloitte LLP
Hanover Building
Corporation Street
Manchester
M4 4AH

5 April 2024

Appendix - relevant elements of the Solvency and Financial Condition Report that are not subject to audit

The relevant elements of the SFCR that are not subject to audit comprise:

Rows R0290 to R0310 of template P.17.01.02 - Amount of transitional measure on technical provisions

Elements of the Narrative Disclosure subject to audit identified as ‘unaudited’

A Business and performance

A.1 Business

A.1.1 Name and legal form

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

A.1.2 Name and contact details of the responsible supervisory authorities

AGIL is authorised by the PRA and regulated by the FCA and PRA 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

A.1.3 Name and contact details of external auditor

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

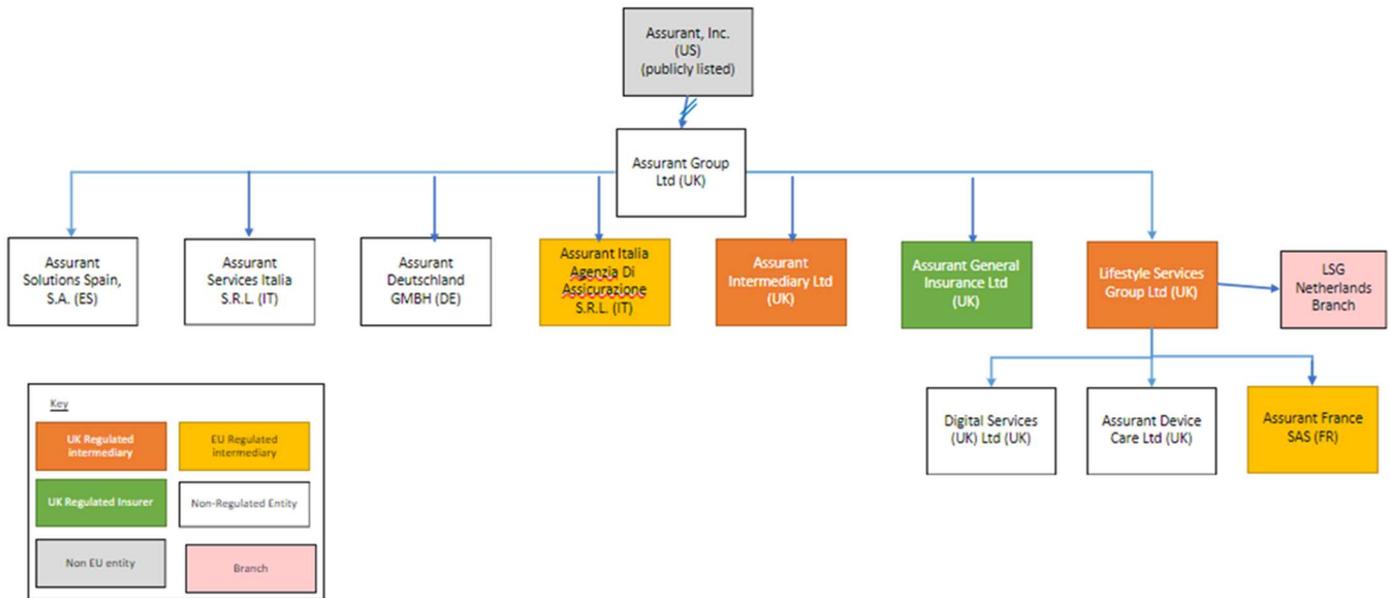
Deloitte LLP
The Hanover Building
Corporation Street
Manchester
M4 4AH

A.1.4 Shareholders and position within the group

AGL directly holds 100% of the issued share capital and voting rights of AGIL. AGL's immediate and sole parent undertaking is Solutions Cayman, a company registered in the Cayman Islands. The ultimate parent undertaking is Assurant, Inc., a public company listed on the New York Stock Exchange, registered in Delaware, United States of America.

The below table shows AGIL's affiliates that are within the group of its immediate shareholder, AGL:

AGL Group Corporate Structure



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. which is publicly listed.
 3. This chart does not show (a) intermediary holding companies above AGL or (b) dormant entities within the AGL Group.

AGIL does not have any employees. It outsources its functions to affiliate companies in the United Kingdom and the United States of America. The UK entities providing these services are primarily Lifestyle Services Group Limited (LSG) and TWG Services Limited (TWGS).

A.1.5 Material lines of Business and material geographical areas where business is carried out

AGIL underwrites insurance covers for mobile phones and other electronic devices in the UK. Its direct clients are mainly large commercial enterprises that purchase or arrange protection for their customers.

Its Solvency II lines of business are:

- Fire and Other Property Damage
- Miscellaneous Financial Loss

A.1.6 Significant events during the reporting period

The following events had a significant impact on AGIL:

Interest rate environment

In the course of 2023, market interest rates in the UK reduced, driving substantial investment income for the company.

Inflation and consumer behaviour

The level of inflation remained above the Bank of England’s desired long-term average. This had a negative impact on the company’s technical result as the cost per claim increased and claims handling costs increased. The company also experienced the impact of heightened levels of fraudulent claims, which was attributed to generally worsening economic circumstances for an increasing group of end consumers.

A.1.7 Business performance

Whilst this report generally provides information that is based on valuation rules required by the Solvency II reporting regime, sections A.2, A.3 and A.4 are required to be reported in accordance with the measurement basis as shown in the company's financial statements, which in AGIL's case, is UK GAAP. The disclosure rules of Solvency II require the business performance of the company to be analysed using three distinct sections, being:

- Underwriting performance
- Investment performance
- Performance of other activities

The table below shows the performance of the company's operations by section.

AGIL (£'000)		2023	2022
Underwriting performance	Section A.2	1,089	7,238
Investment performance	Section A.3	5,261	-6,231
Performance of other activities	Section A.4	-23	358
Profit before tax in statutory financial statements		6,327	1,363

A.2 Underwriting Performance

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

AGIL (£'000) Year ended 31 December 2023	Fire & Other Damage to Property	Miscellaneous Financial Loss	General Business Technical Account
Gross written premiums	150,954	1,139	152,093
Net written premiums	104,502	1,139	105,641
Net premiums earned	99,819	1,145	100,964
Net incurred claims	(65,039)	(199)	(65,238)
Net operating expenses	(33,758)	(880)	(34,637)
Net underwriting result	910	219	1,089

Schedule S.05.01 is included in Appendix F.

Results and performance

Gross written premiums increased by 5% to £152,093,000, mainly as a consequence of higher sales volumes in the MPI market. The loss ratio increased from 59% in 2022 to 65% in 2023, both as a consequence of increased frequency and cost per claim (inflation) whereas expenses were managed to a consistent year-on-year ratio of 34%.

Analysis by geography

All business is underwritten in the UK and all risks are located in the UK. Schedule P.05.02 is included Appendix F.

A.3 Investment Performance

AGIL's investment portfolio consists of a mix of relatively short duration government and corporate bonds, smaller investments in collateralised securities (CMBS) as well as short-term investments in money market funds. Especially the latter provided relatively high interest rates, explaining the majority of the increase in interest income compared to prior year. The second largest variance in investment income compared to the prior year concerns the different directions the yield curves and spreads took in 2023 vs 2022.

AGIL (£'000) Year ended 31 December 2023	Interest income / (expense)	Realised gains / (losses)	Unrealised gains / (losses)	Total
Government Bonds	186	-	15	201
Corporate Bonds	1,561	-87	1,615	3,089
Collateralised Securities	51	-14	24	61
Collective Investment Undertakings	1,807	-	-	1,807
Cash & Deposits	3	-	-	3
Loans and mortgages	213	-	-	213
				5,375
Asset management expenses				-114
Total investment income	3,821	(101)	1,654	5,261

A.4 Performance of other activities

Non-insurance income and expenses primarily relate to foreign exchange gains, which are recognised in the non-technical account in the financial statements.

AGIL (£'000)	2023
Foreign exchange gains/(losses)	-23
Non-insurance result	-23

A.5 Any other disclosures

There are no other matters to report.

B System of governance

B.1 General information on the system of governance

B.1.1 Governance structure

B.1.1.1 Governance Framework Overview

The Company operates a robust internal governance framework which is organised in a manner relevant and proportionate to business activities and size.

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;
 - Operational resilience;
 - New business; and
 - Technology.

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



B.1.1.2 Board of Directors

The Board is composed of a combination of Executive Directors, Group Non-Executive Directors and Independent Non-Executive Directors. The directors set out below held office during the whole of the year from 1 January 2023 to the date of this report unless otherwise indicated:

Director	Role	Approved Function	Comments
S.E. Purdy	INED	SMF9 - Chair of the Governing Body (from 01/03/2023) SMF10 - Chair of the Risk Committee (until 08/06/2023) SMF11 - Chair of the Audit Committee (until 08/06/2023)	
P.I. Thomas	INED	SMF10 - Chair of the Risk Committee (from 06/06/2023) SMF11 - Chair of the Audit Committee (from 06/06/2023)	Appointed 26/04/2023
C. W. Formby-Hernandez	Executive	SMF1 - Chief Executive Officer	
M.J. Schofield	Executive	SMF4 - Chief Risk Function	Appointed 02/02/2023
S.M. Shepherd	Group Non-Executive Director	SMF7 - Group Entity Senior Manager	Appointed 02/02/2023

Role and Responsibilities of the Board

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

- a) Providing leadership within a framework of prudent and effective controls which enable risk to be assessed and managed.
- b) Setting strategic aims and risk appetite.
- c) Monitoring Management's performance against those strategic aims.
- d) Ensuring that the necessary resources are in place to enable strategic aims to be met.
- e) Ensuring that an appropriate system of governance is in place.
- f) Setting the purpose and values and promoting the desired culture of the Company.
- g) Engagement with the shareholder and other stakeholders.

Board Committees

The Board has one board-level committee, the ARCC whose role is to assist the Board in fulfilling its oversight responsibilities by reviewing and monitoring:

- a) The integrity of annual financial and regulatory reporting.
- b) The internal and external audit process and auditors.
- c) The system of internal controls and risk management.
- d) The attitude to, and appetite for, risk and risk strategy.
- e) How risk is reported internally and externally.
- f) Compliance with laws and regulations (including regulatory solvency and capital requirements) and related processes.
- g) The integrity of whistleblowing and fraud investigation processes.

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

Management Committees

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

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

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

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

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

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

B.1.1.3 Key Function holders

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

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

Name	Approved Function
C W Formby-Hernandez	SMF1 - Chief Executive Function
A Schaut <small>(from 09/02/2023)</small>	SMF2 - Chief Finance Officer
M J Schofield	SMF4 - Chief Risk Function

Name	Approved Function
M Klimek	SMF5 - Internal Audit Function
R Morales-Gomez (end 02/02/2023) S Shepherd (from 27/01/2023)	SMF7 - Group Entity Senior Insurance Manager
S E Purdy	SMF9 - Chair of the Governing Body (from 01/03/2023) SMF10 - Chair of the Risk Committee (end 08/06/2023) SMF11 - Chair of the Audit Committee (end 08/06/2023)
P I Thomas (from 06/06/2023)	SMF10 - Chair of the Risk Committee SMF11 - Chair of the Audit Committee
N Colclough	SMF16 - Compliance Oversight
A M Buckner R Carson M I Danino M R Davies S Harper D Jones (from 18/09/2023) N Rashid R Stevens L Sturgeon (from 24/01/2023) C Woolnough	SMF18 - Other Overall Responsibility
W T Diffey (end 22/05/2023)	SMF20 - Chief Actuarial Officer
C Fothergill (from 04/08/2023)	SMF20 - Chief Actuarial Officer
G A Davies	SMF23 - Chief Underwriting Function
C W Formby-Hernandez	Responsible for Insurance Distribution
G D W Bartlett (end 30/06/2023) P I Thomas (from 03/04/2023, end 06/06/2023)	Director of firm who is not a certification employee or a SMF manager

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

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

B.1.2 **Material changes in the system of governance**

There were no material changes to the governance structure during 2023.

B.1.3 Information on the Remuneration Policy

Employment structure

The Company does not have employees and the Directors are not directly remunerated by AGIL. The Company uses the services of employees and Directors that are remunerated by affiliate companies and the Company receives an allocation of the costs of these employees and Directors.

The Company ensures that the affiliate companies that remunerate the employees and Directors follow policies that comply with UK legislation and are consistent with relevant Company and Assurant Group policies.

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, the Company does not have a Remuneration Committee although one of the Company's Independent Non-Executive Directors is responsible for overseeing the development and implementation of remuneration policies and practices.

AGIL's remuneration policy and practices seek to provide incentives to employees that are within the risk tolerance limits of the business, in order not to undermine the effective risk management of the Company and are culturally aligned to our values, whilst ensuring customers receive good outcomes in line with Consumer Duty with no foreseeable harm.

Variable remuneration

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 the Company, their remuneration being linked to the performance of the wider Assurant, Inc. group.

Non-Executive Directors receive no variable remuneration.

B.1.4 Transactions with shareholders, with persons who exercise a significant influence on the undertaking, and with members of the administrative, management or supervisory body

During the year, the Company paid a cash dividend of £20m to its Shareholder.

B.1.5 Assessment of the adequacy of the system of governance

The Company'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. The scope, findings and conclusions of such reviews are documented and reported to the Board with suitable feedback loops in place to ensure that any follow-up actions are undertaken and recorded.

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

B.2 Fit and proper requirements

The Company has a Fit and Proper Policy that oversees that appropriate resources are in place to deliver effective and efficient management of the business. The Company takes appropriate steps to ensure that directors, (senior) managers, individuals responsible for key functions and those working in key functions are fit and proper to carry their responsibilities. The requirements are proportionate to the role and responsibilities of the position. Checks are made on initial appointment and are re-assessed annually for individuals within the Senior Manager & Certification Regime and otherwise as required. For new employees and directors, these tests include some or all of the following:

- Criminal record checks.
- Credit referencing.
- Curriculum Vitae detailing skills, qualifications and experience.
- Continuous professional development / performance management framework.
- Membership of professional institutes.
- The recruitment and selection process in place at the time of appointment.
- Permanent education requirements, which are reported on quarterly and monitored by the Compliance Officer.

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

B.3.1.1 Risk Management System

The objective of the Company's Risk Strategy is to establish a rigorous RMF to ensure that the principles of good risk management are embedded throughout the Company. To this end, management of the organisation at all levels is required to be risk aware and understand that Risk Management is part of all employees' responsibility in delivering the business objectives in an efficient and effective manner and in line with an agreed and established risk appetite.

B.3.1.2 Risk Management Strategy

The Company has defined its Risk Appetite for its key risks. These risks are allocated to the following four strategies:

- Risk acceptance: the Board accepts risks that fall within the boundaries/limits defined in the risk appetite framework. Any risk falling outside the specified limits or boundaries is reviewed and may be accepted for a defined period of time.
- Risk reduction/minimisation: these activities generally relate to control and mitigation activities, and therefore this strategy may include any or all of the following; the design of new process or

accounting controls, contracting controls, changes in product design, improvement in a set of Terms and Conditions, or other changes designed to control and/or mitigate risk.

- Risk transfer: risk is transferred principally through reinsurance agreements. These may include, but are not limited to stop loss, excess of loss, quota share, or other such treaties. Other types of risk transfer can also be considered.
- Risk Avoidance: where an activity is outside its risk appetite, the Company will seek to avoid exposure to that type of risk.

B.3.1.3 Process

The Company 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 Audit Services	<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 Data Protection Officer	<ul style="list-style-type: none"> • Design, interpret and develop overall RMF • Overview of AGL Group Risk Registers • Ownership of ORSA Process and Output • Monitor controls in place against key risks • Challenges risk mitigation and acceptance • Reports on Risk exposures, Issues, mitigations and resolutions • Actuarial Function Report; Underwriting / Reinsurance opinions under Solvency II 	
	1st Line of Defence	Business / Functions	<ul style="list-style-type: none"> • Risk Accountable Executives • Risk Owners • Owner of the risk management process • Identifies, manages, and mitigates risks • Identifies, manages, and reports on Issues 	

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

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

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

B.3.2 Own Risk and Solvency Assessment

The Company has an ORSA policy in accordance with which it performs an ORSA at least annually and ad hoc ORSA's are completed when required in line with the ORSA policy. The ORSA is reviewed and approved by the Board.

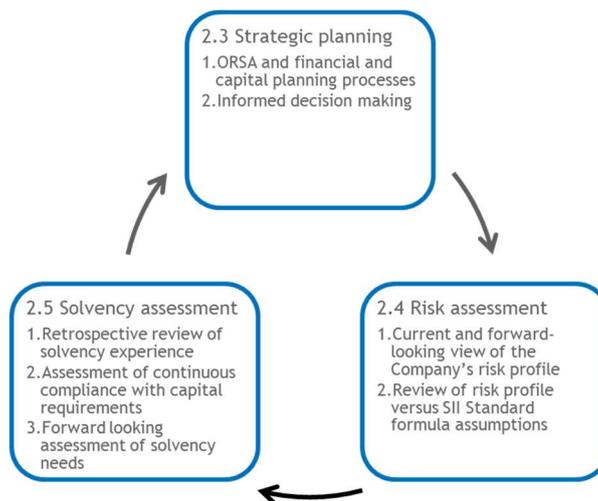
The ORSA is not separate to the RMF, but an integral part of it to describe the whole risk to the business and, by implication, the ability of the business to meet the funding requirements of its overall business plans including its on-going liabilities now and into the future.

The ORSA is a forward-looking analysis of the Company's 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

B.4.1 Description of system of internal control

The internal control system of the Company is designed to provide reasonable assurance that its reporting is reliable and compliant with applicable laws and regulations, and its operations are effectively controlled.

The Company applies the three lines of defence principle. The Company'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. The Company's internal control system and three lines of defence model is further elaborated in policies, procedures and guidelines.

The Board is ultimately responsible for overseeing and maintaining the adequacy and effectiveness of risk management processes, practices and internal control systems. In practice, the oversight and

management of these systems necessarily involves participation of the Board, the ARCC, senior management, Risk, Finance, Compliance, Legal, business managers, various management committees and Internal Audit. Primary responsibility for ensuring day-to-day oversight of the internal control system lies with the relevant SMFs and Key Function Holders.

The Company 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.

B.4.2 Implementation of the Compliance function

The Company operates within the financial services' regulatory regime of the UK. The PRA and FCA 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 employees are required to understand the regulatory rules and requirements applying to their role, which assists the business in meeting the standards required in both the letter and the spirit of those requirements. Some Senior Managers have specific responsibilities, accountabilities and obligations under the SM&CR regime to the regulators.

The Company's Compliance function's purpose is to ensure that the Company meets the regulatory requirements. 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, 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, that there is a strong regulatory compliance culture.

The function 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 relationships with 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

B.5.1 Description of how the internal audit function is implemented

The IAS function is responsible for regularly assessing the adequacy of the internal controls system of the Company and reporting its findings to the Board (via the ARCC).

The Internal Audit Charter defines the framework for the activities of the Internal Audit function as it pertains to the Company and is approved by the ARCC. The Charter aligns with the broader global Charter established between IAS and the Assurant Inc. Audit Committee.

The bi-annual audit plan is prepared and submitted to the ARCC for review and approval. 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.

The audit plan preparation and execution follow the following steps:

- Initially the entire risk universe is considered during the annual audit planning and subsequent revisions to plan. The highest-risk items are included as risk-based audits. Certain processes, while perhaps not rising to a level of significant risk, are still included on a cyclical basis to ensure breadth of coverage over a span of time.
- Secondly, risks associated to the audit are identified and their mitigation evaluated via an assessment of the design and operational effectiveness of key internal controls, information systems, governance, risk management, and financial reporting supplemented where necessary by a programme of testing, creating audit programs for every project.
- Audit plan activities typically conclude with some form of communication (audit report, memo, or other testing result) addressed to appropriate management of not only the results of the activities, but also management's action plans for remediation and/or improvement. Depending on the scope of the engagement these actions could be in the area of risk management, controls, or corporate governance with action plans obtained from appropriate management which are tracked by IAS until final completion as part of the IAS issues follow-up process.
- Senior management has the opportunity to provide responses to audit findings, which are included in the final report, when that format is used to communicate results. The completed reports are made available to executive leadership, the ARCC and the Assurant Audit Committee.

B.5.2 Description of how the internal audit function maintains independence and objectivity

The Internal audit function's mandate and responsibilities are documented in the Internal Audit Charter. It defines the framework for the activities of the Internal Audit function and is approved by the Board. The charter allows Internal audit to be independent of the functions audited and it provides 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.

The Head of Internal Audit reports directly to Assurant's CAE and has a line of escalation to the ARCC.

B.6 Actuarial function

The actuarial function is responsible for calculating the technical provisions and claims reserves and the SCR and MCR. It carries out standard formula appropriateness reviews on an annual basis. In addition to these 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 as appropriate.

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

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

The Chief Actuary provides quarterly reports to the Board, via the ARCC, in which methodologies, assumptions, and results of work are explained and provided for noting and/or approval. Annually, the actuarial function prepares the Actuarial Function Report. The Chief Actuary has access to the independent non-executives in the Board to escalate issues or concerns.

B.7 Outsourcing

Internal

AGIL operates as part of the overall Assurant group of companies. AGIL has no employees. All services are provided to AGIL by other Assurant Inc. group companies. AGIL and the service providing entities in the UK have common directors and the services provided by these entities are not considered to be outsourced arrangements.

Many of the Company's processes are part of wider Assurant, Inc. global activities and staff working on the Company's business also have responsibilities for the European organisation and report up through the global enterprise structures. Similarly, there are employees of the Global enterprise who perform activities for European businesses, including IT services.

Where such activities relate to critical functions, 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.

Name of Provider	Outsourced function	Jurisdiction
Assurant Inc. & subsidiaries	IT infrastructure and application services	US

External

The Company regularly makes use of third-party organisations to provide goods and services to the business in various areas. 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 the relationships to ensure adequate oversight and governance of performance of the services.

Critical and key functions that are outsourced externally:

Name of Provider	Outsourced function	Jurisdiction
Blackrock Investment Managers Limited, UK.	Asset Management	UK

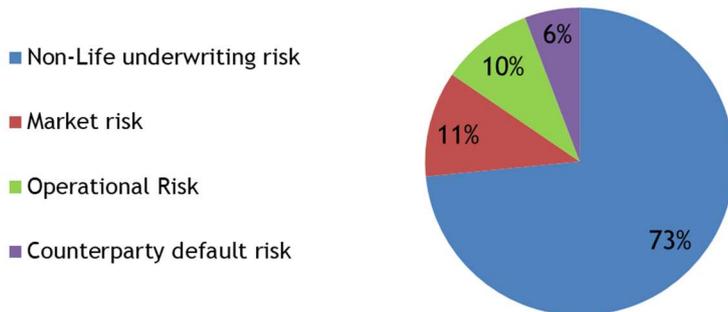
B.8 Any other disclosures

None.

C Risk management

The main risk which the Company is exposed to is underwriting risk, inherent to its insurance business, followed by credit risk due to counterparty default and market risk, arising from investments and technical provisions.

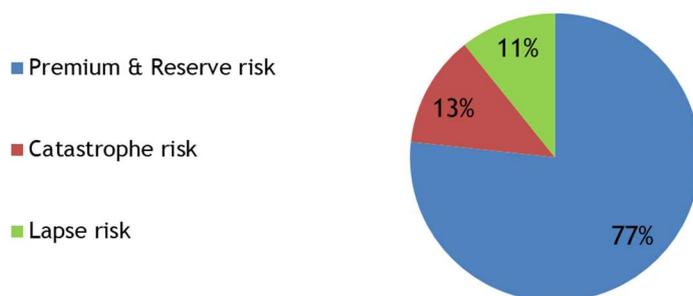
The chart below shows the distribution of the SCR required for the Company by risk module (excluding the diversification effects between the risk modules).



C.1 Underwriting risk

Underwriting Risk is defined as the financial and contractual risk involved when underwriting insurance policies. Unmitigated, the risk exposure would have a material impact on the financial position of the Company.

The chart below shows the underwriting risk profile of the Company using the risk capital requirements calculated by the standard formula.



Measures used to assess underwriting risk

Premium Risk, the risk that premiums are not sufficient to cover future actual claim costs and expenses and to provide the Company 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 related 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 Company's future solvency and economic capital position is modelled through the annual ORSA process.

- All new business proposals are assessed by the Pricing team against target returns on capital and approved by a committee which includes representatives from Risk and Compliance.

Reserve Risk, the risk that claim reserves are insufficient to cover the actual costs of reported claims:

- In calculating the estimated cost of unpaid claims, the Company 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.

Material underwriting risks

- Fluctuation in the frequency and severity of insured events that were underwritten presents the most material elements of underwriting risk for AGIL.
- Insured events include property policies (covering loss, theft and accidental damage) and extended warranty contracts (covering mechanical breakdown), for which actual experience could vary significantly from that anticipated when the policy was originally priced. The majority of the business underwritten is short tail. Claims are reported and settlements are made quickly. Speed of payment of claims reduces the uncertainty surrounding the ultimate claim amounts and reduces the exposure to Reserve risk.

Risk management

The risk appetite of the Company is to limit the time period for exposure on underwriting risk to less than one year. Where the Company accepts risk beyond one year, this will be in exchange for a higher anticipated financial return.

The Company has a range of contractual mitigations included within contracts. These allow for the Company to re-price contracts for new business and renewals and therefore reduce underwriting risk.

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

Concentration of underwriting risk

Policies issued by AGIL are not exposed to significant geographical concentration risk. AGIL therefore only has a limited exposure to catastrophe events.

Risk mitigations

The Company 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.

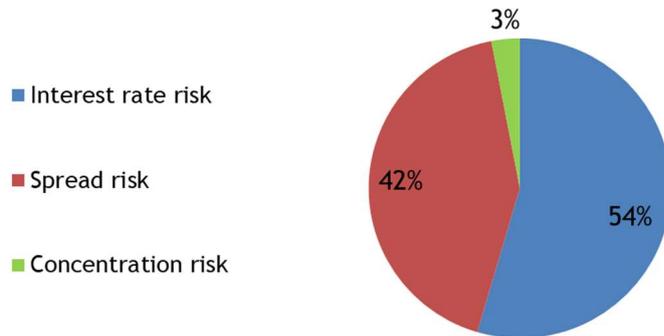
Two distinct types of reinsurance may be utilised:

- as a mechanism for sharing risks with individual client groups for certain products as part of the relevant commercial relationship (account risk management); and,
- for the purposes of broader risk and capital management (portfolio risk management).

C.2 Market risk

Market risk is defined as the risk of loss or of a temporary adverse change in the financial position of the company resulting, directly or indirectly, from fluctuations of market prices of assets and liabilities.

The chart below shows the market risk profile of the Company using the risk capital requirements calculated by the standard formula.



Measures used to assess market risk

The Company is exposed to market risk and exposures are monitored by the Finance function 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, inflation/deflation, recession, conflict (war, terrorist attack), and/or political instability.

Management of the investment portfolio is outsourced to external asset managers, which operate within agreed mandates that are set in accordance with the risk appetite and subject to the prudent person principle.

The risks associated with the investment portfolio are modelled through the annual ORSA process.

Material market risks

The Company does not seek market risk as a means to increase revenue or profit. Market risk is a necessary consequence of investing the premiums received from policyholders and the associated requirement to hold solvency capital.

Included in market risk are:

Interest Rate Risk	The fair value of AGIL's portfolio of fixed income securities is inversely correlated to changes in the market interest rates. Therefore, if interest rates fall, the market value of the portfolio would tend to rise and vice versa.
Currency Risk	The Company has limited exposure to currency risk.
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.
Concentration Risk	Depending on the diversity of the investment portfolio, concentration risk can emerge. Amounts invested in money market funds can occasionally give rise to concentration risk to an issuer of the underlying assets.
Property Risk	The Company had no exposure to property risk in the year ended 31 December 2023.
Equity Risk	The Company had no exposure to equity risk in the year ended 31 December 2023.

Risk management

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

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

The investment portfolio reflects the Company's risk appetite to mitigate spread risk, and investments are diversified by industry, allocation, and quality and the duration required by the liabilities that are invested against.

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

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, the Company seeks to diversify its market risk exposure and thereby limits concentration of market risk.

Prudent Person Principle

AGIL'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 AGIL 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

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

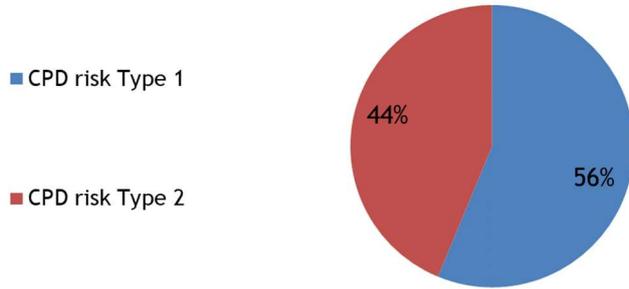
C.3 Credit risk

The Company is exposed to credit risk via:

- default or delay in payments on receivables due;
- reinsurance counterparties failing to meet financial obligations;
- default or delay of repayment of loans and receivables; and
- amounts receivable on group companies.

The Company 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.

The chart below shows the credit risk profile of the Company using the risk capital requirements calculated by the standard formula.



Measures used to assess credit risk

Exposures to all counterparties are analysed, assessed and quantified in the Company’s Standard Formula solvency capital requirement calculation.

Material credit risks

The Company’s maximum exposure to credit risk is represented by the values of financial assets included in the balance sheet. See also section D1 for details of the financial assets for the Company at the reporting period end.

Risk management

The Company holds cash balances with a number of high street banks in the UK but diversifies its exposure to ensure that any single bank failure would not have a material impact. The company policy is that holdings must be held in counterparties classified as investment grade or above by the main ratings agencies, Moody’s and S&P.

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

The Company extends payment terms to clients and will have significant amounts due from clients from time to time.

Concentration of credit risk

The Company has significant amounts due from a small number of large customers.

Risk mitigation techniques used for credit risk

The Company 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 the Company will have insufficient liquid assets available to meet liabilities as they fall due.

Measures used to assess liquidity risk

Liquidity risk is managed by the Company’s Treasury team. Working capital requirements are forecasted monthly. The Company conducts stress testing scenarios to examine the effect on liquidity levels of various adverse business conditions.

Material liquidity risk

The Company’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 Company’s 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 are easily convertible into cash.

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

Risk management

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

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

Concentration of liquidity risk

The Company has taken action to diversify its asset portfolio, accurately forecast cash flow and future liabilities and maintain access to funding in order to mitigate liquidity risk.

Risk mitigation techniques used for liquidity risk

The Company 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, AGIL 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:

AGIL (£'000)	2023	2022
Expected profit in future premiums	13,540	23,982

The EPIFP decreased in line with the reducing remaining duration of insurance programs with fixed-price multi-year distribution agreements and an expected decrease in profitability of these programs.

C.5 Operational risk

The Company 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 includes legal risk and reputational risk, as the Company 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 the Company's risk reporting processes as part of the RMF.

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

Material operational risk

The Company provides products to end-consumers both on a B-to-C and B-to-B-to-C basis. 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 macroeconomic change, particularly in relation to staff recruitment, that it becomes more difficult for the Company to meet its SLAs. In this situation, the focus would be on continuing to provide a good customer experience. The Company 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.

Risk management

The Company has established policies, processes, and controls to manage and mitigate its key operational risks. The process through which operational risk universe is determined, is captured in its Policy. This process safeguards the ongoing improvement of the control environment and ensures that operational risk is identifiable and mitigated.

Risk mitigation techniques used for operational risk

The Company has a comprehensive insurance programme that provides financial protection against the majority of material operational risks. There are no other specific risk mitigation techniques applied in respect of operational risk.

C.6 Other material risks

Regulation (Consumer Duty)

Regulatory focus on consumer outcomes and fair value continues following the implementation of the Consumer Duty requirements in July 2023 for new and existing products.

The Consumer Duty program successfully delivered detailed assessments of key terms and conditions and customer journeys and introduced new monitoring and testing processes.

Price and fair value remain an area of high regulatory focus.

Inflation

The level of inflation remains above the Central Bank of England's desired long-term average. Whilst it is expected that inflation is trending towards that average, the company is exposed to prolonged levels of high inflation through downward pressure on retail volumes across markets and OEM prices.

C.7 Stress testing and sensitivity analysis

Stress and scenario testing are fundamental parts of the Company's risk management 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 surplus.

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 the Company's Strategic Objectives and Business Plan;
- Proposed and agreed the Company'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 Independent Non-Executive Directors on the process applied and discussed the resulting tests.

The latest analysis shows that the most significant risk to the Company's SCR is a default of a major reinsurer. The Company's has contractual arrangements in place to limit the solvency impact of this scenario. Management and the Board consider this scenario significant but plausible and supports the focus on ongoing monitoring of the business.

The Company 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 the capital management process. As such the Company is able to withstand each of the stresses and scenarios identified within the assessment.

Under the main loss ratio stress, the Company 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 the Company's business unviable and works backwards, analysing the triggers and associated controls that would mitigate against such an event.

The Company 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

This section of the Solvency and Financial Condition Report shows how the assets and liabilities of the Company have been valued, both for solvency and statutory reporting purposes. The below table summarises the Own funds (as measured on a solvency basis) and net assets (as measured on a statutory basis) and provides a reference where further information is provided:

As at 31 December 2023		Solvency II	GAAP Financial Statements
£'000			
Assets	Section D.1	99,646	107,087
Technical provisions	Section D.2	(2,499)	15,205
Other Liabilities	Section D.3	22,676	20,444
Own funds / net assets		79,469	71,438

D.1 Assets

The Company's UK GAAP and Solvency II balance sheets as at year-end are as follows:

As at 31 December 2023		Solvency II	GAAP Financial Statements
£'000			
Deferred acquisition costs	Paragraph D.1.1	-	3,223
Investments, comprising:		75,172	74,403
Bonds comprising:	D.1.2	44,424	43,656
<i>Government Bonds</i>		4,890	3,824
<i>Corporate Bonds</i>		38,521	39,831
<i>Collateralised securities</i>		1,013	-
Collective Investments Undertakings	D.1.3	30,748	30,748
Reinsurance recoverables	D.2	1,324	3,191
Insurance and intermediaries receivables	D.1.4	14,711	16,859
Reinsurance receivables		-	-
Receivables (trade, not insurance)	D.1.5	8,120	8,323
Cash and cash equivalents	D.1.6	319	319
Other assets	D.1.7	-	769
Total assets		99,646	107,087

D.1.1 Deferred acquisition costs

In SII deferred acquisition costs, not being future cashflow, are valued at nil.

D.1.2 Bonds

Bonds are measured at fair value.

The difference between the Solvency II and statutory value of investments is due to a difference in the classification of accrued investment income, which is recognised within Investments in Solvency II and within Other assets in the statutory financial statements.

As at 31 December 2023

£'000

Bonds in the statutory accounts	43,656
Reclassification of accrued interest to Bonds	769
Bonds in Solvency II	44,424

D.1.3 Collective Investment Undertakings

Collective Investment Undertakings are measured at fair value.

D.1.4 Insurance and intermediary receivables

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

As at 31 December 2023

£'000

Insurance and intermediary receivables in statutory accounts	16,859
Reclassification of premiums and commissions not yet due, to technical provisions	-2,148
Insurance and intermediary receivables in Solvency II	14,711

D.1.5 Receivables (trade)

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

As at 31 December 2023

£'000

Receivables (trade, not insurance) in statutory accounts	8,323
Prepayments not recognised in Solvency II	-203
Receivables (trade, not insurance) in Solvency II	8,120

D.1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments and are measured at fair value. Highly liquid is defined as having a short maturity of three months or less at acquisition.

D.1.7 Other Assets

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.

As at 31 December 2023

£'000

Other assets in statutory accounts	769
Reclassification of accrued interest to Bonds	-769
Other assets in Solvency II	-

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

The Company's technical provisions by line of business as at year-end are shown below.

AGIL (£'000) As at 31 December 2023	Fire & Other Damage to Property	Miscellaneous Financial Loss	Total
Gross best estimate	(4,233)	139	(4,094)
Reinsurance recoverable	(1,324)	-	(1,324)
Net best estimate	(5,557)	139	(5,418)
Risk margin	1,591	4	1,595
Total technical provisions	(3,966)	143	(3,823)

The negative technical provisions are driven by insurance programs with fixed-price multi-year distribution agreements. These programs have long contract boundaries containing significant future premium income.

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 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 future exposure and claims provisions are established in respect of past exposure.

Gross cash flows are calculated separately from reinsurance cash flows.

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

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

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

Discounting

Technical provisions are discounted against the risk-free-interest-rate curve issued by the Bank of England.

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 4% (at 31 December 2022, it was 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 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 AGIL is related to physical property there is the key uncertainty of the severity of claims and the additional costs associated with this. The evolution of products such as electrical parts in mobile phones may result in higher settlement or repair amounts.

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

Uncertainty in respect of other business is not material.

Differences between Solvency II and the valuation bases for financial statements

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

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

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

The main difference arises due to the recognition of bound-but-not-incepted (BBNI policies) in the Solvency II basis.

Claims Provision

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

Risk Margin

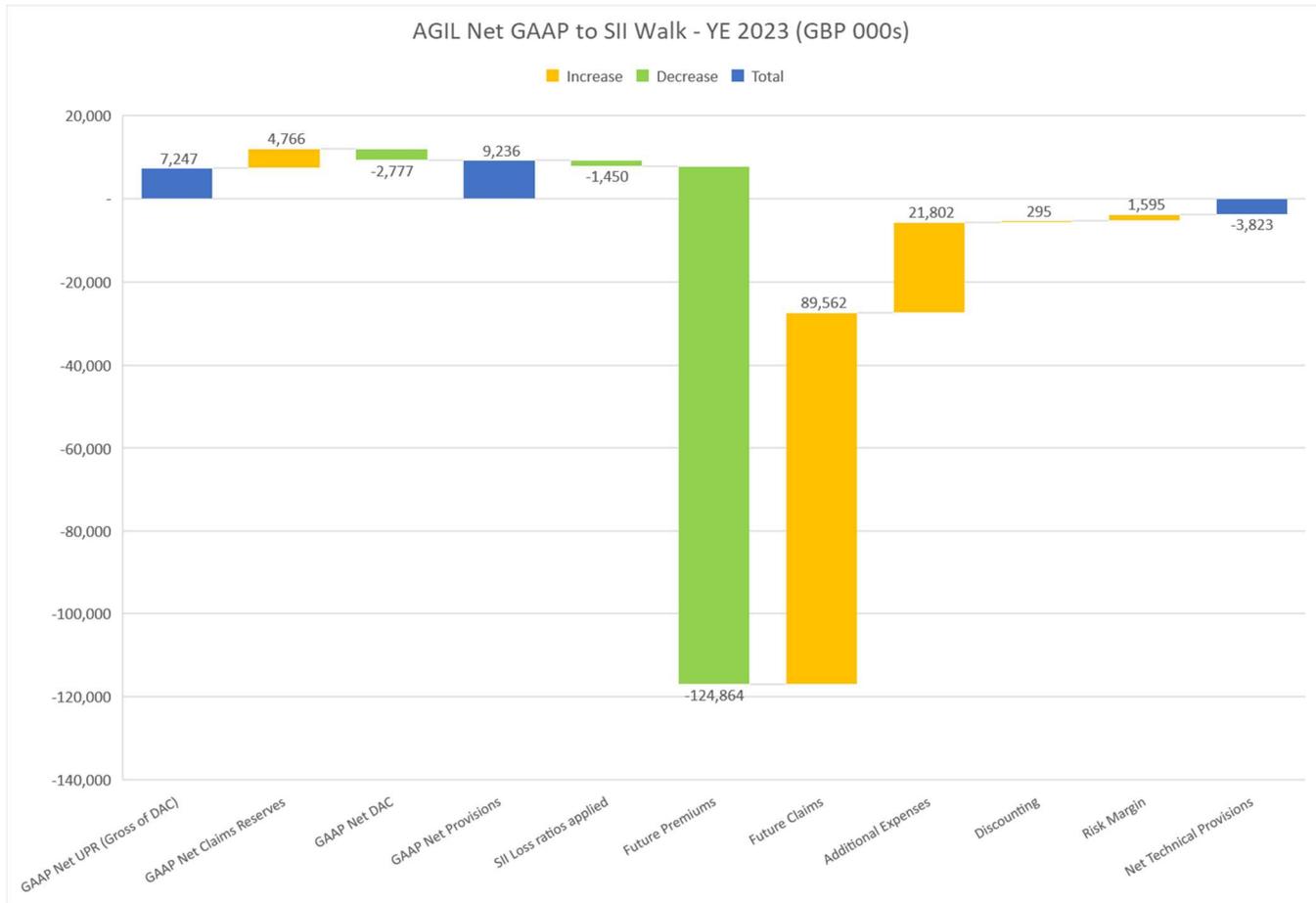
For Solvency II, risk margin is calculated using a cost of capital approach which involves calculating the cost of holding the SCR (per Standard Formula calculation) at each future time period until the technical provisions at the reporting date have run off. The amounts are then discounted back to the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

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

Discounting

Under Solvency II the best estimate technical provisions are discounted but not under UK GAAP (immaterial).

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



Matching Adjustment

The company does not apply the matching adjustment referred to in Article 77b of Directive 2009/138/EC.

Volatility adjustment

The Company does not apply the volatility adjustment referred to in Article 77d of Directive 2009/138/EC.

Transitional risk-free interest rate-term structure

The Company does not apply the transitional risk-free interest rate-term structure referred to in Article 308c of Directive 2009/138/EC.

Transitional deductions

The Company does not apply 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 AGIL's reinsurers. For one program, AGIL utilises a significant quota share reinsurance treaty.

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

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

D.3 Other liabilities

The following table shows the other liabilities as per 31 December:

As at 31 December 2023 £'000	Solvency II	GAAP Financial Statements
Provisions other than technical provisions	1,914	1,914
Deferred Tax Liabilities	2,677	-
Insurance & intermediary payables	112	112
Reinsurance payables	1,958	1,958
Payables (trade)	16,014	16,014
Other liabilities	-	446
Total Other Liabilities	22,676	20,444

Deferred tax liabilities

Deferred taxes only arise from valuation differences between GAAP and Solvency II.

Other Liabilities

Other liabilities included in statutory accounts above relate to accruals, deferred income and other amounts payable that have not been categorised as insurance or trade payables. In SII reinsurance deferred acquisition costs, not being future cashflow, are valued at nil.

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 other matters to be disclosed.

E Capital management

E.1 Own funds

Capital Management Policy

The internal capital requirement of the Company is to hold the SCR or the requirement identified during the ORSA process if higher, plus a buffer approved by the Board. The buffer to be held is set annually, having regard to the results of stress tests applied to projections over the three-year planning period.

The Company's capital positions are formally assessed quarterly, and reported to the ARCC, to ensure that own funds continue to meet the internal capital requirement.

Own funds

Available own funds are all Tier 1 and comprise:

AGIL (£'000)	2023	2022
Share capital	49,000	49,000
Reconciliation reserve	30,469	53,931
Available and eligible Own Funds	79,469	102,931

During the year, AGIL distributed a £20m dividend to AGL. The Company's solvency ratio is as follows:

AGIL (£'000)	2023	2022
Eligible Own Funds	79,469	102,931
SCR	38,065	48,044
Solvency Ratio	209%	214%

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

AGIL (£'000)	2023	2022
Equity per UKGAAP financial statements	71,438	86,637
Difference between the valuation of technical provisions	10,911	18,432
Other valuation differences - D.1.5 (prepayments)	-203	-
Deferred tax on above valuation differences	-2,677	-2,138
Excess of assets over liabilities for Solvency II	79,469	102,931

E.2 Solvency Capital Requirement and Minimum Capital Requirement

The SCR and MCR for AGIL as at year-end are as follows:

AGIL (£'000)	2023	2022
Market Risk	5,043	5,548
Counterparty Default Risk	2,615	4,153
Non-Life Underwriting Risk	33,334	39,791
Life Underwriting Risk	-	-
Health Underwriting Risk	-	-
Sum of risk modules	40,992	49,493
Diversification between risk modules	(4,643)	(5,692)
Basic SCR	36,349	43,801
Operational Risk	4,393	4,243
Standard Formula SCR before LAC DT	40,742	48,044
Loss Absorbing Capacity of Deferred Taxes	(2,677)	-
Standard Formula SCR	38,065	48,044
MCR	9,516	12,011

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.

The Company experienced a significant decrease in the SCR. After diversification between risks, the main movements were:

- Non-life Underwriting risk, and in particular Lapse risk, for a reduction in expected profits in future premiums (as well as in their associated risks) on some insurance programs with fixed-price multi-year distribution agreements, as those agreements approach maturity and the expectation of profitability reduced.
- Counterparty Default risk, for a reduction in amounts receivable both from affiliate entities and from insurance intermediaries.

The Company recognises the benefit of the Loss Absorbing Capacity of Deferred Taxes (LAC DT) up to the level of available deferred tax liabilities originating from valuation differences. No deferred tax asset is recognised from carry back of losses or carry forward of losses dependent on achieving future taxable income.

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

The Company makes no 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

Not applicable.

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

The company complied with the required MCR and SCR throughout the year.

E.6 Any other disclosures

There are no other matters to be disclosed.

F. Appendices

Public QRTs

		Solvency II value
		C0010
R0030	Intangible assets	0
R0040	Deferred tax assets	0
R0050	Pension benefit surplus	0
R0060	Property, plant & equipment held for own use	0
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	75,172
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	44,424
R0140	Government Bonds	4,890
R0150	Corporate Bonds	38,521
R0160	Structured notes	0
R0170	Collateralised securities	1,013
R0180	Collective Investments Undertakings	30,748
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:	1,324
R0280	Non-life and health similar to non-life	1,324
R0290	Non-life excluding health	1,324
R0300	Health similar to non-life	0
R0310	Life and health similar to life, excluding health and index-linked and unit-linked	0
R0320	Health similar to life	0
R0330	Life excluding health and index-linked and unit-linked	0
R0340	Life index-linked and unit-linked	0
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	14,711
R0370	Reinsurance receivables	0
R0380	Receivables (trade, not insurance)	8,120
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	319
R0420	Any other assets, not elsewhere shown	0
R0500	Total assets	99,646

		Solvency II value
		C0010
R0510	Liabilities	
R0510	Technical provisions – non-life	-2,499
R0520	Technical provisions – non-life (excluding health)	-2,499
R0530	TP calculated as a whole	0
R0540	Best Estimate	-4,094
R0550	Risk margin	1,595
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	1,914
R0760	Pension benefit obligations	0
R0770	Deposits from reinsurers	0
R0780	Deferred tax liabilities	2,677
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	112
R0830	Reinsurance payables	1,958
R0840	Payables (trade, not insurance)	16,014
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	0
R0900	Total liabilities	20,177
R1000	Excess of assets over liabilities	79,469

	Direct business and accepted proportional reinsurance											Accepted non-proportional reinsurance				Total Non-Life obligation	
	Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance		Non-proportional property reinsurance
	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
R0010 Technical provisions calculated as a whole	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
R0050 Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Technical provisions calculated as a sum of BE and RM																	
Best estimate																	
Premium provisions																	
R0060 Gross	0	0	0	0	0	0	-9,267	0	0	0	0	10	0	0	0	0	-9,258
R0140 Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	0	0	0	0	0	0	869	0	0	0	0	0	0	0	0	0	869
R0150 Net Best Estimate of Premium Provisions	0	0	0	0	0	0	-10,136	0	0	0	0	10	0	0	0	0	-10,127
Claims provisions																	
R0160 Gross	0	0	0	0	0	0	5,035	0	0	0	0	129	0	0	0	0	5,164
R0240 Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	0	0	0	0	0	0	455	0	0	0	0	0	0	0	0	0	455
R0250 Net Best Estimate of Claims Provisions	0	0	0	0	0	0	-4,580	0	0	0	0	129	0	0	0	0	-4,709
R0260 Total Best estimate - gross	0	0	0	0	0	0	-4,233	0	0	0	0	139	0	0	0	0	-4,094
R0270 Total Best estimate - net	0	0	0	0	0	0	-5,557	0	0	0	0	139	0	0	0	0	-5,418
R0280 Risk margin	0	0	0	0	0	0	1,591	0	0	0	0	4	0	0	0	0	1,595
Amount of the transitional on Technical Provisions																	
R0290 Technical Provisions calculated as a whole	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
R0300 Best estimate	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
R0310 Risk margin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Technical provisions - total																	
R0320 Technical provisions - total	0	0	0	0	0	0	-2,642	0	0	0	0	143	0	0	0	0	-2,499
R0330 Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	0	0	0	0	0	0	1,324	0	0	0	0	0	0	0	0	0	1,324
R0340 Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	0	0	0	0	0	0	-3,966	0	0	0	0	143	0	0	0	0	-3,823

Total Non-Life Business

20020 Accident year / Underwriting year **Z0020** Accident year [AY]

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											0	0
R0160	N-9	18,978	5,993	496	24	2	0	2	0	0	0	0	25,495
R0170	N-8	49,047	8,115	224	32	0	6	0	0	0	0	0	57,424
R0180	N-7	110,470	10,929	277	30	7	0	0	0	0	0	0	121,712
R0190	N-6	138,490	10,695	162	36	0	0	0	0	0	0	0	149,383
R0200	N-5	158,534	9,630	185	11	1	0					0	168,361
R0210	N-4	156,771	8,414	229	0	0						0	165,413
R0220	N-3	163,277	6,491	204	0							0	169,972
R0230	N-2	90,338	8,111	84								84	98,534
R0240	N-1	72,099	3,816									3,816	75,915
R0250	N	87,789										87,789	87,789
R0260												Total	91,689

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		C0360
R0100	Prior											0	
R0160	N-9	0	0	14	4	4	0	0	0	0	0	0	
R0170	N-8	0	151	4	3	1	0	0	0	0	0	0	
R0180	N-7	9,297	238	7	7	0	0	0	0	0	0	0	
R0190	N-6	10,689	753	19	0	0	0	0	0	0	0	0	
R0200	N-5	12,989	54	0	2	0	0					0	
R0210	N-4	14,298	91	6	0	0						0	
R0220	N-3	8,614	389	6	0							0	
R0230	N-2	6,534	233	1								1	
R0240	N-1	5,831	19									18	
R0250	N	5,390										5,145	
R0260												Total	5,164

R0010 Market risk
R0020 Counterparty default risk
R0030 Life underwriting risk
R0040 Health underwriting risk
R0050 Non-life underwriting risk
R0060 Diversification
R0070 Intangible asset risk
R0100 **Basic Solvency Capital Requirement**

Calculation of Solvency Capital Requirement

R0130 Operational risk
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

Solvency capital requirement excluding capital add-on

R0210 Capital add-on already set
R0220 **Solvency capital requirement**

Other information on SCR

R0400 Capital requirement for duration-based equity risk sub-module
R0410 Total amount of Notional Solvency Capital Requirement for remaining part
R0420 Total amount of Notional Solvency Capital Requirements for ring fenced funds
R0430 Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios
R0440 Diversification effects due to RFF nSCR aggregation for article 304

Approach to tax rate

R0590 Approach based on average tax rate

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

Gross solvency capital requirement	USP	Simplifications
C0110	C0090	C0120
R0010 5,043		
R0020 2,615		
R0030 0		
R0040 0		
R0050 33,334		
R0060 -4,643		
R0070 0		
R0100 36,349		
C0100		
R0130 4,393		
R0140 0		
R0150 -2,677		
R0160 0		
R0200 38,065		
R0210 0		
R0220 38,065		
R0400 0		
R0410 0		
R0420 0		
R0430 0		
R0440 0		
Yes/No		
C0130		
R0590 2 - No		
LAC DT		
C0130		
R0600		
R0610		
R0620		
R0630		
R0640 -2,677		
R0650 -2,677		
R0660 0		
R0670 0		
R0680 0		
R0690 0		

Linear formula component for non-life insurance and reinsurance obligations

R0010	MCRNL Result	C0010 8,002
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Net (of reinsurance/SPV) best estimate and TP calculated as a whole Net (of reinsurance) written premiums in the last 12 months

	C0020	C0030
R0020	Medical expenses insurance and proportional reinsurance	0
R0030	Income protection insurance and proportional reinsurance	0
R0040	Workers' compensation insurance and proportional reinsurance	0
R0050	Motor vehicle liability insurance and proportional reinsurance	0
R0060	Other motor insurance and proportional reinsurance	0
R0070	Marine, aviation and transport insurance and proportional reinsurance	0
R0080	Fire and other damage to property insurance and proportional reinsurance	104,502
R0090	General liability insurance and proportional reinsurance	0
R0100	Credit and suretyship insurance and proportional reinsurance	0
R0110	Legal expenses insurance and proportional reinsurance	0
R0120	Assistance and proportional reinsurance	0
R0130	Miscellaneous financial loss insurance and proportional reinsurance	1,139
R0140	Non-proportional health reinsurance	0
R0150	Non-proportional casualty reinsurance	0
R0160	Non-proportional marine, aviation and transport reinsurance	0
R0170	Non-proportional property reinsurance	0

Linear formula component for life insurance and reinsurance obligations

R0200	MCRL Result	C0040 0
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Net (of reinsurance/SPV) best estimate and TP calculated as a whole Net (of reinsurance/SPV) total capital at risk

	C0050	C0060
R0210	Obligations with profit participation - guaranteed benefits	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

R0300	Linear MCR	C0070 8,002
R0310	SCR	38,065
R0320	MCR cap	17,129
R0330	MCR floor	9,516
R0340	Combined MCR	9,516
R0350	Absolute floor of the MCR	3,495

R0400	Minimum Capital Requirement	C0070 9,516
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