Astrenska Insurance Holdings Limited

and

Astrenska Insurance Limited

Solvency and Financial Condition Report
for the year ended 30 April 2023

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KEY ACHIEVEMENTS

Gross Written Premium increased by 165% from £64.6m in FY22 to £170.8m in FY23.

Solvency Capital Requirement (SCR) Coverage Ratio increased by 46% from 181% in FY22 to 227% in FY23.

Key distribution partner relationships extended, and material new affinity partnerships won.

Significant underwriting and pricing experience resulting in sustainable performance and profitable growth across the insurance distribution partnership

Continued automation and enhancement for customer experience and data insight.

Our DNA

Value propositions

Design products that fulfil customers' needs and align with our strategic affinity distribution partners.

Optimal Balance Sheet

Our active risk management combined with our reinsurance partners support efficient balance sheet management and generate enhanced returns, underpinned by experienced Underwriting and Pricing capability.

Brilliant Customer Experience

Combining seamless digital journeys with human interaction at the most critical times.

Innovation

Continued Investment in high levels of automation to deliver enhanced customer outcomes.

Executive Summary

This is the single Solvency and Financial Condition Report ("SFCR") prepared for both Astrenska Insurance Holdings Limited ("AIHL") and Astrenska Insurance Limited ("AIL" or the "Company"). AIL and AIHL (referred to collectively hereafter as "the Group" and trading as Collinson Insurance) were granted permission by the Prudential Regulation Authority ("PRA") to prepare a single SFCR on 10 December 2020 and this permission remains in force until 30 June 2024.

AIHL is an insurance holding company, being the parent of the wholly owned subsidiary AIL. AIL is the sole PRA regulated entity and the sole trading entity within the Group.

Accordingly, in producing information to meet the individual reporting requirements of the Group and the Company, separate disclosures are provided. However, in many cases information about the Group and the Company are materially identical in nature and content and therefore no distinction is drawn between the Group and the Company, when providing group information.

Business and Performance

The current financial period of the Group covers the period from 1 May 2022 to 30 April 2023 (FY23). The comparative figures cover the period from incorporation on 1 May 2021 to 30 April 2022 (FY22).

AIL is a specialist insurer writing Travel and ancillary personal lines insurance, distributed via affinity partner brands and having a capability to write Dental and International Private Medical insurance in UK should it choose to do so. As a diversified, niche specialist personal lines insurer, AIL's vision is to create an overall insurance offer which helps customers make smarter choices and their transactions simpler. This is supported by our purpose which is 'to provide protection and peace of mind in the best interests of customers so they enjoy their travel experiences whilst looking after their health and personal possessions.'

There has been a strong recovery in leisure travel from UK destinations since the ending of all Covid restrictions which has translated into a significant increase in travel insurance policies sold and premiums written in FY23. The increase has been supported further by the full impact from key Travel Insurance affinity relationships following their transfer in from third party underwriters to our own UK insurance capacity which are supported by long term contractual arrangements. Additionally, we have seen significant growth across our Multi Lines portfolio of specialist covers and AIL continues to have a strong pipeline of opportunities to support future growth.

AIL's insurance product offering is entirely consistent with Collinson's wider travel ecosystem strategy. It focuses not only on developing insurance products and services to meet the needs of customers, providing valuable protection and assistance products and services, but also on building long term relationships with clients to maximise the brand experience of their customers.

Volume growth along with a focus on containing costs and good underwriting discipline has resulted in improved financial performance. The portfolio is projected to continue to grow as a result of increased new business with existing affinity distributor partners as well as newly originated business, as we;

- Continue to seek new affinity distribution partners for Travel insurance
- Continue to seek new clients that match our appetite across specialist and ancillary personal lines insurance products.

Systems of Governance

The Company maintains a robust system of governance which is commensurate to the nature, scale and complexity of the Company's activities and its risk profile. The Company's Board (The Board) includes all of the Group's directors and provides strategic leadership for the Group within a framework of prudent and effective controls which enable risk to be assessed and managed. The Board believes that a strong system of governance is essential to ensure that the business runs smoothly, aids effective decision making and support the achievement of the agreed objectives.

The Board is responsible for promoting the long-term success of the Group for the benefit of its shareholders, its staff, its clients, and its customers. It is responsible for setting the strategic aims and risk appetite of the Group and to ensure the business is adequately resourced, managed and controlled as part of an effective system of governance. The Board also sets the values and supports the culture of the Group.

To assist the Board in effectively discharging its duties, it has delegated certain responsibilities to several committees which report regularly to it. The roles of the committees are outlined in Section B. The Board retains ultimate responsibility for the Group's systems of internal control and risk management and their effectiveness. The Group has implemented the "three lines of defence" model and provides a formal and robust structure to enable risks to be identified, assessed, controlled, mitigated, reported and monitored.

Risk Profile

The acceptance of risk is fundamental to the Company and a core element of the overall strategic objectives as an insurance undertaking.

Each of the elements of the Risk Management Framework (see Section C) contribute to the identification, measurement, monitoring, management and reporting of risks and is intended to work as an integrated system, and therefore each should be considered both in terms of the specific function of the respective element, and in terms of its function within the overall system. Each element of the system is embedded effectively within the Company and managed by the Risk Management Function with appropriate oversight from the Risk and Capital Committee and the Board.

The Company's main risk is in respect of the business of writing insurance as this is the principal activity. The risk under any one insurance contract is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims and actual benefits paid. Therefore, the objective of the Company is to ensure that sufficient reserves are available to cover these liabilities.

Other risks relate to counterparty default risk in relation to insurance and reinsurance receivables and short-term investments, market risk in relation to liquidity risk and asset-liability management ("ALM"), operational and compliance risks.

Valuation for Solvency Purposes

The Group value all assets and liabilities at fair value within the Solvency II balance sheet. Fair value is the value at which knowledgeable and willing parties could exchange assets and liabilities in an arm's length transaction. Fair value is best demonstrated by reference to quoted market prices. The Group's financial statements are prepared in accordance with UK Generally Accepted Accounting Practice ("GAAP").
Section D includes an analysis of the balance sheet movements between the valuation under UK GAAP for the financial statements and the valuation for SII across:

- Assets;
- Liabilities; and
- Technical Provisions (TP's).

The Board believes that the Information in Section D represents a basis of valuation which is compliant with Solvency II requirements.

Capital Management

The Group has used the standard formula method to calculate the Solvency Capital Requirement ("SCR"). The capital coverage ratio (being the ratio of eligible own funds to the SCR) for the Group as at 30 April 2023 was 227% (FY22: 181%).

The Company undertook an analysis of its underlying product characteristics and concluded the Travel line of business could be divided between Assistance and Medical Expenses (as per EIOPA guidelines) rather than be mapped 100% to Assistance as previously. This change has reduced the non-life charge in the Solvency Capital Requirement (SCR) but increased the Health Risk charge. An increased diversification benefit has been recognised with the mapping change, which has reduced the SCR.

The Group's approach to capital management focuses on ensuring there is sufficient capital and reserves to honour its commitments to its customers, to maintain financial strength to support new business growth and to retain financial flexibility by maintaining strong liquidity and access to a range of capital markets.

Statement of Directors' Responsibilities

Approval by the Board of Directors

Financial year ended 30 April 2023

The Directors are responsible for preparing the SFCR in accordance with the PRA rules and SII regulations. Each of the Directors, whose names and functions are listed in the "Directors' Report" section of the Report and Accounts, certify:

a) that the SFCR has been prepared in all material respects in accordance with the PRA rules and SII regulations, and
b) we are satisfied that:
   I. throughout the financial year in question, the Group has complied in all material respects with the requirements of the PRA rules and SII regulations as applicable to the Group, and
   II. it is reasonable to believe that the Group has continued so to comply with the requirements of the PRA rules and SII regulations and will continue so to comply in future.

Approved by the AIL Board and signed on its behalf:

Paul Escott
Financial Director
Astrenska Insurance Holdings Limited
Astrenska Insurance Limited

04 August 2023

A. Business and Performance

A.1 Business

A1.1 Name and legal form

Astrenska Insurance Holdings Limited (AIHL) is a limited company incorporated and domiciled in England – Company Registration No: 10330418. AIHL is an insurance holding company that wholly owns Astrenska Insurance Limited (AIL) – Company Registration No: 01708613, a UK general insurance company. The registered address of AIHL and AIL is:

3 More London Riverside
London
SE1 2AQ

A1.2 Supervisory authority details

AIHL is an insurance holding company for which Group supervision has been agreed with the Prudential Regulatory Authority (PRA) while AIL is jointly regulated by the PRA and Financial Conduct Authority (FCA).

Prudential Regulatory Authority
20 Moorgate,
London,
EC2R 6DA
+44 (0)20 7601 4444

Financial Conduct Authority
12 Endeavour Square,
London,
E20 1JN
+44 (0)20 7066 1000

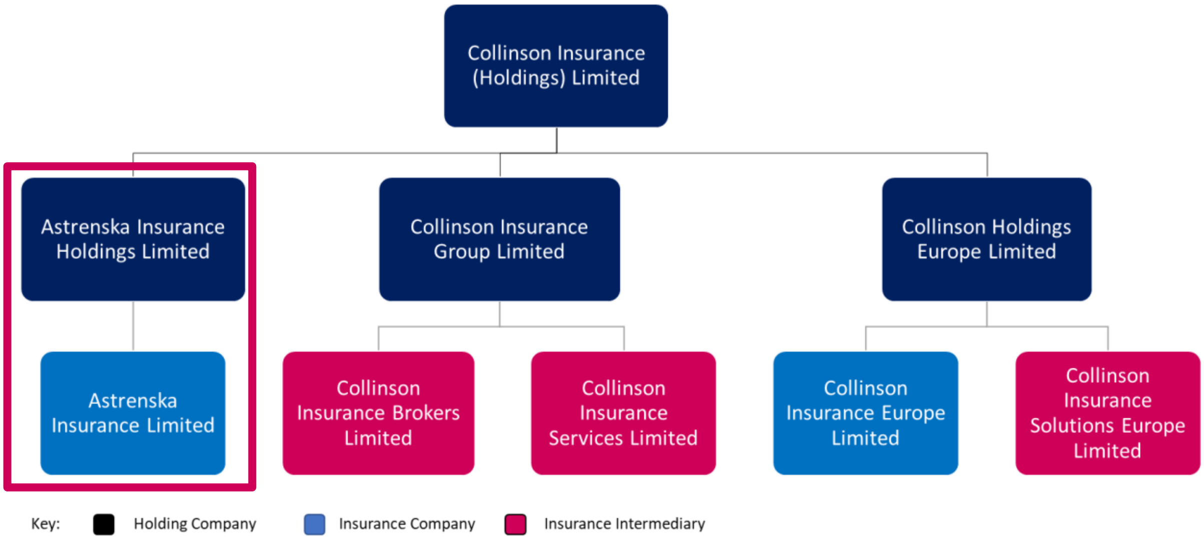
A1.3 External Auditor

The external auditor of AIL is:
Ernst and Young LLP,
1 More London Place,
London
SE1 2AF.

AIHL has an audit exemption granted by the PRA.

A.1.4 Group structure and ownership

AIHL sits within the Insurance Division of The Collinson Group Limited as a direct subsidiary of Collinson Insurance Holdings Limited (CIHL). The diagram below summarises the operating entities within the Insurance Division. It should be noted that a separate SFCR is prepared for Collinson Holdings Europe Limited and its direct subsidiaries. The ultimate holding company of Collinson is Parminder Limited, a company incorporated in the Isle of Man. The ultimate controlling parties identified by Parminder Limited are the Trustees of the Colin Evans 1987 Settlement.



(Extract from the Collinson Group structure.)

A1.5 Solvency II lines of business

Assistance

This line of business (LoB) includes Motor Breakdown Assistance, Motor Collision Damage Waiver and non-medical elements of Travel Insurance products underwritten by the Company.

Fire and Other Damage to Property

This LoB includes Motor Ancillary, Property Ancillary and Cycle Insurance products underwritten by the Company.

Income Protection

This line of business (LoB) includes Personal Accident and Short-Term Income Protection products underwritten by the Company.

Medical Expense Insurance

This LoB includes International Health and medical elements of Travel Insurance products underwritten by the Company.

Miscellaneous Financial Loss

This LoB includes Ticket Cancellation, Teacher Absence and Home Appliance Warranty Insurance products underwritten by the Company.

A.2 Underwriting Performance

A.2.1 Technical Performance

There has been a strong recovery in leisure travel from UK destinations since the ending of all Covid restrictions which has translated into a significant increase in travel insurance policies sold and premiums written in FY23. The increase has been supported further by the full impact from key Travel Insurance affinity relationships following their transfer in from third party underwriters to our own UK insurance capacity which are supported by long term contractual arrangements. Additionally, we have seen significant growth across our Multi Lines portfolio of specialist covers and AIL continues to have a strong pipeline of opportunities to support future growth.

The table below shows the summarised Statement of Comprehensive Income for the Group including premiums, claims and expenses for the year ended 30 April 2023.

Summarised Statement of Comprehensive Income	FY23	FY22	Variance
	£'000	£'000	£'000
Gross premiums written	£170,782	£64,569	£106,213
Total technical income	£35,453	£26,777	£8,676
Claims incurred, net of reinsurance	£14,004	£8,177	£5,827
Underwriting result	£21,448	£18,599	£2,849
Underwriting loss ratio	40%	31%	9%
Net operating expenses	£20,838	£18,035	£2,803
Net operating expense ratio	59%	67%	-8%
Balance on technical account for general business	£611	£565	£46
Profit for the financial year	**£2,855**	**£960**	**1,895**

The Company's underwriting result for FY23 is £21,448k (FY22: £18,599k) while net operating expenses increased to £20,838k (FY22: £18,035k). The Board and management are pleased to see another profitable year in FY23, with a profit of £2,855k (FY22: £960k).

A.2.2 Performance by Solvency II Line of Business

The underwriting performance by Solvency II LoB is shown in the table below for the year-ending April 30th 2023.

Analysis of its underlying product characteristics concluded the AIL Travel line of business could be divided between Assistance and Medical Expenses rather than be mapped 100% to Assistance as previously. This change has reduced the non-life charge in the Solvency Capital Requirement (SCR) but increased the Health Risk charge. An increased diversification benefit has been recognised with the mapping change, which has reduced the SCR. The approach was agreed by both the outgoing (external) AFH and the new incumbent AFH.

Underwriting Performance	Medical expense insurance	Income protection insurance	Fire and other damage to property insurance	Assistance	Miscellaneous financial loss	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Gross Written Premium	£88,410	£287	£9,094	£61,776	£11,215	**£170,782**
Gross earned Premium	£73,057	£258	£9,528	£51,893	£11,140	**£145,876**
Reinsurers Share	£56,885	£68	£7,055	£39,686	£6,729	**£110,423**
Net Earn Premium	£16,170	£190	£2,473	£12,208	£4,412	**£35,453**
Gross Claims	£32,941	£132	£2,102	£22,075	£2,745	**£59,995**
Reinsurers share	£25,825	£64	£1,688	£16,985	£1,429	**£45,991**
Net Claims	£7,116	£68	£414	£5,090	£1,316	**£14,004**
Expenses Incurred	£8,960	£208	£1,875	£6,877	£2,917	**£20,838**
Underwriting Profit / (loss)	£94	(£86)	£184	£241	£178	**£611**

A.2.3 Geographical Underwriting Locations

The Company predominately writes business in the United Kingdom (UK) with a non-material amount (£100k) of medical expense within East Africa. A strategic decision was made during FY23 to cease writing this proposition and this is now in full run-off with the final policy cover ending in August 2023.

Geographical Underwriting Locations	FY23	FY22
	£000s	£000s
United Kingdom	£170,682	£64,318
European Union	£0	(£35)
Other countries	£100	£286
Gross written premium	£170,782	£64,569

A.3 Investment Performance

The investment choices are dictated by the investment policy. The policy ensures the Company maintains a high quality, diversified portfolio of short-dated deposits with capital preservation and positive investment returns helping to guide our investment decisions. The Company invests either with credit institutions offering fixed rates for short term fixed periods or with Money Market Funds, where we can access within 24 hours.

The UK base rate has increased from 0.10% to 5% during the financial year, which has created the opportunity to generate higher interest returns from our holdings in short term deposits and Money Market Funds.

The Company regularly compares the returns and the duration of the fixed term deposits with the average duration of the liabilities to policyholders under insurance contracts. Any gap between the duration of the assets and the estimated average duration of the liabilities is managed by maintaining short term deposits and cash at bank and cash equivalents.

The Company targets returns in accordance with its authorised investment policy. Investment income gross of expenses for FY23 was £1,046k (FY22: £49k).

A.4 Performance of other activities

There are no material other activities to note in the reporting period.

A.5 Any Other information

In September 2022, the UK 'mini-budget' led to a significant loss of market confidence in the UK economic outlook. Sterling fell to a 37 year low against the US dollar on the day of the budget and gilt values fell significantly over the following weeks. In addition, mortgage rates in the UK rose to a 14 year high in October 2022. Consequently, the Bank of England intervened to reduce the risk of forced sales of assets by pension funds to meet derivative payments on their hedging strategies.

Following the appointment of a new Prime Minister in late October, markets stabilised for a short period, although by the end of 2022, UK retail price inflation was at its highest rate for 40 years and interest rates have risen sharply since. There is a risk that heightened inflationary expectations could lead to a so-called 'wage-price spiral', resulting in a prolonged period of high inflation and low growth. During 2023, the Bank of England has raised the base rate to its highest level in 15 years in an attempt to reduce the inflation rate. This could dampen demand for insurance products offered by AIL due to reduced disposable income leading to a reduced propensity to purchase protection solutions or the curtailment of activities the protection is set against.

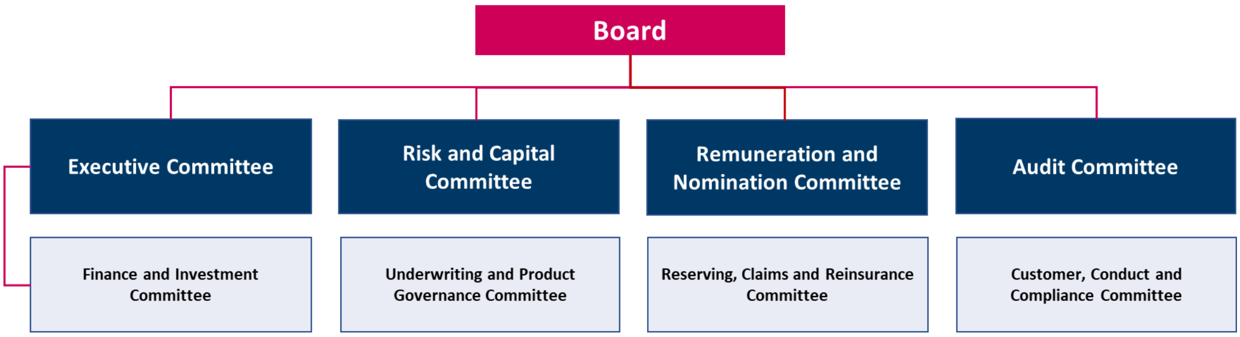
Central banks may further tighten monetary policy to counteract inflation, which might further impact on economic growth, increase borrowing costs and, for some, further reduce disposable income.

Depending on how these risks unfold over time, this could directly impact AIL via increased claims costs, possible reductions in new business and lapses to cover at renewal. We expect and have demonstrated in the stress and scenario testing carried out as part the Company's ORSA, that AIL remains resilient to macro-economic shocks (including inflation and exchange rate shifts) as well as a defined set of 'severe but plausible' more extreme events.

B. System of Governance

B.1 General Information on the Group's System of Governance

The system of governance structure has not had any material changes during the financial year and is depicted as at 30th April 2023 in the structure below.



The members of the Board are two Independent Non-Executive Directors, a Non-Executive Director representing shareholder interests, Chief Executive Officer for Insurance and Finance Director. The table below depicts their individual roles and attendance of the Board and Board Sub-Committees.

	Role	Board	Risk & Capital Committee	Audit Committee	Remuneration & Nomination
Martin Totty	Independent NED	**Chair**	✓	✓	**Chair**
John Roome*	Independent NED	✓	**Chair**	**Chair**	
David Evans	NED	✓			✓
Lawrence Watts	CEO	✓	✓	✓	
Paul Escott	Finance Director	✓	✓	✓	
Richard Clarke**	European Financial Controller	✓	✓	✓	

*Resigned 17th May 2023.
**Resigned 23rd September 2022.

B1.1.1 Board of Directors (BoD)

The BoD of the Group is of sufficient size and possesses the necessary experience and expertise to oversee the operations of the Company. The composition of the BoD is designed to ensure that:

- It can adequately discharge its responsibilities and duties whilst managing any innate conflict of interest.
- It has a proper understanding of, and competencies to deal with, the current and emerging issues of the business; and
- It can effectively review and assess the performance of its outsourced arrangements.

The BoD **duties and responsibilities** include:

- Set strategy, objectives, policies and direction of the Company, discuss strategic development initiatives and ensure approved initiatives are implemented in an effective and controlled manner.
- Set the strategic business targets, return on capital/ investment expectations and Risk Appetite measures for the Company and monitor compliance by regular reporting of performance against those measures.
- Review any investments that may be required in the context of the Company's business plan,
- Ensure that the Company is compliant with applicable regulations by review of reports from the Compliance Function.
- Ensure that the internal control environment is effective by review of reports from the Risk & Compliance Committee and the Risk Management Function regarding key risks and controls.
- Ensure that the interests of clients and customers are considered in decision making, ensuring customers are treated fairly and that conduct risk issues are appropriately addressed and embedded within the culture of the business.
- Monitor the performance of the Company including agreed key performance indicators relating to financial and non-financial measures including staffing issues.
- Review and monitor the Company's performance against business plan.
- Manage the Delegated Authority / sub–Agency Framework; and
- To consider the strategic alignment of key clients and partners including business development, relationship management, risks and issues.

The following are **matters reserved** for the Board.

- Determine and approve the three-year strategic plan, approval of any changes to strategy and approval of any business opportunities outside of the agreed strategy.
- Assess and approve the annual business plan including financial performance budgets and identify the key performance indicators required to monitor progress.
- Assess and approve the authority limits such as underwriting, claims, reinsurance and financial approval.
- Approval of Risk Management Framework and Risk Appetite Statements.
- Approval of the regulatory reports including the Own Risk and Solvency Assessment (ORSA), Solvency & Financial Condition Report (SFCR) and the Regular Supervisory Report (RSR).
- Approval of the Annual Financial Statements, report and accounts and any material changes to accounting policy.
- Approval of material changes to the Underwriting Strategy.
- Approval of the Reinsurance strategy.
- Approval of material contracts between £5m-50m of Net Operating Income (NoI) and expenditure between £3-5m per annum.
- Appointment of professional advisors including Auditors, Bankers and legal advisors.
- Appointment of Directors.
- Approval of Board Policies.

B1.1.2 Remuneration and Nomination Committee

The role of the Committee is to ensure that there is a rigorous and transparent procedure for new appointments to the Board, and to assist the Board in ensuring their composition is regularly reviewed and refreshed so that it is effective and able to operate in the best interests of shareholders.

The Committee's duties and responsibilities includes:

- The Committee shall determine and agree with the Board the policy for the remuneration of the Company's Chief Executive, the Executive Directors, and compensation payments. The remuneration of non-executive directors shall be a matter for the Board or the shareholders. No individual shall be involved in any decisions as to their own remuneration.
- The Committee shall also recommend and monitor the level and structure of remuneration for other members of Exco or individuals holding senior management positions from time to time.
- The Committee shall approve the design of, and determine targets for, any performance related pay schemes operated by the company and approve the total annual payments made under such schemes.
- Review the structure, size and composition (including the skills, experience, independence, knowledge and diversity) of the Board and make recommendations to the Board regarding any changes that are deemed necessary.
- Monitor the leadership needs of the Company, both executive and non-executive, with a view to ensuring the continued ability of the Company to compete effectively in the marketplace.
- Prior to Board appointment, evaluate the balance of skills, experience, independence, knowledge and diversity on the board, prepare a description of the role and capabilities required, and be responsible for identifying and nominating candidates from a wide range of backgrounds.
- Consider any training requirements for the Board as a whole to ensure that directors are fully informed about the strategic and commercial issues affecting the Company and the markets in which it operates, as well as their duties and responsibilities as a director.

B1.1.3 Audit Committee

The Audit Committee is responsible for assisting the Board with discharging its responsibilities for monitoring the integrity of the Company's financial statements and the effectiveness of the systems of internal controls and to monitor the effectiveness, performance and objectivity of the statutory auditors and Internal Audit function.

The Audit Committee has the following **duties and responsibilities**:

- Oversee the process for the appointment, selection and re-election of the statutory Auditors and monitor the independence and objectivity of the statutory auditors including review and approval of any non-audit services of the firm.
- Monitor the performance and effectiveness of the statutory audit process and review the observations and recommendations of the statutory auditors.
- Report to the Board on the outcome of the audit including how the audit contributed to the integrity of financial reporting and the role of the Committee in that process.
- Review and approve the internal audit plan and the effectiveness of the internal audit function ensuring it has adequate resources and standing within the company.
- Consider the observations and recommendations of the internal audit function and monitor progress of internal audit plan and actions.
- Review and assess the adequacy and effectiveness of the systems for internal control including financial reporting and controls.
- Review and challenge the actions and judgements of management in relation to the company's financial performance or financial statements.
- Review the annual financial report and accounts to ensure integrity of the financial statements regarding consistency, accounting for unusual or significant transactions, use of appropriate standards, policies and estimation techniques, related party transactions and adequacy of disclosures.
- Make recommendation to the Board for approval of the financial statements ensuring they reflect a true, fair and accurate view of the financial position of the Company.
- Monitor the financial reporting process and submit recommendations or proposals to ensure its integrity; and
- Ensure the timely production and filing of annual financial statements.

B1.1.4 Risk and Capital Committee

The Risk and Capital Committee (RCC) is responsible for assisting the Board in its oversight of risk, agreeing the company's appetite for risk and reviewing the effectiveness of the risk management framework and compliance with regulatory obligations. Providing oversight and advice to the Board in relation to capital management ensuring sufficient capital is available to meet current and future requirements in an efficient manner consistent with Board approved Risk Appetite.

The **duties and responsibilities** of the RCC include the following:

- Review and monitor the effectiveness of the Risk Management Framework and Risk Management Function to ensure all material risks have been identified and assessed.
- Develop and maintain a clearly defined Risk Management Strategy consistent with the overall business strategy that sets Risk Appetite and tolerance.
- To approve the Risk Appetite Framework and the Risk Appetite Statement including related limits and triggers that comprise their Board Risk Measures.
- Receive quarterly analysis of current and future capital requirements and funds available to cover these requirements in line with risk appetite metrics.
- Review adherence with risk appetites for investments and concentration limits for counterparties; aged debt and underwriting risk to maximise regulatory capital efficiency.
- Review and approve the company's Own Risk and Solvency Assessments including Own Funds requirements and stress and scenario tests.
- To consider and recommend to the Board for approval material regulatory submissions and returns following Executive review.
- To monitor the relationship with the Financial Conduct Authority and the Prudential Regulation Authority and other relevant regulatory bodies.
- Approve the Compliance Monitoring Plan and review and monitor compliance assurance activity including reviews of internal processes and procedures and reviews of third-party agents.
- Review relevant regulatory returns and reports, correspondence and relationships with the regulators.

B1.1.5 Executive Committee

The Committee has the responsibility for the day-to-day management of the activities of the Company, to determine the business plans, objectives and budgets required to deliver and implement the Strategy within Risk Appetite as set by the BoD. The role of the Executive Committee (ExCo) is to provide management of the Company, identify risks and opportunities, develop skills and ensure a resilient operational infrastructure and ensure regulations are complied with.

The **duties and responsibilities** of the ExCo include the following:

- Run the business on a day-to-day basis including managing to plan, allocating resources, agreeing priorities, monitoring implementations, actions and key performance indicators.
- Management and regular review of operational and financial performance of the Company.
- Develop and agree future business plans and initiatives, for proposal to the BoD as required.
- Develop annual and three-year business plans and budgets for approval by the BoD.
- Review performance against budget and agree changes to forecast, income and capital for approval by the BoD.
- Develop performance and succession plans for senior management.
- Review and agree pipeline opportunities for future development.
- Agree staff training programmes, development plans, staff engagement initiatives.
- Review and approve change programmes and monitor progress to plan.
- Manage the internal controls environment and report to the Audit and Risk & Capital Committees; and
- Review and approve policies and procedures for the effective control and supervision of the Company.

The ExCo has the following sub-committees: (1) Finance & Investment, (2) Underwriting and Product Governance, (3) Reserving, Claims and Reinsurance and (4) Customer, Conduct and Compliance.

B1.1.6 Key Function Holders

The Company have in line with Solvency II regulations allocated the key functions as per the table below.

Individual	AIL Role Title	Key Function
Shaun Rhatigan	Head of Risk & Capital Management	Risk Function Holder
Isabel Cutajar	Senior Internal Audit Manager	Internal Audit Function Holder
Phil Leadbeater	Head of Compliance	Compliance Function Holder
David Trefusis	Head of Actuarial Reserving & Solvency	Actuarial Function Holder

In addition, senior management functions have been allocated as per the table below.

Individual	AIL Role Title	SMF Held	SMF Description
Martin Totty	Independent NED	SMF9 SMF12	Chair of governing body Chair of Remuneration Committee
John Roome*	Independent NED	SMF10 SMF11	Chair of Risk Committee Chair of Audit Committee
David Evans	NED	SMF7	Group entity senior manager
Lawrence Watts	CEO	SMF1	Chief Executive
Paul Escott	Finance Director	SMF2 SMF3	Chief Finance Officer Executive Director
Shaun Rhatigan	Head of Risk & Capital Management	SMF4	Chief Risk Officer
Isabel Cutajar	Senior Internal Audit Manager	SMF5	Head of Internal Audit
Nicky Hunt	People & Culture Senior Business Partner	SMF7	Group entity senior manager
Phil Leadbeater	Head of Compliance	SMF16	Compliance Oversight
Greg Lawson	Head of Travel	SMF18	Other overall responsibility
Lawrence Naested	Chief Technology Officer	SMF18	Other overall responsibility
Marianne Stevens	Head of Accident and Health	SMF18	Other overall responsibility
Robert Spindloe	Claims Director	SMF18	Other overall responsibility
Simon Jones	Head of Multi-lines	SMF18	Other overall responsibility
David Trefusis	Head of Actuarial Reserving & Solvency	SMF20	Chief Actuary

*Resigned 17th May 2023.

B1.1.7 Remuneration Policy

The Remuneration Committee will review, for those in scope:

- Performance against financial targets,
- The spread and appropriateness of individual performance outcomes, prior to approval of payment against targets.

The Committee will also satisfy itself each year that the proposed Collinson Group (TCG)-wide annual bonus plan is consistent with the principles set out in the Remuneration Policy for the Company.

Salaries

Salaries are reviewed on an annual basis in line with the wider TCG guidelines and budgets for the year. Guidance from the Group on setting salaries is issued each year and includes:

- Overall budgets
- Consideration of the impact of the market on salaries
- Consideration of dealing with lack of parity within the organisation (i.e. gender pay gap)
- Processes for dealing with exceptional rises (outside of budget guidelines)
- Assessing and reacting to differences in remuneration across a team

Changes to salaries are proposed by the business with consideration from the line manager and they will be approved by the CEO. Final approval of salaries for staff and directors in scope of the Remuneration Policy is required from the Remuneration Committee prior to communicating changes to individuals or amending the salaries in payroll.

Annual Bonus Plans

Bonus plans are determined by the TCG Board at the start of each financial period with the structure of the plans based on three sets targets: (1) Group, (2) Business Unit and (3) Personal Performance.

Group performance is measured by operating profit. All people included in the plan share the same target.
Business Unit performance may:

- Be based on operating profit or CID objectives
- Be sub-divided to reflect both collective (higher level unit) and individual (lower-level unit) responsibility and performance.

Personal performance comprises performance against:

- The agreed role description (prescribed regulatory responsibilities)
- Defined objectives, including non-financial measures related to quality, compliance, and team development
- Behaviours: measuring how objectives were delivered rather than what was delivered, based on company values.

All measures are for the company financial year (1st May to 30th April) and are generally paid after results have been validated.

B.2 Fit and Proper Requirements

It is the Company's policy to conduct all of its business in an honest and ethical manner that is compliant with law and regulation. We are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and implementing and enforcing effective systems to ensure the law and regulation surrounding fitness and propriety are respected.
Solvency II requires that senior management meet appropriate fitness and propriety requirements. In addition, it identifies those heading up Internal Audit, Risk Management, Compliance and Actuarial as being specific roles that need to meet appropriate fitness and propriety requirements. Article 273 of the Solvency II Directive sets out:

- Insurance undertakings shall establish, implement and maintain documented policies and adequate procedures to ensure that all persons who effectively run the undertaking or have other key functions are at all times fit and proper within the meaning of Article 42 of Directive 2009/138/EC.
- The assessment of whether a person is fit shall include an assessment of the person's professional and formal qualifications, knowledge and relevant experience within the insurance sector, other financial sectors or other businesses and shall take into account the respective duties allocated to that person and, where relevant, the insurance, financial, accounting, actuarial and management skills of the person.
- The assessment of whether members of the administrative, management or supervisory body are fit shall take account of the respective duties allocated to individual members to ensure appropriate diversity of qualifications, knowledge and relevant experience to ensure that the undertaking is managed and overseen in a professional manner.
- The assessment of whether a person is proper shall include an assessment of that person's honesty and financial soundness based on evidence regarding their character, personal behaviour and business conduct including any criminal, financial and supervisory aspects relevant for the purposes of the assessment.

- This includes people such as Directors, Auditors and Actuaries appointed. Employees performing their duties within the insurance sector are subject to scrutiny by regulators and are expected to exercise high standards of conduct and to undertake their respective roles in a fit and proper manner.
- Prior to recruitment, directors, senior managers and individuals performing controlled and/or certified functions are subject to general checks using the following sources of information to ensure that they are fit and proper:
- Curriculum Vitae ("CV") and employment application forms.
- Interviews with the candidate.
- The applicant's input to the UK Regulator's relevant application form.
- References and other information provided by current and previous employers.
- Professional and technical associations and other public bodies.
- Internal records of Collinson (in relation to existing staff).
- Credit reference checks; and
- Disclosure and Barring Services ("DBS") checks.

Individuals are also required to declare any information which may impact their ability to perform their role, conflicts of interest or any criminal or civil proceedings. Where applicable the information is submitted to the PRA / FCA in support of their Senior Manager Function ("SMF") applications. The checks are repeated on at least an annual basis or when relevant circumstances or requirements change. All Directors, Executive Committee members and other persons holding a position subject to regulatory approval are required to complete a Conflicts of Interest checklist annually. Any Conflicts of Interest are required to be declared to Compliance, in accordance with the Conflicts of Interest Policy.

B.3 Risk management system including the Own Risk & Solvency Assessment

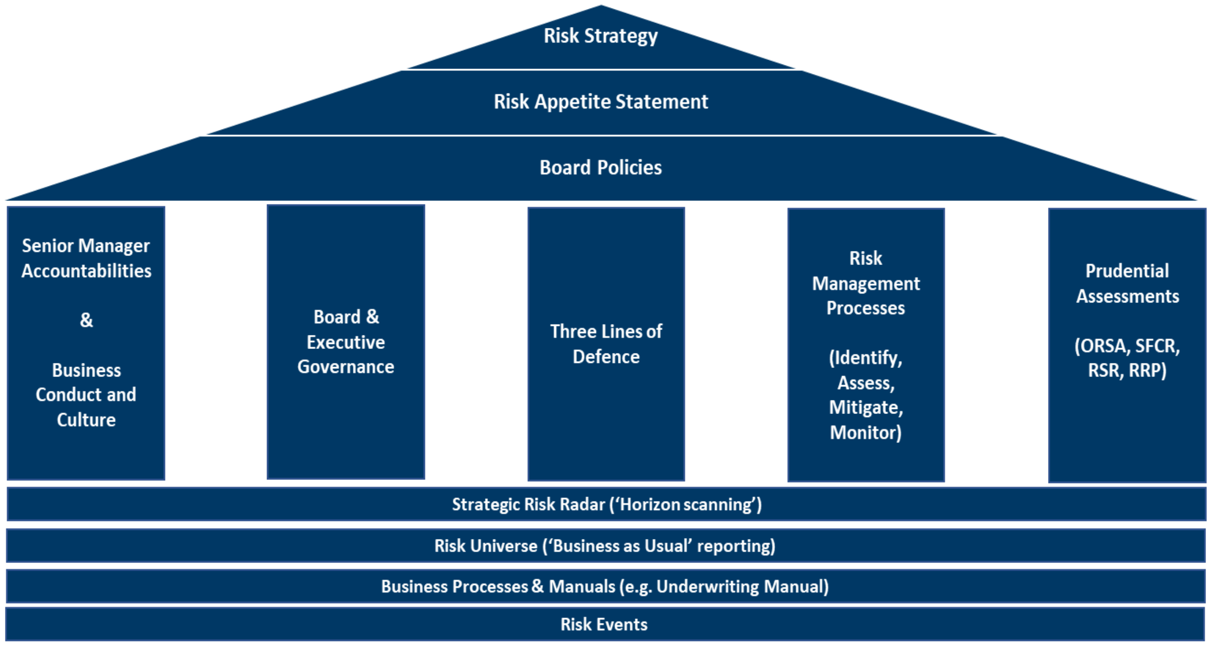
The Company has established and embedded a consistent risk management framework, supported by appropriate Board policies and procedures to manage the key risks to the business. Where relevant, policies and procedures have been aligned to the current regulatory requirements under the Solvency II ("SII") regime. A key part of the Company's risk management Framework is the way the business collectively manages, controls and reports risk at every stage throughout its governance structure. The governance framework is based upon the "three lines of defence" model and seeks to provide a formal and robust structure to enable risks to be identified, assessed, controlled and mitigated; reported and monitored.

The Company follows a 'three lines of defence' operating model for risk management. This approach is predicated on 'the business' (Line 1) having effective risk management processes in place, coupled with the effective design, implementation and operation of effective controls.

The Risk function (Line 2) provides strategic oversight and challenge, whilst also enabling robust risk management by providing advice, Policies, guidance and tools to aid Line 1's risk activities. Internal Audit ('Line 3') provide independent oversight and assurance on the effectiveness of Line 1 and Line 2 risk management.

Risk Management Framework

The Company has established a risk management framework, supported by a Risk Strategy, Risk Appetite Framework and Board policies, to manage the risks faced by the business. All components of the risk management framework are shown in the illustration below highlighting how each component interacts with another.



Risk Strategy

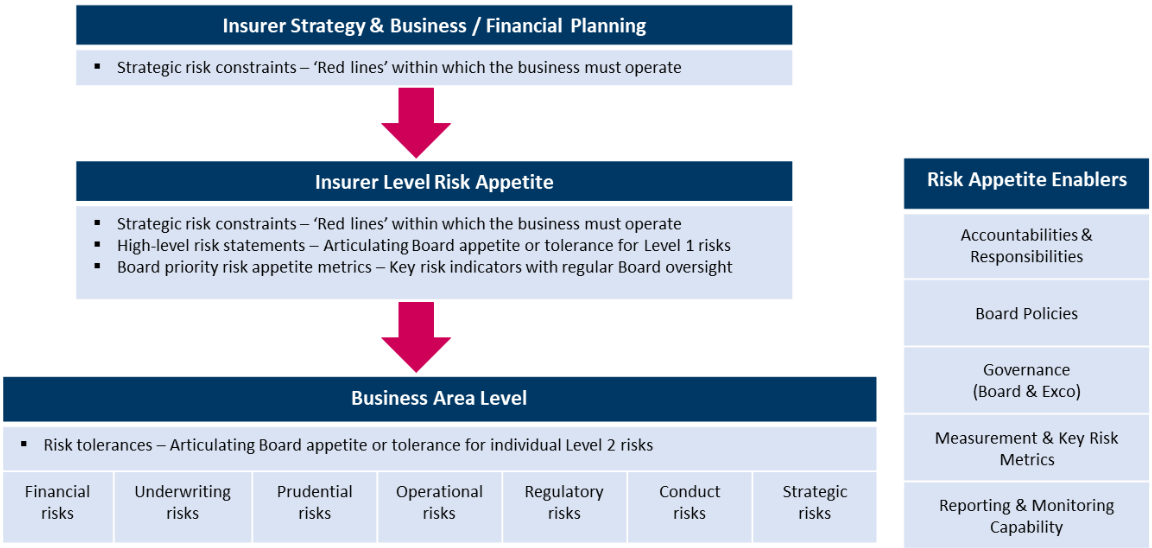
The Risk Strategy defines the guiding principles with which the Company operates to deliver effective risk management in support of its commercial performance and intended customer outcomes. Twenty-one principles have been defined, centred on five themes which provide a coherent structure to articulate the strategic approach to risk management:

(1) People & Culture, (2) Customers, (3) Data & Systems, (4) Processes & Delivery, and (5) Prudential

People & Culture	▪ ***Accountabilities led*** approach (with the Senior Manager Regime embedded from inception) ▪ ***Three Lines of Defence*** operating model (with clearly defined roles & responsibilities) ▪ Strong emphasis on ***professional conduct*** (i.e. 'Do the right thing') ▪ ***Culture of effective risk management*** (i.e. risk identification, escalation, mitigation, awareness & learning from events)
Customers	▪ ***Responsible Insurer*** & relationship led business partner ▪ ***Safe & secure*** guardian of customer data & assets ▪ ***Fair treatment*** of new & existing customers (with a strong outcomes focused ethos) ▪ ***Sensitive & flexible*** treatment of vulnerable customers
Data & Systems	▪ ***Data led strategy*** for decision-making & customer relationship management ▪ ***Automate*** rather than rely on manual intervention (with preventative controls where practical) ▪ ***Buy before Build*** – prioritise the use of 'tried and tested' technologies from well-established providers ▪ ***"Robust" operational resilience*** for systems, business processes & controls
Processes & Delivery	▪ ***Integrated*** risk & control framework ▪ Robust selection & ***oversight of Outsource Service Providers & suppliers*** ▪ ***Robust change management*** processes ▪ ***Timely remediation*** (i.e. 'We'll put things right if things have gone wrong')
Prudential	▪ ***Own funds***: become self-sufficient with internal growth of own funds rather than shareholder capital injections ▪ ***Resilient balance sheet*** (i.e. capital & liquidity requirements are met under 'extreme but plausible' stresses) ▪ ***Stable earnings*** (i.e. profitability isn't volatile / unpredictable) ▪ ***Robust stress testing*** & scenario analysis ▪ ***Prudent*** approach to strategic planning & financial accounting / reporting

The Risk Appetite Framework (RAF) defines the Company's overall approach through which risk appetite is established, communicated and monitored. It also defines the roles and responsibilities of those overseeing the implementation and monitoring of the RAF (including policies, processes, controls and systems). The RAF is complemented by the Risk Appetite Statement (RAS), which defines the risk appetite across the Company's seven primary risk classes and the associated qualitative and quantitative risk limits, applying a two-level hierarchy (i.e. Board and Executive) to the risk limits and reporting.

The diagram summarises the interplay of risk appetite with strategy and business planning, alongside the processes for managing risk appetite and associated key enablers.



The appetite for risk is aligned to the Business Strategy to ensure that key risks are identified, and suitable mitigating controls are implemented and monitored. The risk appetite statement is agreed and reviewed at least annually by the Board and earlier in case of material change in risk profile or strategy. A monitoring programme of risk appetite metrics supports management in ensuring that the Company remains within its risk appetite.

Own Risk and Solvency Assessment Process

The requirements of Article 45 – Own Risk and Solvency Assessment ('ORSA') of the Solvency II Directive 2009/138/EC of the European Parliament and of the Council require companies to have processes in place as is proportionate to the nature, scale and complexity of the risks inherent in its business. Within their risk identification process, the Insurers seek to properly identify and assess the risks they face, in the short and long term, and to which it is or could become exposed whilst having processes in place which lead to effective capital management.

ORSA Objectives

The ORSA process supports the BoD in achieving their strategic objectives by taking a structured and combined approach of business strategy, risk management and capital management. Thus, within this context, the prime purposes of the ORSA processes are to:

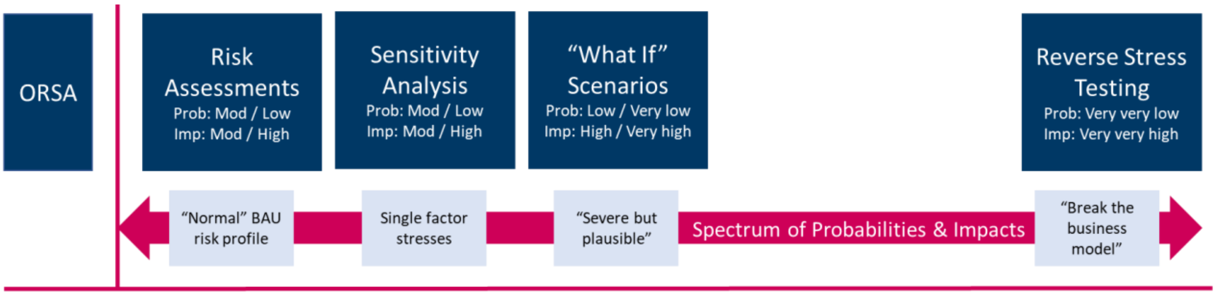
- Provide the BoD and individuals involved in the decision-making processes and management with an assessment of whether risk management and solvency position are currently and prospectively adequate.
- Serve as an essential insight for any strategic decision to be made.
- Serve as a supervisory tool by providing a detailed understanding of the evolving risk exposure, solvency position and capital planning of the Company to the Prudential Regulatory Authority.

ORSA Timing and Frequency

The Company will undertake an ORSA process, at least annually, to demonstrate the adequacy of the available capital, the Risk Appetite and the appropriateness of the risk limits which are assessed for the business planning period, considering the evolving risk profile. It will be re-performed on an additional 'ad hoc' basis in the event of significant change in the risk profile or business plans. Depending on the trigger and initial impact assessment, either a full or a partial ORSA (focused on the triggering event whilst keeping other variables constant) will be conducted.

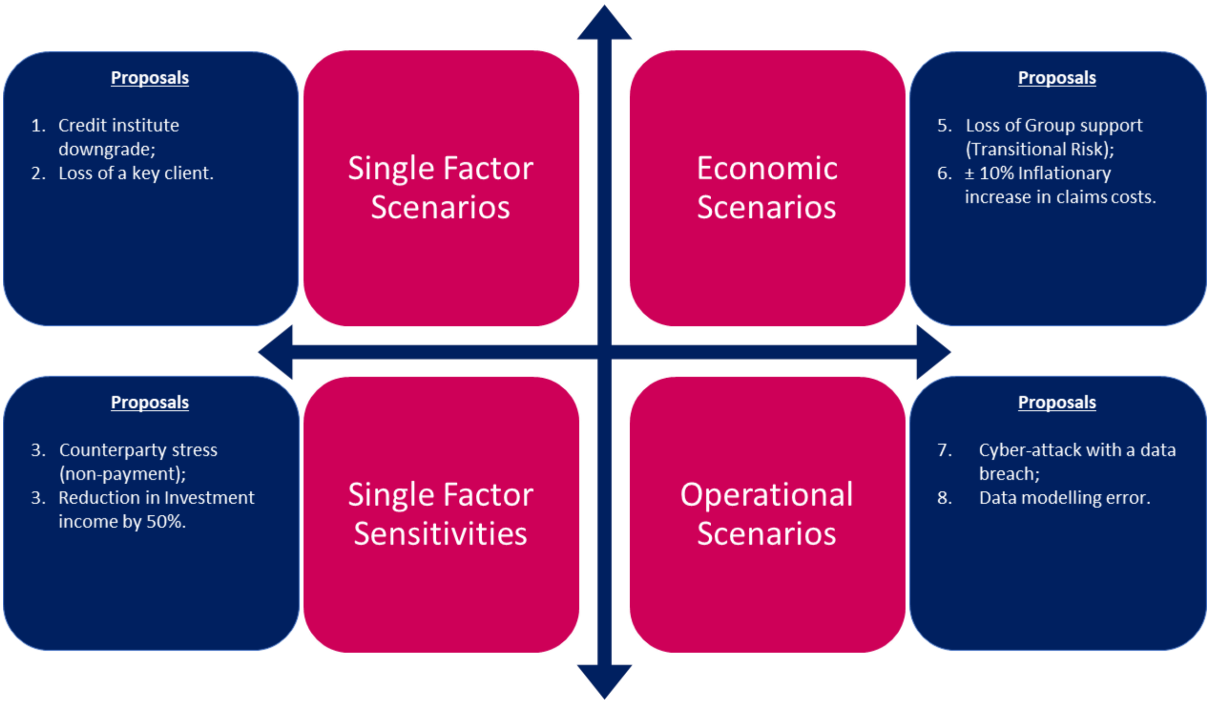
The diagram below depicts the ORSA process that has been embedded.

An integral element of the Company's risk management framework is the stress and scenario testing of the business model and its key assumptions through sensitivity analysis and 'extreme but plausible' scenarios.



- **ORSA:** Identifies the Company's capital requirements in delivering the business strategy and includes in 'extreme but plausible' stress scenarios and forecasts the adequacy of its capital holdings against these requirements.
- **Stress tests:** These generally assess the impact of a change in a single risk factor. Tests were performed that included both negative and positive results on the 3-year forecast view of SCR.
- **Scenario tests:** These assess the impact of a change in the overall operating environment resulting from a range of factors or a 'shock'. The tests are considered relevant to the Company's underwriting portfolio and operating model.
- **Reverse Stress tests:** These assess the scenarios and circumstances that would render the Company's business model unviable and encourages management to identify pre-emptive measures that would be applied in such scenarios.

A range of stress and scenario testing, which is "severe but plausible" are applied to the Company's Base Case Capital model to understand the impact of these sensitivities. The visual below depicts the types of scenario analysis that have been assessed as part of the ORSA process.



B.4 Internal Control System

Internal control is defined as a process determined by an organisation's structure, work and authority flows, risk profile, people and management information systems, designed to help the organisation accomplish specific goals or objectives. The purpose of an internal control system is to have in place a coherent, comprehensive and continuous set of mechanisms which are designed to secure the following:

- Effectiveness and efficiency of the undertaking's operations, leading to improved performance and error reduction.
- Alignment of the Company's activities with its business objectives by ensuring resources are correctly and prudently allocated.
- Safeguarding of the Company's physical and monetary assets against error, fraud, theft and unauthorised use, acquisition or disposal, by quick identification and systemic prevention of, and formal responses to, these activities.
- Availability, reliability and accuracy of financial and non-financial information, ensuring proper financial reporting, by maintaining accurate and complete records required by legislation, regulation, the Board and the Company.
- Provision of timely and accurate management information critical to sound management practices and decision making.
- Compliance with applicable laws, regulations and administrative provisions; and
- Reduction of exposure to risks by minimising the chance of unexpected events.

In order to support a robust internal control system, a suite of governance policies have been implemented to ensure the strategy and objectives of the Company are achieved. All relevant personnel and service providers are made aware of these policies where applicable to support the internal control environment.

The Internal Control System within the Company is depicted within the other sections of section B – System of Governance with key function holders appointed to Risk Management (B3), Internal Audit (B5), Actuarial (B6), Compliance, and are detailed in the relevant sections. Compliance is detailed below.

B4.1 Compliance Function

The Compliance Function is an independent function giving guidance and coordinating the efforts and activities of the Company as they relate to regulatory compliance. The Compliance function seeks to foster a culture of compliance; to facilitate compliance and to provide a quality assurance role to the Board as to the state of affairs of its businesses in relation to regulatory compliance. The Compliance team aims to provide assurance to the RCC and the Board that the Company conducts business in accordance with all relevant laws and regulations; internal compliance policies and ethical standards. The key responsibilities of the Compliance role is to:

- Ensure relevant and appropriate compliance training is provided for employees and the Board.
- Provide reasonable assurance that the business and its Appointed Representatives (AR's) are aware of and comply with the relevant laws, rules, regulations and standards in the UK.
- Ensure appropriate and proportionate risk-based systems and controls are in place to support compliance with relevant laws, rules, regulations and standards in the UK.
- Assist in the design, formulation and amendment of new and existing policies and procedures, products, services and the approval of marketing and advertising material.
- Provide a level of co-ordination and interaction with the relevant external bodies, including regulators, external auditors and external compliance consultants on all relevant issues and matters.
- Ensure that the business keeps pace with regulatory change by performing frequent horizon scanning, engaging with stakeholders to assess impact, communicating incoming change to relevant parts of the business, supporting with reg change projects and tracking and reporting on the status of project deliverables.
- Provide regulatory advice to help support and enable new and existing business arrangements.
- Ensure regulatory reporting is accurate and submitted on time; and
- Coordinating and managing all communications with regulators.

The activities of the Compliance team are detailed in the Compliance Plan, which is supplemented by a Compliance Audit plan, both of which are approved annually by the RCC. The purpose of the Compliance Plan is to identify and communicate the areas of focus for the current financial year in accordance with business objectives, key risks and areas of regulatory development. The Compliance Audit Plan identifies the risk-based reviews and assessments of clients and third parties and internal reviews of systems and controls. The Compliance team monitors incidents and breaches notifying to the appropriate regulator where required. The Compliance team also helps the business understand and prepare for future changes to relevant regulatory requirements. This includes assessing the potential risk / impact to the business, whether existing business processes operate in a compliant manner and communicating the impact of the regulations and associated actions to the relevant parts of the business.

Responsibilities of all employees / service providers:

- Being conscientious in seeking to comply with relevant obligations in the course of their duties.
- Completing mandatory compliance training as per the approved timescales.
- Ensuring compliance with any changes to regulatory policies and procedures.
- Involving the Compliance Function in new business initiatives and new products.
- Following the current policy and procedures with regard to complaints and potential rule breaches.
- Ensuring employees act within the fit and proper person requirements.
- Coordinating any discussions or meetings with regulators via the Compliance Function; and
- Asking for guidance on any Compliance queries or concerns.

B.5 Internal Audit Function

The Internal Audit function is an independent assurance function, which examines and evaluates the functioning of internal controls and governance within the control environment. An internal control system is an important aspect of corporate governance, since a system of effective internal controls is fundamental to sound management of the Company. An appropriate control environment is fundamental to ensuring that staff behaviour is consistent with governance and regulatory requirements, and it relies on senior management promoting the appropriate top-down culture.

The Internal Audit function forms the Company's third line of defence. It operates in accordance with The Institute of Internal Auditors' mandatory guidance including The Definition of Internal Auditing, the Code of Ethics and the International Standards for the Professional Practice of Internal Auditing.

Internal Audit is governed by an Internal Audit Charter that defines the role, level of professionalism, authority, structure, independence and objectivity and responsibility of the function. The charter is reviewed and approved by the Audit Committee (AC) on an at least annual basis.

The Internal Audit function Holder reports into the chair of the AC, which is an iNED role. This reporting structure delivers independence to Internal Audit. The Internal Audit function Holder creates an Internal Audit Plan on a bi-annual basis following a risk assessment process which includes:

- A review of the risk register.
- Consideration of functions/operations impacted by recent or upcoming changes; and
- Interviews with senior Management throughout the entire business.

The Internal Audit Plan is frequently evaluated to determine that it is relevant and appropriate, in particular to changes that significantly impact on the business environment such as changes in management strategies, external conditions, major risk areas, or revised expectations in respect of achieving the business objectives. Any proposed amendments or updates to the Internal Audit Plan are submitted to the AC Chairperson for review and approval. The AC review and approve the Internal Audit Plan. Internal Audit activity evaluates the management and governance oversight covering key risks and the design and operating effectiveness of key controls. The output of each internal audit engagement is an audit report covering the overall audit opinion, key observations covering control failing or identified weaknesses and their potential impact, and the actions and timings which Management have agreed to remediate.

B.6 Actuarial Function

The Actuarial Function is responsible for providing insightful actuarial analysis to contribute to the business's success, whilst fulfilling regulatory responsibilities and ensuring policyholders' interests are protected. The Actuarial Function is a critical function of the Company, having a significant impact on pricing, reserving and capital. It is a key contributor to the effective control management of insurance risks relating to the failure of pricing, risks relating to the failure of product or strategy and risks relating to adverse reserve development.

The Company has an in-house Actuarial team which calculates the UK GAAP Reserves as well as the Solvency II Technical Provisions ("TPs") and Solvency Capital Requirement ("SCR"). The function is led by the Head of Actuarial Reserving & Solvency, who is a Fellow of the Institute & Faculty of Actuaries and acts as the Company's senior insurance management function holder 20: Chief Actuary ("SMF20").

The Actuarial Function produces an annual Actuarial Function Report ("AFR") to set out:

- an assessment of the reliability and adequacy of technical provisions.
- an opinion on the underwriting policy; and
- an opinion on the overall reinsurance arrangements.

The AFR and the recommendations of the Head of Actuarial Reserving & Solvency are presented to the Board, and the progress of actions is tracked and reported to the relevant Committee(s).

Governance and Independence of the Actuarial Function

The Actuarial Function will need to consider issues of governance, independence and conflicts of interests. It is required to be independent of an insurer's revenue-generating functions. In addition, normal good governance requires a degree of separation between those who perform Actuarial Function work and those who review and supervise it.

There are numerous stakeholders in the Actuarial Function's work. Some of these will rely on the output of the Actuarial Function, others will provide inputs to its work. Setting out stakeholder responsibilities clearly and in advance is of vital importance. Bringing together issues of governance, independence and meeting the Directive and regulators' requirements will require a suitable organisational structure which will also need to consider practical issues, such as the availability of suitable staff.

B.7 Outsourcing

The Company only enters into outsourcing arrangements with service providers who have adequate financial, human, capital and systems resources to take on the activities outsourced to them. The Company assesses that the provider is financially sound and has the relevant knowledge and experience of the service it is contracted to supply. The outsourcing of critical and/or important operational functions or activities has not been undertaken in a way that has led to any of the following:

- Materially impair the quality of the system of governance of the Group.

- Unduly increasing the exposure to Operational Risk.
- Impairing the ability of the supervising authorities to monitor the compliance of the Company with its obligations.
- Undermining continuous and satisfactory service to policyholders.

The Company remains fully responsible for all outsourced functions and activities it needs to include in its risk management systems and controls for monitoring and reviewing the quality of the service provided. In order to ensure effective control of outsourced activities and manage the risks associated with the outsourcing, the Company maintains the competence and ability to assess whether the outsourcing provider delivers according to contract.

The Company has an intra-group agreement with Collinson Insurance Services Limited (“CISL”) for arranging claims handling, IT, Finance, Underwriting, HR services and other administration support.

The following critical or important operational functions have been outsourced by the Company:

- Claims Handling for some products.
- Supplier Hosted Data Storage and Application Services (e.g. Cloud Computing).
- Medical Assistance case management.
- Back-office services such as IT, HR, Facilities.
- Distribution, sales and complaint handling for some products.

The arrangements detailed above are reviewed regularly to ensure outsourcing risks are mitigated and that quality of service is maintained.

B.8 Any other information

All material information regarding the Systems of Governance for the Company is covered earlier in this section. The Systems of Governance described are fully embedded in the business. To ensure the Systems of Governance are operating effectively, a regular cycle of Board effectiveness and Terms of Reference compliance is undertaken.

C. Risk Profile

The Company's risk exposure is classified within 7 level 1 risk classes: Financial Risk, Underwriting risk, Prudential Risk, Operational Risk, Regulatory Risk, Conduct Risk and Strategic Risk. The table below provides a breakdown of the components of the Solvency Capital Requirement (SCR) as at 30 April 2023:

Risk	FY23 £'000	FY22 £'000	Movement £'000
Non-Life Underwriting	£5,662	£8,878	(£3,216)
Health Underwriting	£3,666	£546	£3,120
Market Risk	£2,121	£2,937	(£816)
Counterparty Default	£1,242	£1,653	(£411)
Undiversified BSCR	£12,691	£14,014	(£1,323)
Diversification	(£4,202)	(£2,975)	(£1,227)
Base SCR	£8,489	£11,039	(£2,550)
Operational Risk	£2,547	£1,337	£1,210
SCR	£11,036	£12,376	(£1,340)
Own Funds	£25,058	£22,353	£2,705
SCR Coverage Ratio	227%	181%	46%

The undiversified base SCR has reduced by 9% during the financial year to 30th April 2023 with the base SCR falling by 23% during the same period. The AFH has conducted a review of both the Solvency II (SII) technical provisions, including mapping products to the appropriate SII class of business and the Investment strategy in conjunction with the Finance Director. Analysis of its underlying product characteristics concluded the AIL Travel line of business could be divided between Assistance and Medical Expenses rather than be mapped 100% to Assistance as previously.

This change has reduced the non-life charge in the Solvency Capital Requirement (SCR) but increased the Health Risk charge. An increased diversification benefit has been recognised with the mapping change, which has reduced the SCR.

The Investment strategy and subsequent approach has taken into account macro-economic conditions whilst continuing to act responsibly and with prudence. Excess funds are now largely placed in highly liquid, highly rated Money Market Funds (MMF) and, upon maturity, previously held term deposits have also been moved to the MMF. This has reduced the Market Risk and Counterparty Risk charge in the SCR due to the diversification of the MMF.

These strategic decisions have reduced the SCR whilst increasing own funds generating an increase of 46% in the SCR coverage ratio. These changes have provided an opportunity to assess the amount of underwriting risk AIL wishes to retain in the business it writes, whilst remaining within risk appetite. The Board approved reducing the Quota Share Re-insurance, which will be actioned after the expiry of the secondary Quota Share Reinsurer contract at 31st December 2023. It should be noted all other changes were actioned at 31st January 2023.

C.1 Underwriting Risk

Underwriting risk arises from the volume of business we underwrite, inadequacies in pricing, compared to the product benefits, or worse than expected claims experience. The majority of underwriting risk to which the Company is exposed is of a short-term nature in view of the lines of business which it writes.

The table below shows the Underwriting Risk charge for year ending 30th April 2023 and percentage of the undiversified base SCR with a comparison with the previous financial year.

Underwriting Risk	FY23		FY22		Change	
	£'000	BSCR %	£'000	BSCR %	£'000	BSCR %
Non-life Underwriting risk	£5,662	45%	£8,878	63%	(£3,216)	(18%)
Health Underwriting Risk	£3,666	29%	£546	4%	£3,120	25%
Total Underwriting Risk	**9,328**	**74%**	**9,424**	**67%**	**(£96)**	**7%**

Underwriting risk is mitigated by:

- Single source performance information produced on a regular basis, feeding into the underwriting and management processes and informing decision-making. AIL has also invested in improvements to its analytical processes – including new reserving processes and underwriting management information and pricing models.
- AIL is a specialist insurer focusing on Travel and ancillary personal lines insurance products. As well as pricing, AIL has additional controls to segment the market and target those risks it wishes to underwrite.
- Reinsurance contracts, both quota share and excess of loss, reduce exposure to large individual claims or aggregated losses from a single event and dampen the volatility in the underwriting result.
- A triannual review of reserving loss ratios is undertaken, which sets the UK GAAP reserves. This is done by projecting claims to an ultimate position using underwriting year triangles. Back testing of recent experience against the expected premiums and claims emergence is performed between Reserving Committees where the analysis is challenged prior to sign off and booking. As the Solvency II Best Estimate TPs consist of Premium Provisions, Claims Provisions and Risk Margin, the booked UK GAAP reserves form an input into the Company's Solvency II Best Estimate TPs Model.
- Underwriting Governance processes including the 'deal rooms' pay particular attention to how much Underwriting risk capital is being consumed by the product or scheme under review and includes comparison of the scheme risk capital to the available capital headroom. Return on Equity calculations drive underwriting focus towards items which deliver an appropriate return on capital.

Underwriting risk is monitored by:

AIL has a Board-approved Risk Appetite Statement that includes the monitoring of the Underwriting metrics below, which are monitored within appropriate governance fora. This monitoring provides assurance that AIL is ultimately operating within the Board-approved risk appetite and remains within the budgeted capital plan.

Line of Business	Risk Metric	Green	Amber	Red
Travel	Aggregated Commission Rate – movement from budgeted capital plan	≤2.5%	2.5% - 5%	>5%
Health		≤5%	5% - 10%	>10%
Multi-Lines		≤2.5%	2.5% - 5%	>5%
Travel	GWP Actual vs Budget (Forecast Out-turn)	±5%	±5% - 10%	±≥10%
Health		±5%	±5% - 10%	±≥10%
Multi-Lines		±5%	±5% - 10%	±≥10%

Line of Business	Risk Metric	Green	Amber	Red
Travel	Aggregated Net Loss Ratio (Claims Incurred / Net Earned Premium) – movement from budgeted capital plan	<1.25%	1.25% - 2.5%	>2.5%
Health		≤5%	5% - 10%	>10%
Multi-Lines		<1.25%	1.25% - 2.5%	>2.5%
Travel	GGEP Budget vs Actual	±5%	±5% - 10%	±10%
Health		±5%	±5% - 10%	±10%
Multi-Lines		±5%	±5% - 10%	±10%

C.2 Market Risk

Market risk arises from fluctuations in the market value of, or income from, AIL assets. Since the production of the last ORSA report, AIL continues to employ a relatively simple investment strategy, however, has started to invest a portion of its assets in Money Market Funds. This allows AIL to gain a reasonable return on its available assets to support the operations, while also ensuring adherence to the prudent person principle and adequate liquidity since such investments are callable within 24 hours' notice.

AIL has exposure to the following types of market risk:

- Currency risk – AIL is exposed to currency risk in respect of liabilities under policies of insurance and reinsurance contracts denominated in currencies other than sterling. AIL manages its foreign exchange risk against its functional currency. Foreign exchange exposure arises when there is a mismatch in the value of the foreign currency assets and liabilities.

AIL's market risk charge is driven by a 25% capital charge on asset liability mismatches in currencies other than Sterling. Predominantly this relates to claims exposures made in different currencies. The standard formula is deemed to be an adequate proxy given the size and complexity of AIL's market risk exposure. Cash exposures are considered within the Counterparty risk module.

AIL does not use derivative instruments to manage exposure to foreign currencies, instead its ongoing monitoring of non-Sterling asset and liability exposures and rebalancing of any surplus / deficit positions allows AIL to control currency exposure. AIL manages its investments either as fixed term deposits, where fixed rates of interest are earned on the deposits with credit institutions, or it invests into Money Market Funds. These funds are accessible within 24 hours, reducing exposure to liquidity risk and meaning two thirds of total cash balances are either immediately accessible or held in overnight deposit accounts.

The table below shows the Market Risk charge for year ending 30th April 2023 and percentage of the undiversified base SCR with a comparison to the previous financial year.

	FY23		FY22		Change	
	£'000	BSCR %	£'000	BSCR %	£'000	BSCR %
Market risk	£2,121	17%	£2,937	21%	(£816)	(4%)

The Company does not use derivative instruments to manage exposure to foreign currencies, instead its ongoing monitoring of non-Sterling asset and liability exposure and rebalancing any surplus / deficit positions allows the Company to control currency exposure. The investment strategy is to invest funds in deposits with a duration of less than one year, reducing exposure to liquidity risk and ensuring that around 56% of total cash balances are either immediately accessible or held in overnight deposit accounts. This reduces the liquidity risk faced as funds are readily available especially within a stressed scenario.

Prudent person principle

The Company is required, and strictly follow, the prudent person principle to invest the assets used to cover their respective MCRs and SCRs. The prudent person principle defines that the assets must be invested in a manner that a 'prudent person' would – that is that the decisions are generally accepted as being sound for the average person.

Market Risk is mitigated by:

- The Investment strategy defines the currencies in which underlying investment assets may be held.
- Surplus currency bank and cash positions are monitored and rebalanced by the Finance function when any surplus or deficit positions arise.
- The Finance and Investment Committee (FIC) also monitors the level of AIL's exposure to foreign currency against risk appetite and the approved business plan.
- The overall level of current and forecast exposure to foreign currencies across the AIL balance sheet and the impact this has, or may have, on the regulatory capital of AIL is monitored by the Risk and Capital Committee (RCC).
- AIL does not currently use derivatives to manage currency exposure.
- The banks used by AIL currently have a credit rating of A or higher.
- Significant cash holdings are held across a number of banks.
- AIL limits its investment with each bank in accordance with its risk appetite.

Market risk is monitored by:

Regular monitoring of cash balances and concentration limits is managed by the Operational Cash Management team reporting to the Finance leadership team. This assists with remaining within risk appetite and acts as an early warning to potential stress events. AIL has a Board-approved Risk Appetite Statement that includes the monitoring of the Market, Investment and Liquidity risk metrics below, which are reviewed within appropriate governance forums. This monitoring provides assurance that AIL is ultimately operating within the Board-approved risk appetite and remaining within the budgeted capital plan.

Risk Metric	Green	Amber	Red
Solvency II Charge on Currency exposures on absolute net assets/liabilities	<£350k	£350k - £500k	>£500k
Diversification: Number of Institutions	>2	2	<2
Concentration: Amount per investment	≤£9m	£9m - £10m	>£10m
Counterparty rating (S&P)	>-A	-	BBB

C.3 Credit Risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. Key areas where the Company is exposed to credit risk are:

- Reinsurer's share of insurance liabilities.
- Amounts due from reinsurers in respect of claims already paid.
- Amounts due from policyholders.
- Amounts due from insurance intermediaries; and
- Cash held with banks and in term deposits.

The table below shows the Counterparty Risk charge for year ending 30th April 2023 and percentage of the undiversified base SCR with a comparison with the previous financial year.

	FY23		FY22		Change	
	£'000	BSCR %	£'000	BSCR %	£'000	BSCR %
Counterparty risk	£1,242	10%	£1,653	12%	(£411)	(2%)

Counterparty risk is mitigated by:

AIL manages the level of credit risk it accepts by placing limits on its exposure to a single counterparty, or groups of counterparties and to geographic and industry segments. Such risks are subject to regular review.

- AIL has a minimum required reinsurer credit rating agency (A.M. Best) of A- with its principal Quota Share reinsurer currently having a rating of A+.
- The Excess of Loss reinsurance panel comprises of reinsurers with a minimum credit rating of A. The panel is comprised primarily of Lloyd's reinsurers.
- The Board policy is to maintain intercompany debt with other Collinson entities at a minimum, so reducing AIL's counterparty credit exposure.
- Exposure to credit risk in respect of amounts due from policyholders is mitigated by AIL's large customer base and the low average level of individual balances outstanding. The Company is not exposed to concentrations of credit risk in respect of policyholders.
- The RCC meets on a quarterly basis and is responsible for monitoring these risks to ensure they remain within risk appetite.

Counterparty risk is monitored by:

Regular monitoring of cash balances and concentration limits are managed by the Operational Cash Management team reporting to the Finance leadership team. This team assists with ensuring AIL remains within risk appetite and acts as an early warning to potential stress events. AIL has a Board-approved risk appetite statement that includes the monitoring of the Credit risk (including Counterparty) risk metrics below, which are monitored within appropriate governance forums. This monitoring provides assurance that AIL is ultimately operating within the Board-approved risk appetite and remains within the budgeted capital plan.

Risk Metric	Green	Amber	Red
Counterparty rating (Reinsurer)	A	BBB	<BBB
Amount of Reinsurance Counterparty debt over 90 days overdue	<£100k	£100k - £250k	£250k
SII inward aged debt charge (Premium)	<£0.4m	£0.4m - £0.7m	>£0.7m

C.4 Liquidity Risk

Liquidity risk is the risk that AIL although solvent, either does not have available sufficient financial resources to enable it to meet its obligations as they fall due or can secure such resources only at excessive cost.

Liquidity risk is not explicitly included within the standard formula SCR calculation and is not considered a material risk to the Company as the assets to support its risks and capital requirements are held in cash deposits with banks with a current credit rating of A or higher. The Company considers the composition of its assets in terms of their nature and liquidity to be appropriate and sufficient to meet its obligations as they fall due.

The Company manages the level of liquidity risk:

- Liquidity and Asset Liability Management Policies in place.
- Monthly cash forecast.
- Monthly report of cash and liquid balances presented to the Board.
- ALM (currency) forecast on quarterly basis;
- Set guidelines on asset allocations, portfolio limit structures and maturity profiles of assets, in order to ensure sufficient funding available to meet insurance contract obligations; and
- During the period ended 30 April 2023, AIL was not exposed to significant liquidity risk.

Risk Metric	Green	Amber	Red
Lowest cash balance in month as a ratio to stressed claim paid outgoings	> 150% & <250%	> 100% and <150%	<100% & >250%
Liquidity Buffer: Ratio of liquid assets (cash and money market investments) against the stressed value of 2 months of outgoings	> 150% & <250%	> 125% and <150%	<125%

C.5 Operational Risk

Operational Risk Level 1 Class in the Company's Risk Universe and is defined as "the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events". This definition includes legal risk but excludes strategic and reputational risk. To operate efficiently the Company recognises that it needs to have a robust framework in place to manage operational risk. The framework is underpinned by an Operational Risk Policy. The following are the Board Policy Statements that have been implemented to manage Operational Risk:

Risk Culture: The Board and Executive Management will seek to lead the Company in delivering a strong risk management culture.

Risk Framework: The Risk function will seek to develop, implement and maintain a risk framework and standards that align to regulatory requirements.

Risk Identification: The Company will seek to use appropriate risk management tools to identify actual, potential or emerging risks in all material products, activities, processes and systems.

Risk Assessment: The Company will seek to use appropriate risk management tools to assess risks in all material products, activities, processes and systems to ensure that risks are properly understood.

Risk Control: The Company will seek to use appropriate internal controls e.g. policies, processes and systems and appropriate risk mitigation and transfer strategies to manage its operational risks.

Risk Events: The Company will seek to ensure that incidents are identified, escalated and effectively managed within agreed parameters.

New Product Approval: The Company will seek to ensure that new products, material changes to existing products and associated operational implications are assessed for risk.

Risk Reporting: The Company will seek to regularly monitor its risk profile and material exposure to losses.

Operational Resilience: The Company will seek to maintain robust operational, cyber and technological resilience for both its in-house processes and activities and those undertaken by its partners.

As a standard formula company, the Operational Risk SCR charge is primarily driven by premium volumes especially premium volume growth. The table below shows the Operational Risk charge for year ending 30th April 2023, which has been capped at 30% of the Base SCR with a comparison with the previous financial year.

	FY23		FY22		Change	
	£'000	BSCR %	£'000	BSCR %	£'000	SCR %
Operational Risk	£2,547	30%	£1,337	12%	£1,210	18%

Operational risk is monitored by:

AIL seeks to mitigate the risk with the implementation of a robust operational risk framework which is consistent, effective, economic and proportionate to the nature, scale and structure of the business. The framework is supported by an Operational Risk Policy and procedures detailing clear roles and responsibilities to support staff in undertaking their "business as usual" activities whilst managing the "day to day" operational risks.

C.6 Other Material Risks

Other risks that could impact the Company's ability to meet its business plan are:

Financial risk from Climate Change (FRCC) is not a new risk but has received heightened regulatory focus within financial services and increased expectations for external reporting during the past few years. A Key aspect is financial risks caused due to climate change, not solely the impact of climate change.

The table below highlights the components of FRCC which includes a high-level risk assessment.

Component	Definition	Risk Assessment
Physical Risk – Direct	Direct risks may arise from a range of perils, for example natural catastrophes such as severe storms, or events such as coastal or river	Direct risk would not impact the products underwritten directly. A non-material amount

	floods. Since these types of events have already occurred several times, they often fall into the category of 'modelled' risk.	could be exposure within Misc. Financial Loss products.
Physical Risk – Indirect	Indirect risks could impact upon a wide range of business lines, such as financial loss, agriculture, or political risk. Given these risks may be unexpected, or not anticipated, and data on them is limited or capable of misinterpretation, they are often excluded from models produced by industry bodies and are considered 'non-modelled' risks.	Indirect risk could impact AIL due to potential financial losses exposure, such as reinsurance ceasing due to exposures relating to direct physical risk.
Transition Risk	The potential impact of the global transition to a lower carbon economy. This is referred to as 'transition risk' and covers a range of potential developments, actions and events related to the low carbon transition which could impact upon the safety and soundness of PRA-regulated insurance firms and their policyholders	Potential impact from travel via air as deemed not environmentally friendly, which reduces Group support sentiment. Returns on investments from traditional sources are lower as profitability is reduced due to the drive to sustainable fuel methods
Liability Risk	The potential impact of liability risks from climate change on PRA-regulated insurance firms. These liability risks could arise from parties who have suffered loss and damage from the physical or transition risks from climate change seeking to recover losses from others who they believe may have been responsible.	Very similar to the impact of Transitional and Physical risk with targeted focus on ALM due to claim payments.

The table highlights the risk management approach to managing FRCC and how exposure is monitored via related risk appetites and stresses and scenario testing. The stress and scenarios identified have been included with the ORSA process and a high-level risk assessment with a risk management approach is included.

Component	Risk Management Approach	Related Risk Appetite(s)	ORSA Scenario(s)
Physical risk – Direct	➢ Monitor via risk appetite metrics detailed. ➢ Update Financial risk from Climate Change risk assessment if exposure changes ➢ Include within Stress and Scenario landscape	➢ Aggregated Net Loss Ratio (Claims Incurred / Net Earned Premium) – movement from budgeted capital plan	Not included as very minimal direct physical risk due to the product lines written within the Insurance division. Very minimal amount of Home Emergency insurance written within the Multi-lines line of business.
Physical risk – Indirect	➢ Monitor via risk appetite metrics detailed. ➢ Update Financial risk from Climate Change risk assessment if exposure changes ➢ Include within Stress and Scenario landscape	➢ Counterparty rating ➢ Amount of Reinsurance Counterparty debt over 90 days overdue ➢ SII inward aged debt charge ➢ New suppliers / partners with pre contract DD ➢ High risk due diligence issues for new OSP partner ➢ Annual Capability Review (ACR) completed	The below stress and scenarios are planned for the Own Risk and Solvency Assessment (ORSA) that potentially relate to Financial risk from climate change. **Single Factor Scenarios** institute downgrade **Single Factor Sensitivities** ✓ Counterparty stress (non-payment). ✓ Reduction in Investment income by 50%. **Economic Scenarios** ✓ Loss of Group support scenario due to investment required in other areas of the Group impacted by change in customer behaviours due to carbon emissions in air travel. **Reverse Stress Test** ✓ The lead reinsurer is no longer able to provide the current arrangements due to an adverse hurricane season caused by climate change and no longer able to provide reinsurance to the level assumed in the capital plan.
Transition risk	➢ Monitor via risk appetite metrics detailed. ➢ Update Financial risk from Climate Change risk assessment if exposure changes ➢ Include within Stress and Scenario landscape	➢ GWP Actual Vs Budget (Forecast out-turn) ➢ Diversification: number of institutions ➢ Concentration: amount per investment ➢ Counterparty rating (S&P) ➢ Forward looking SCR coverage ratio over planning horizon	
Liability risk	➢ Monitor via risk appetite metrics detailed. ➢ Update Financial risk from Climate Change risk assessment if exposure changes ➢ Include within Stress and Scenario landscape	➢ Liquidity buffer (stressed cashflow scenarios) ➢ Forward looking SCR coverage ratio over planning horizon	

The conclusion of the assessment is that AIL has minimal exposure to FRCC. The Board has considered that the capital charge within the Standard Formula adequately captures all the risks of the Company and do not believe an additional capital charge is required for FRCC following this assessment. The Board are confident that the robust control framework and monitoring in place reduces the probability of risks crystalising in this area and that no additional management action is considered necessary to reduce the risks further.

Strategic Risk

Strategic Risk, defined as "failure to set and implement an appropriate strategy", has been assessed as within the Company's risk appetite. To this extent, whilst not explicitly modelled, the consequences of inappropriate strategic decisions will be assessed within each risk contributing to the SCR.

Group Risk

The Company is dependent upon on the wider Collinson Group for the provision of the following services directly associated with the sale of insurance and servicing of policy obligations.

- Underwriting and pricing.
- Claims handling.
- Policy administration.
- Investment management and treasury; and
- Finance, accounting, reserving and tax.

In addition, Collinson Group provides services which indirectly support the sale of insurance and servicing of policy obligations.

- Property and infrastructure.
- Information systems; and
- Data management.

Collinson Group remains committed to funding the working capital and business growth of AIL, with the Insurance Division and AIL contains key components of the Collinson Group's strategy.

Operating Costs (non-technical)

The Company's current and planned operating model, over the current three-year forecast cycle, is to outsource the provision of key operational activities, including:

- Underwriting and pricing.
- Claims handling.
- Finance, actuarial, reserving and taxation.
- Policy administration; and
- Investment management and treasury.

The current outsourcing arrangement in respect of operating costs (non-technical in nature) is with CISL. CISL is the legal entity through which the Collinson Group performs managing agency business in the UK. CISL also acts as service company to AIL along with other divisional legal entities. These divisional entities perform a range of services such as insurance brokerage, claims management and policy administration.

There is a separate profit commission agreement between AIL and CISL covering the respective arrangements in place for the profit commission paid to CISL for the provision of insurance administration services to AIL. The basis of this profit commission is AIL retain a 4.5% fronting fee on retained net earned business written, with the balance of underwriting profit being paid as profit commission to CISL. (Note: there is a guaranteed profit commission of 10% to CISL and in effect a "corridor", of 85.5% to 61%, where the profit commission paid is restricted. Typically, AIL operates comfortably within this profit commission corridor).

This model means, that subject to the upper corridor limit (85.5%) not being breached, then AIL will make a profit before FX and interest. This is reflected in the future forecasts which show a steady profit stream and increase in own funds, within well capitalised SII funds. For CISL, the profit commission received is variable depending on underwriting performance of the overall portfolio.

AIL therefore has a significant inter-dependence with CISL to enable the Company to deliver the services to its ultimate clients, including the provision of insurance administration services. AIL works closely with CISL to satisfy itself that it continues to have the economic and operational resources to continue to meet their obligations to the Company.

Emerging risks

The Company uses a Strategic Risk Radar to enable the timely identification, assessment and proactive management of material business risks that have the potential to adversely impact strategic delivery. This approach considers risks in four thematic groups:

- **Strategic:** Material risks to business strategy (e.g. market changes, shifts in the competitive landscape, changes in consumer behaviour.);
- **Financial:** Material risks to financial performance (e.g. macroeconomic conditions.);
- **Compliance:** Material regulatory and/or legal changes that will impact the Insurer's strategy; and
- **Operational & Conduct:** Material risks that may have operational and/or customer impacts.

It is a dynamic and iterative tool that is subject to regular review and challenge by Executive management and the Board.

C.7 Any other information

The Board do not consider that there is any further information which should be disclosed.

D. Valuation for Solvency Purposes

The Group does not prepare separate consolidated GAAP accounts but the Group Companies each prepare Solo accounts on a UK GAAP basis. The Group and Solo Solvency II balance sheets have been prepared in accordance with fair value valuation principles contained in the Solvency II Directive (2009) and Solvency II Delegated Acts (2015 and 2019).

The structure and underlying assets and liabilities within the consolidated AIHL (Group) and the Company (Solo) GAAP and Solvency II balance sheets are identical except for a single asset position held in the group balance sheet of a receivable of £0.1k (2022: £0.1k). The receivable is due from a Collinson Group undertaking.

Accordingly, this section does not differentiate between the Solo and Group balance sheet, with reference being made to the Group balance sheet (except for UK GAAP and Solvency II balance sheets which contains information about the Company balance sheet).

D.1 Assets

The Group values all assets and liabilities at fair value within the Solvency II balance sheet. Fair value is the value at which knowledgeable and willing parties could exchange assets and liabilities in an arm's length transaction. Fair value is best demonstrated by reference to quoted market prices. Where, due to a lack of liquidity in the market for a class of asset, fair value cannot be established from market prices, an alternative valuation approach to determine fair value is required. As at 30 April 2023, the Group did not hold any financial investments, the fair value of which could not be determined from market prices. Where assets and liabilities not actively traded in markets are to be settled by payment or receipt of cash, fair value is calculated by means of discounting future cash flows by a risk adjusted discount rate. Where the impact of discounting is not material, cash flows are not discounted. In the valuation of liabilities other than technical provisions, there has been no adjustment in the valuation for changes in the credit standing of the Group or the Company.

Deferred acquisition costs ("DAC") of £25,772k, reflected as an asset on the UK GAAP balance sheet, is not recognised as an asset on the Solvency II balance sheet, as DAC does not have the capacity to absorb losses. Where cash flows from insurance receivables are not yet due, the value of these cash flows is reclassified from insurance receivables and included in technical provisions.

The table below shows AIL's summary balance sheet under Solvency II alongside the balance sheet under UK GAAP with the differences in asset and liability valuations and presentation between the two regimes presented in the final column. Consolidated UK GAAP financial statements are not currently prepared and accordingly the Group Solvency II balance sheet has not been presented.

Assets	Solvency II	UK GAAP	Variance
	£'000	£'000	£'000
Deferred acquisition costs	-	£25,772	(£25,772)
Financial investments	£57,703	£57,320	£383
Reinsurance assets (Reinsurers share of TP's)	£1,471	£64,484	(£63,013)
Receivables insurance	£4,517	£31,018	(£26,501)
Receivables reinsurance	£56	£707	(£651)
Receivables trade not insurance	-	£383	(£383)
Cash and cash equivalents	£8,656	£8,656	-
Deferred tax asset	£1,916	£1,822	£94
Other Assets	£157	£157	-
Total assets	£74,475	£190,319	(£115,843)

Financial investments

Comprise short term highly liquid financial investments valued at fair value for both UK GAAP and Solvency II, are readily convertible to known amounts of cash and subject to insignificant risk of a change in value.

Cash and cash equivalents

Consist of demand deposits with banks and cash on hand and are valued at fair value for both UK GAAP and Solvency II.

Receivables insurance

Solvency II receivables insurance represent cash flows from intermediaries and policyholders which are due or have become overdue.

Receivables trade not insurance

Trade receivables represent cash flows due from insurance service providers and administrators including CISL who provide the Company with a number of outsourced functions as noted in Section B7 of this report. Receivables are valued on a fair value basis within both the UK GAAP and Solvency II balance sheet. Fair value is derived from discounting future cash flows using a risk adjusted discount rate. Where the impact of discounting is not material, (i.e. cash flows take place within one year) cash flows are not discounted.

Deferred tax asset

Tax losses and other deferred tax assets are only recognised by the Company/the Group to the extent that it is probable that such assets can be offset against future arising tax liabilities and or future taxable profits. A deferred tax asset of £1,822k was recognised as at the end of the reporting period. At 30 April 2023, AIL has unused tax losses of £7,287k (FY22: £8,910k).

D.2 Technical Provisions

The following table details the Company's technical provisions (TPs):

£'000	Medical Expenses	Assistance	Miscellaneous Financial Loss	Fire & Other Damage	Income Protection	Total
Claims Provisions	£14,899	£7,837	£745	£461	£360	£24,302
Premium Provisions	£3,076	£6,284	£820	£686	(£1,947)	£8,919
Total Best Estimate	£17,975	£14,121	£1,565	£1,147	(£1,587)	£33,222
Risk Margin	£289	£85	£4	£15	£4	£396
Technical Provisions – Total	£18,264	£14,206	£1,568	£1,163	(£1,582)	£33,618
Total Recoverable from Reinsurance	£1,965	(£5,591)	(£588)	(£804)	£3,546	(£1,471)
Technical Provisions – Net of Reinsurance	£20,229	£8,615	£981	£359	£1,964	£32,147

The value of TPs corresponds to the current amount an insurer would have to pay if it were to transfer its obligations immediately to another Solvency II undertaking. TPs are the sum of the best estimate liabilities (BEL) and the risk margin. Best estimate corresponds to the probability-weighted average of future cash flows, taking into account the time-value of money using the relevant risk-free rate term structure. The bases, methods and assumptions used for the valuation of TPs are as follows:

Calculation Basis

- Calculations are carried out on a going-concern basis.
- Insurance exposure is split into five lines of business; Medical Expenses, Assistance, Miscellaneous Financial Loss, Fire & Other Damage to Property and Income Protection.

- TPs are calculated as best estimate cash flow projections of all inflows and outflows required to settle liabilities. The time horizon for the calculations is the full lifetime of liabilities that exist on the valuation date.
- Cash flows are discounted using the PRA's basic risk-free rates (without the matching adjustment and volatility adjustment). It is assumed that, on average, cash flows occur at the end of each year; and
- Best estimate calculations are at homogenous risk group level by scheme and scheme year and are based on up-to-date credible information and realistic assumptions. The quality and sufficiency of data underlying the calculation is compliant with SII standards.

Best Estimate

- The TPs, so far as concerns this element, are on a best estimate basis, and
- The best estimate consists of a claims provision and premium provision for business on risk at the valuation date.

Claim Provisions

- The claims provisions are calculated as the discounted best estimate of all future cash flows relating to existing claims that occurred on or prior to the valuation date (i.e. claims on earned business);
- The provision for claims outstanding is the underlying best estimate, as calculated within the UK GAAP reserves using a combination of actuarial and statistical techniques, including Chain Ladder and Bornhuetter-Ferguson techniques.
- The following adjustments are made in the best estimate claims provisions:
- Remove any management margin within held reserves.
- Allow for low probability high severity events, referred to as Events Not In Data ("ENIDs");
- Include SII expenses required for the run-off of reserves, and
- Discount cash flows.

Premium Provisions

- The premium provisions are calculated as the discounted best estimate of all future cash flows relating to claims for projected future events on existing business (i.e. claims on the unearned business);
- The premium provisions also include the discounted best estimate of all future cashflows on bound but not incepted ("BBNI") business.
- Cash flows are projected in line with all insurance obligations related to future exposure until contract boundaries, and lapses and mid-term cancellations are allowed for as per business expectations; and
- The following adjustments are made in the best estimate premium provision:
  - Allow for ENIDs.
  - Include SII expenses required for the run-off of reserves, and
  - Discount cash flows.

Risk Margin

- The Risk Margin is included as a component of the technical provisions in order to ensure that the value of total technical provisions is equivalent to the amount that another insurance or reinsurance undertaking would be expected to require in order to take over and meet the insurance and reinsurance obligations.
- The Risk Margin has been calculated in accordance with simplification 3 within the EIOPA guidance, which assumes the SCR will proportionally decrease based on the run-off pattern of net claims payments.

Reinsurance Recoverables

- TPs are calculated gross, and the reinsurance recoverable asset is calculated using a similar corresponding approach, consistent with the boundaries of the inwards contracts to which those relate. Additionally, future reinsurance costs are adjusted where necessary to allow for contractual obligations of non-proportional reinsurance contracts.

D. Valuation for Solvency Purposes (continued)

- The reinsurance recoverable asset has been adjusted to allow for the best estimate probability of reinsurer default. Reinsurance recoverables relate to insurance liabilities ceded to A rated reinsurers for quota share, and a panel of A-rated reinsurers for excess of loss reinsurance.

Level of uncertainty associated with the amount of TP's

The key assumptions that may impact the Technical Provisions are detailed below along with the comments regarding the materiality of these assumptions.

- **Assumed loss ratio**: Loss ratios are calculated by scheme and reviewed and approved by the Reserving Committee.
- **Settlement period**: Claims settlement patterns are calculated by scheme and based on historical data. The settlement patterns feed into the Technical Provisions to split out the future cashflows by period.
- **Discount rate**: Current yields are rising, but there is limited discounting benefit to the Technical Provisions given the risks underwritten by the Company are short tailed.
- **Expenses**: The relevant expenses involved in the operation of the Company are included within the calculation of the technical provisions.
- **Reinsurance**: It is assumed that the reinsurance will perform as expected, although the technical provisions include an allowance for bad debt.
- **ENIDs**: Events not in Data ("ENIDs") are calculated based on benchmarking for each line of business underwritten by AIL. The amount calculated is small compared with other elements in the calculation of the technical provisions.

Reconciliation between UK GAAP and Solvency II valuation

The table below shows the comparison between UK GAAP and SII valuations:

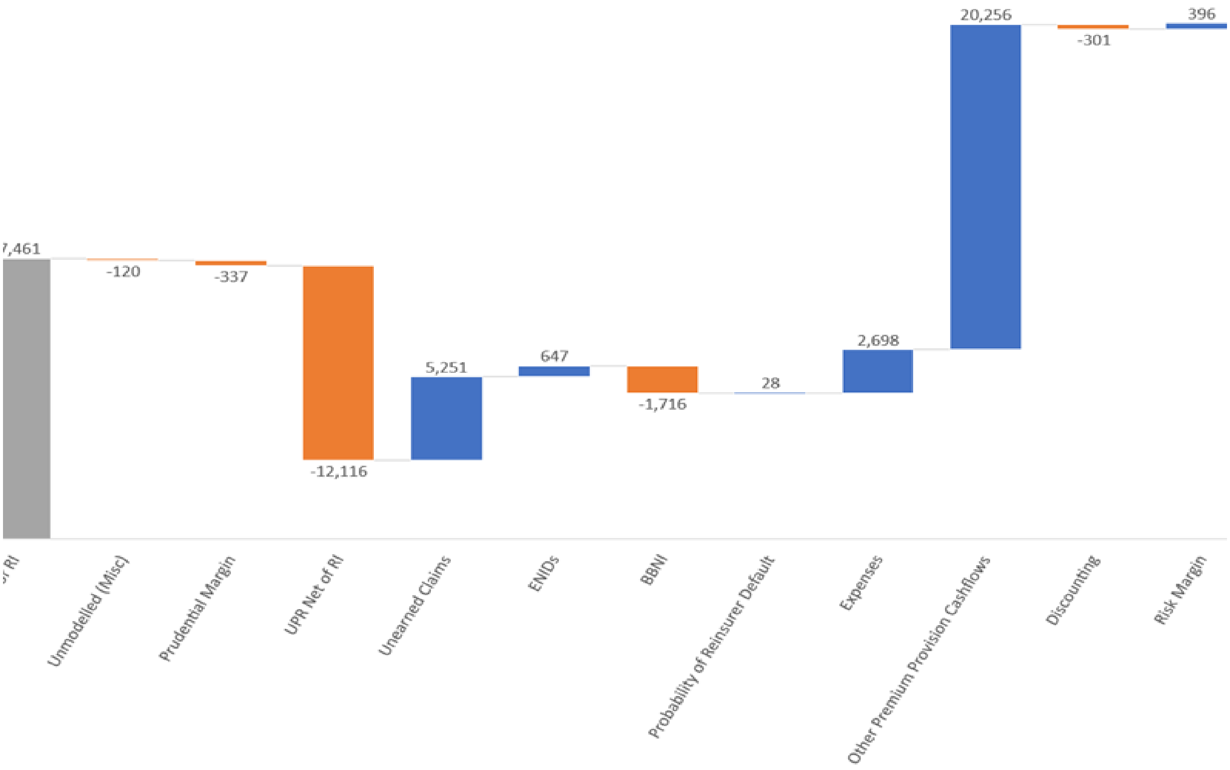
£'000	UK GAAP Value						Solvency II Value					
	Medical Expense	Assist-ance	Misc. Financial Loss	Fire & Other Damage	Income Protection	Total	Medical Expense	Assist-ance	Misc. Financial Loss	Fire & Other Damage	Income Protection	Total
Provision for claims outstanding	£14,354	£8,075	£749	£462	£369	£24,009						
Provision for unearned premium	£28,380	£19,597	£2,787	£7,014	£38	£57,816						
Best estimate Claims Provision							£14,899	£7,837	£745	£461	£360	£24,302
Best estimate Premium Provision							£3,076	£6,284	£820	£686	(£1,947)	£8,919
Risk Margin							£289	£85	£4	£15	£4	£396
Gross Technical Provisions	£42,688	£27,718	£3,536	£7,476	£407	£81,825	£18,264	£14,206	£1,568	£1,163	(£1,582)	£33,618
Recoverables from Reinsurance	(£33,543)	(£21,912)	(£2,725)	(£6,091)	(£213)	(£64,484)	£1,965	(£5,591)	(£588)	(£804)	£3,546	(£1,471)
Net Technical Provisions	**£9,145**	**£5,806**	**£811**	**£1,385**	**£194**	**£17,341**	**£20,229**	**£8,615**	**£981**	**£359**	**£1,964**	**£32,147**

- TPs within the UK GAAP financial statements consist of a provision for claims outstanding and provision for unearned premium;

- The provision for claims outstanding is an estimate of the ultimate cost of settling all claims which have occurred up to the statement of financial position date. Claims incurred but not yet paid are included based on a best estimate value plus any general provisions for adverse development (prudent margin) if applicable; and
- The provision for unearned premium represents the proportion of premiums written but not yet earned for the unexpired elements of the underlying risks.

The waterfall below illustrates the movement from UK GAAP to SII valuation:

Comparison of UK GAAP and SII Technical Provisions as at 30 April 2023 – Net of Reinsurance



Key for waterfalls: increase in TP's | reduction in TP's

Please note that within the above waterfall the UK GAAP Technical provisions value of £13,250k does not include either DAC or reinsurers' share of DAC. The difference between UK GAAP and Solvency II valuations are caused by the differences between the bases, methods, and main assumptions used. In particular, the following adjustments are made to convert UK GAAP provisions to Solvency II best estimate:

- Remove prudent margin.
- Adjust the provision for unearned premium to represent proportion of unearned premiums that relate to the unearned claims only (best estimate view);
- Allow for ENIDs.
- Allow for BBNI.
- Allow for the probability of reinsurer defaulting.
- Provide for Solvency II run-off expenses.
- Movement in "other premium provisions cash flows", includes future expected net cash flows in respect of premium instalments, commissions, profit shares, and reinsurance.
- Movement in creditors/debtors.
- Discount the cash flows; and,
- Include a risk margin.

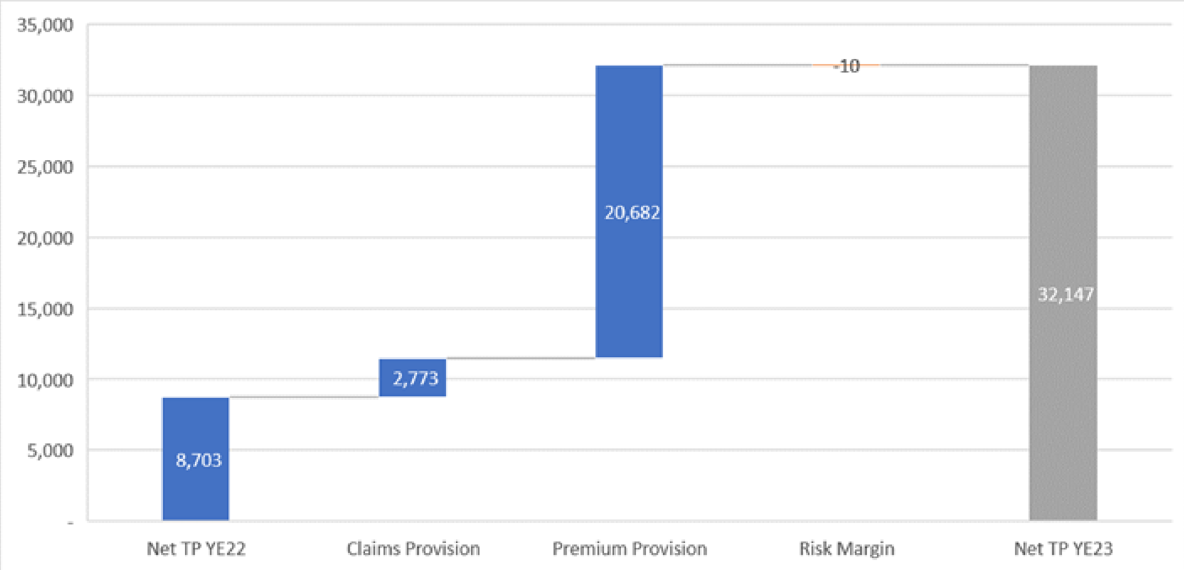
Matching adjustment, volatility adjustment and transitional provisions

The Company does not utilise any of these arrangements.

Changes to technical provisions from previous reporting period

The following graph shows the walk from year end 2021 Solvency II TPs to year end 2022 Solvency II TPs.

SII Technical Provisions FY22 to FY23 – Net of Reinsurance



Reinsurance

The Company's reinsurance program comprises of two components – Risk Excess of Loss (XOL) and Quota Share (QS) reinsurance. The Company has two XOL treaties, one covering International Private Medical and another for Travel Insurance as ordinarily these are the only products exposed to large losses. The treaties are placed predominantly into the Lloyd's and London reinsurance market. For the QS programme we strictly adhere to our appetite in terms of security of reinsurers with all our reinsurers being A-rated or better.

Claims Management Procedures

Claims management procedures utilised by AIL are broadly similar year on year and incorporate both direct and indirect costs associated with the management and settlement of claims.

D.3 Other Liabilities – Solvency II balance sheet

Liabilities on the UK GAAP balance sheet include insurance payables containing commission related amounts that are not yet due and as a result they form part of the technical provisions. In line with the asset side of the balance sheet Reinsurers share of DAC ("RI DAC") (£21,000k) disclosed within the "Other liabilities" section of the balance sheet is not recognised as a liability on the Solvency II balance sheet.

Liabilities	Solvency II	UK GAAP	Variance
	£'000	£'000	£'000
Technical provisions non-life	£33,618	£81,825	(£48,207)
Insurance payables	£2,590	£11,914	(£9,324)
Reinsurance payables	£2,815	£36,286	(£33,471)
Payables trade not insurance	£10,394	£10,394	-
Other liabilities	-	£24,441	(£24,441)
Total liabilities	£49,417	£164,859	(£115,442)

Liabilities	Solvency II £'000	UK GAAP £'000	Variance £'000
Excess of assets over liabilities	£25,058	£25,460	(£402)

Insurance Payables

Under Solvency II this balance represents cash flows to intermediaries and policyholders which are now due.

Payables trade not insurance

Consist of amounts due to other Collinson Group companies including CISL in respect of administration and support services, the settlement of which is expected to occur imminently.

D.4 Alternative methods for valuation

The Group does not use any alternative methods for valuation of assets or liabilities.

D.5 Any other information / disclosures

There are no other material information relating to valuation of assets or other liabilities, and there have been no material changes in the valuation of assets or liabilities during the year.

Data Quality

Given that the Company utilises the Solvency II Standard Formula, the integrity of the model is validated by the Actuarial Function. All data pertaining to the calculations is managed, monitored and controlled by the Finance Function in conjunction with the Actuarial Function. There are no data deficiencies noted in the calculation and valuation of technical provisions for Solvency II purposes.

E. Capital Management

E.1 Own Funds

The Group classifies its own funds as Tier 1, Tier 2 or Tier 3 depending on the characteristics of the capital. Tier 1 capital is the best form of capital for the purposes of absorbing losses. In all cases below, the reconciliation reserve represents retained earnings and reconciliation adjustments from GAAP balance sheet to Solvency II balance sheet.

Unrestricted own funds are only permitted to cover the Minimum Capital Requirement (MCR), which is shown in the below tables as £23,142k for the Company. In addition, to Tier 1 capital the Company have a deferred tax asset of £1,655k classed as Tier 3, which increases the total own funds to £24,797k.

AIL Own funds	Own Funds Quality	FY23	FY22	Variance
		£'000	£'000	£'000
Share capital issued and fully paid	Tier 1	£16,000	£16,000	-
Reconciliation reserve	Tier 1	£7,142	£5,706	£1,436
Unrestricted Own Funds		£23,142	£21,706	£1,436
Deferred tax asset	Tier 3	£1,655	£647	£1,269
Total Own Funds		£24,797	£22,353	£2,705

Unrestricted own funds are only permitted to cover the Minimum Capital Requirement (MCR), which is shown in the below tables as £23,142k for the Group. In addition, to Tier 1 capital the Group have a deferred tax asset of £1,916k classed as Tier 3, which increases the total own funds to £25,058k.

AIHL Own funds	Own Funds Quality	FY23	FY22	Variance
		£'000	£'000	£'000
Share capital issued and fully paid	Tier 1	£16,000	£16,000	-
Reconciliation reserve	Tier 1	£7,142	£5,706	£1,436
Unrestricted Own Funds		£23,142	£21,706	£1,436
Deferred tax asset	Tier 3	£1,916	£647	£1,269
Total Own Funds		£25,058	£22,353	£2,705

The movement between share capital and reserves as reflected in the AIL UK GAAP balance sheets as at 30 April 2023 and the excess of assets over liabilities as presented in the Group and Company Solvency II balance sheets as at 30 April 2022 is presented in the table below.

Analysis of basic own funds (Solo)	FY23	FY22
	£'000	£'000
Issued share capital	£16,000	£16,000
Retained earnings	£9,460	£6,605
Total capital and reserves	**£25,460**	**£22,606**
Adjustments to move to SII valuation:		
Technical provisions & DAC, difference in valuation GAAP vs. SII	(£20,988)	(£311)
GAAP assets not recognised on the Solvency II balance sheet: prepayments	£94	£59
GAAP liabilities not recognised on the Solvency II balance sheet	£20,492	-
SII asset surplus (i.e. SII assets less SII liabilities)	**£25,058**	**£22,353**

No own funds items are subject to transitional arrangements. At 30 April 2023 and at 30 April 2022, the Group or Company did not have any ancillary own funds. There are no restrictions affecting the transferability of own funds at a Group or Solo level.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

In the Executive Summary and Risk Profile sections of this document it is highlighted that the risk profile and underlying businesses of the Group and Company are the same, accordingly for the remainder of this section of the document no distinction between Group and Company is made.

The table (below) summaries the components of the MCR, as at 30 April 2023.

Minimum Capital Requirement	FY23 £'000	FY22 £'000	Variance £'000
Absolute floor MCR	£3,250	£2,112	£1,138
Linear MCR	£5,512	£4,168	£1,344
SCR	£11,036	£12,377	(£1,341)
Combined MCR	£4,966	£4,168	£798
MCR	£4,966	£4,168	£798

The Company has £23,142k of unrestricted own funds to cover the MCR, which generates a MCR coverage ratio of 466%.

The Group and Company both use the standard formula as the basis for calculating the SCR. During the year both the Group and the Company continue to keep under review the assumptions underpinning the standard formula and assessment that the continued use of the standard formula to calculate the SCR remains appropriate.

As set out in the EIOPA Directive the Group's solvency position is calculated using method 1 ("accounting consolidation-based method"). No group diversification effects arose on consolidation. Both the Group and Company held £23,142k of eligible unrestricted own funds to cover the SCR at 30 April 2023 (the SCR at 30 April 2023 is the same for both the Group and Company), both the Group and Company held sufficient capital to cover the SCR throughout the reporting period.

The table below contains the risk modules that comprise the Group's SCR of £11,036k as at 30 April 2023 (30 April 2022: £12,376k), after taking diversification credit. Own funds were £25,058k as at 30 April 2023 providing an SCR coverage ratio of 227%.

Solvency Capital Requirement	FY23 £'000	FY22 £'000	Variance £'000
Non-Life Underwriting	£5,662	£8,878	(£3,216)
Health Underwriting	£3,666	£546	£3,120
Market Risk	£2,121	£2,937	(£816)
Counterparty Default	£1,242	£1,653	(£411)
Undiversified BSCR	£12,691	£14,014	(£1,323)
Diversification	(£4,202)	(£2,975)	(£1,227)
Base SCR	£8,489	£11,039	(£2,550)
Operational Risk	£2,547	£1,337	£1,210
SCR	£11,036	£12,376	(£1,340)
Own Funds	£25,058	£22,353	£2,705
SCR Coverage Ratio	227%	181%	46%

The undiversified base SCR has reduced by 9% during the financial year to 30th April 2023 with the base SCR falling by 23% during the same period. The AFH has conducted a review of both the Solvency II (SII) technical provisions, including mapping products to the appropriate SII class of business and the Investment strategy in conjunction with the Finance Director. Analysis of its underlying product characteristics concluded the AIL Travel line of business could be divided between Assistance and Medical Expenses rather than be mapped 100% to Assistance as previously.

This change has reduced the non-life charge in the Solvency Capital Requirement (SCR) but increased the Health Risk charge. An increased diversification benefit has been recognised with the mapping change, which has reduced the SCR.

The Investment strategy and subsequent approach has taken into account macro-economic conditions whilst continuing to act responsibly and with prudence. Excess funds are now largely placed in highly liquid, highly rated Money Market Funds (MMF) and, upon maturity, previously held term deposits have also been moved to the MMF. This has reduced the Market Risk and Counterparty Risk charge in the SCR due to the diversification of the MMF.

Underwriting Specific Parameters (USPs)

The Group/Company did not use any underwriting specific parameters in the standard formula calculation.

Capital add-on

Neither the Company nor the Group have a capital add on, as the risk profiles of the Company and the Group do not deviate significantly from the assumptions underpinning the calibration of the standard formula.

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

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

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

An internal model has not been used by either the Company or the Group. The standard formula has been used to calculate the SCR.

E.5 Non-compliance with the Minimum Capital Requirement and non-compliance with the Solvency Capital Requirement

During the financial year ended 30 April 2023 there were no instances during which the Group / Company were not compliant with both the MCR and SCR.

E.6 Any other information

Deferred tax assets

A deferred tax asset of £1,916k is recognised within the Solvency II balance sheet. Under Solvency II a deferred tax asset is recognised on the differences between the valuations of assets and liabilities under Solvency II and their corresponding tax base.

The Company deem it more than likely that the deferred tax asset recognised will be utilised in full over the coming 3 years against future operating profits. In addition, the deferred tax asset has been recognised within the Group's basic own funds (as set out in section E.2) as Tier 3 capital. This equates to approximately 7.6% of the total own funds and within EIOPA guidelines that limits the deferred tax recognition to no more than 15% of eligible own funds.

Loss absorbing capacity of deferred tax

No allowance has been made for the loss absorbing capacity of deferred tax within the SCR calculations.
Neither the Company, nor the Group, have other material information to disclose.

Appendix 1 – AIHL Quantitative Reporting Templates (QRTs)

S.02.01 Balance Sheet

		Solvency II value
		C0010
Assets		
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	0.00
Deferred tax assets	R0040	1,916,460.73
Pension benefit surplus	R0050	0.00
Property, plant & equipment held for own use	R0060	0.00
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	57,702,791.04
Property (other than for own use)	R0080	0.00
Holdings in related undertakings, including participations	R0090	0.00
Equities	R0100	0.00
Equities - listed	R0110	0.00
Equities - unlisted	R0120	0.00
Bonds	R0130	0.00
Government Bonds	R0140	0.00
Corporate Bonds	R0150	0.00
Structured notes	R0160	0.00
Collateralised securities	R0170	0.00
Collective Investments Undertakings	R0180	37,268,584.18
Derivatives	R0190	0.00
Deposits other than cash equivalents	R0200	20,434,206.86
Other investments	R0210	0.00
Assets held for index-linked and unit-linked contracts	R0220	0.00
Loans and mortgages	R0230	0.00
Loans on policies	R0240	0.00
Loans and mortgages to individuals	R0250	0.00
Other loans and mortgages	R0260	0.00
Reinsurance recoverables from:	R0270	1,470,796.29
Non-life and health similar to non-life	R0280	1,470,796.29
Non-life excluding health	R0290	6,981,858.82
Health similar to non-life	R0300	-5,511,062.52
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	0.00
Health similar to life	R0320	0.00
Life excluding health and index-linked and unit-linked	R0330	0.00
Life index-linked and unit-linked	R0340	0.00
Deposits to cedants	R0350	0.00
Insurance and intermediaries receivables	R0360	4,517,111.71
Reinsurance receivables	R0370	55,524.07
Receivables (trade, not insurance)	R0380	0.01
Own shares (held directly)	R0390	0.00
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	0.00
Cash and cash equivalents	R0410	8,655,639.19
Any other assets, not elsewhere shown	R0420	156,666.70
Total assets	R0500	74,474,989.75
Liabilities		
Technical provisions – non-life	R0510	33,618,184.74
Technical provisions – non-life (excluding health)	R0520	16,936,766.05
Technical provisions calculated as a whole	R0530	0.00
Best Estimate	R0540	16,833,219.09
Risk margin	R0550	103,546.96
Technical provisions - health (similar to non-life)	R0560	16,681,418.70
Technical provisions calculated as a whole	R0570	0.00
Best Estimate	R0580	16,388,633.40
Risk margin	R0590	292,785.30
Technical provisions - life (excluding index-linked and unit-linked)	R0600	0.00
Technical provisions - health (similar to life)	R0610	0.00
Technical provisions calculated as a whole	R0620	0.00
Best Estimate	R0630	0.00
Risk margin	R0640	0.00
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	0.00
Technical provisions calculated as a whole	R0660	0.00
Best Estimate	R0670	0.00
Risk margin	R0680	0.00
Technical provisions – index-linked and unit-linked	R0690	0.00
Technical provisions calculated as a whole	R0700	0.00
Best Estimate	R0710	0.00
Risk margin	R0720	0.00
Other technical provisions	R0730	
Contingent liabilities	R0740	0.00
Provisions other than technical provisions	R0750	0.00
Pension benefit obligations	R0760	0.00
Deposits from reinsurers	R0770	0.00
Deferred tax liabilities	R0780	0.00
Derivatives	R0790	0.00
Debts owed to credit institutions	R0800	0.00
Financial liabilities other than debts owed to credit institutions	R0810	0.00
Insurance & intermediaries payables	R0820	2,590,013.80
Reinsurance payables	R0830	2,814,686.04
Payables (trade, not insurance)	R0840	10,394,027.81
Subordinated liabilities	R0850	0.00
Subordinated liabilities not in Basic Own Funds	R0860	0.00
Subordinated liabilities in Basic Own Funds	R0870	0.00
Any other liabilities, not elsewhere shown	R0880	0.00
Total liabilities	R0900	49,416,912.39
Excess of assets over liabilities	R1000	25,058,077.36

S.05.01 Premiums, claims and expenses

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)					Total
		Medical expense insurance	Income protection insurance	Fire and other damage to property insurance	Assistance	Miscellaneous financial loss	
		C0010	C0020	C0070	C0110	C0120	C0200
Premiums written							
Gross - Direct Business	R0110	88,417,854.37	286,072.86	9,094,211.45	61,776,546.95	11,214,800.46	170,789,486.09
Gross - Proportional reinsurance accepted	R0120	-7,660.83	0.00	0.00	-54.98	0.00	-7,715.81
Gross - Non-proportional reinsurance accepted	R0130						0.00
Reinsurers' share	R0140	70,418,004.80	91,111.12	7,204,496.58	49,172,228.77	7,949,346.98	134,835,188.26
Net	R0200	17,992,188.73	194,961.74	1,889,714.87	12,604,263.20	3,265,453.48	35,946,582.02
Premiums earned							
Gross - Direct Business	R0210	73,057,460.33	257,871.81	9,528,006.65	51,892,841.34	11,141,180.42	145,877,360.56
Gross - Proportional reinsurance accepted	R0220	-1,887.61	0.00	0.00	255.22	0.00	-1,632.39
Gross - Non-proportional reinsurance accepted	R0230						0.00
Reinsurers' share	R0240	56,885,076.66	68,333.34	7,054,641.59	39,685,542.90	6,729,403.32	110,422,997.81
Net	R0300	16,170,496.07	189,538.47	2,473,365.06	12,207,553.66	4,411,777.10	35,452,730.36
Claims incurred							
Gross - Direct Business	R0310	32,431,126.71	131,964.12	2,102,417.92	22,076,574.65	2,745,081.93	59,487,165.33
Gross - Proportional reinsurance accepted	R0320	509,748.32	0.00	0.00	-1,694.97	0.00	508,053.35
Gross - Non-proportional reinsurance accepted	R0330						0.00
Reinsurers' share	R0340	25,824,599.61	64,171.53	1,687,863.71	16,985,186.69	1,428,959.16	45,990,780.70
Net	R0400	7,116,275.42	67,792.59	414,554.21	5,089,693.00	1,316,122.77	14,004,437.98
Changes in other technical provisions							
Gross - Direct Business	R0410						0.00
Gross - Proportional reinsurance accepted	R0420						0.00
Gross - Non- proportional reinsurance accepted	R0430						0.00
Reinsurers'share	R0440						0.00
Net	R0500	0.00	0.00	0.00	0.00	0.00	0.00
Expenses incurred	R0550	8,960,398.82	208,381.37	1,875,432.31	6,876,585.14	2,917,339.15	20,838,136.79
Administrative expenses							
Gross - Direct Business	R0610	252,182.85	5,864.72	52,782.46	193,535.68	82,106.05	586,471.76
Gross - Proportional reinsurance accepted	R0620						0.00
Gross - Non-proportional reinsurance accepted	R0630						0.00
Reinsurers' share	R0640						0.00
Net	R0700	252,182.85	5,864.72	52,782.46	193,535.68	82,106.05	586,471.76
Investment management expenses							
Gross - Direct Business	R0710						0.00
Gross - Proportional reinsurance accepted	R0720						0.00
Gross - Non-proportional reinsurance accepted	R0730						0.00
Reinsurers' share	R0740						0.00
Net	R0800	0.00	0.00	0.00	0.00	0.00	0.00
Claims management expenses							
Gross - Direct Business	R0810	554,714.91	12,900.35	116,103.12	425,711.44	180,604.85	1,290,034.67
Gross - Proportional reinsurance accepted	R0820	0.00	0.00	0.00	0.00		0.00
Gross - Non-proportional reinsurance accepted	R0830						0.00
Reinsurers' share	R0840						0.00
Net	R0900	554,714.91	12,900.35	116,103.12	425,711.44	180,604.85	1,290,034.67
Acquisition expenses							
Gross - Direct Business	R0910	30,359,934.16	706,044.98	6,354,404.82	23,299,484.35	9,884,629.73	70,604,498.04
Gross - Proportional reinsurance accepted	R0920						0.00
Gross - Non-proportional reinsurance accepted	R0930						0.00
Reinsurers' share	R0940	22,491,708.81	523,063.00	4,707,566.96	17,261,078.85	7,322,881.94	52,306,299.56
Net	R1000	7,868,225.35	182,981.98	1,646,837.86	6,038,405.50	2,561,747.79	18,298,198.48
Overhead expenses							
Gross - Direct Business	R1010	285,275.71	6,634.32	59,708.87	218,932.52	92,880.46	663,431.89
Gross - Proportional reinsurance accepted	R1020						0.00
Gross - Non-proportional reinsurance accepted	R1030						0.00
Reinsurers' share	R1040						0.00
Net	R1100	285,275.71	6,634.32	59,708.87	218,932.52	92,880.46	663,431.89
Other expenses	R1200						
Total expenses	R1300						20,838,136.79

S.05.02 Premiums, claims and expenses by country

		Home country	Country (by amount of gross premiums written)	Country (by amount of gross premiums written)	Total for top 5 countries and home country (by amount of gross
			IE	KE	
		C0080	C0090	C0090	C0140
Premiums written					
Gross - Direct Business	R0110	170,689,141.59		100,344.50	170,789,486.09
Gross - Proportional reinsurance accepted	R0120		-7,715.81		-7,715.81
Gross - Non-proportional reinsurance accepted	R0130				0.00
Reinsurers' share	R0140	134,292,936.72		64,440.92	134,357,377.64
Net	R0200	36,396,204.87	-7,715.81	35,903.58	36,424,392.64
Premiums earned					
Gross - Direct Business	R0210	145,671,477.84		205,882.72	145,877,360.56
Gross - Proportional reinsurance accepted	R0220		-1,632.39		-1,632.39
Gross - Non-proportional reinsurance accepted	R0230				0.00
Reinsurers' share	R0240	110,339,839.95		83,157.86	110,422,997.81
Net	R0300	35,331,637.89	-1,632.39	122,724.86	35,452,730.36
Claims incurred					
Gross - Direct Business	R0310	59,119,236.18		367,929.15	59,487,165.33
Gross - Proportional reinsurance accepted	R0320		508,053.35		508,053.35
Gross - Non-proportional reinsurance accepted	R0330				0.00
Reinsurers' share	R0340	45,824,260.56		166,520.14	45,990,780.70
Net	R0400	13,294,975.62	508,053.35	201,409.01	14,004,437.98
Changes in other technical provisions					
Gross - Direct Business	R0410				0.00
Gross - Proportional reinsurance accepted	R0420				0.00
Gross - Non-proportional reinsurance accepted	R0430				0.00
Reinsurers' share	R0440				0.00
Net	R0500	0.00	0.00	0.00	0.00
Expenses incurred	R0550	20,629,755.42	10,419.07	197,962.30	20,838,136.79
Other expenses	R1200				
Total expenses	R1300				20,838,136.79

Appendix 1 – AIHL QRTS (continued)

S.23.01 Own Funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector						
Ordinary share capital (gross of own shares)	R0010	23,615,400.00	23,615,400.00			
Non-available called but not paid in ordinary share capital at group level	R0020	0.00				
Share premium account related to ordinary share capital	R0030	0.00				
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	0.00				
Subordinated mutual member accounts	R0050	0.00				
Non-available subordinated mutual member accounts at group level	R0060	0.00				
Surplus funds	R0070	0.00				
Non-available surplus funds at group level	R0080	0.00				
Preference shares	R0090	0.00				
Non-available preference shares at group level	R0100	0.00				
Share premium account related to preference shares	R0110	0.00				
Non-available share premium account related to preference shares at group level	R0120	0.00				
Reconciliation reserve	R0130	-473,783.37	-473,783.37			
Subordinated liabilities	R0140	0.00				
Non-available subordinated liabilities at group level	R0150	0.00				
An amount equal to the value of net deferred tax assets	R0160	1,916,460.73				1,916,460.73
The amount equal to the value of net deferred tax assets not available at the group level	R0170	0.00				
Other items approved by supervisory authority as basic own funds not specified above	R0180	0.00				
Non available own funds related to other own funds items approved by supervisory authority	R0190	0.00				
Minority interests (if not reported as part of a specific own fund item)	R0200	0.00				
Non-available minority interests at group level	R0210	0.00				
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities	R0230	0.00				
whereof deducted according to art 228 of the Directive 2009/138/EC	R0240	0.00				
Deductions for participations where there is non-availability of information (Article 229)	R0250	0.00				
Deduction for participations included by using D&A when a combination of methods is used	R0260	0.00				
Total of non-available own fund items	R0270	0.00	0.00	0.00	0.00	0.00
Total deductions	R0280	0.00	0.00	0.00	0.00	0.00
Total basic own funds after deductions	R0290	25,058,077.36	23,141,616.63	0.00	0.00	1,916,460.73
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	0.00				
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	0.00				
Unpaid and uncalled preference shares callable on demand	R0320	0.00				
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0.00				
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	0.00				
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	0.00				
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	0.00				
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	0.00				
Non available ancillary own funds at group level	R0380	0.00				
Other ancillary own funds	R0390	0.00				
Total ancillary own funds	R0400	0.00			0.00	0.00
Own funds of other financial sectors						
Credit institutions, investment firms, financial institutions, alternative investment fund managers, UCITS management companies - total	R0410	0.00				
Institutions for occupational retirement provision	R0420	0.00				
Non regulated entities carrying out financial activities	R0430	0.00				
Total own funds of other financial sectors	R0440	0.00	0.00	0.00	0.00	
Own funds when using the D&A, exclusively or in combination of method 1						
Own funds aggregated when using the D&A and combination of method	R0450	0.00				
Own funds aggregated when using the D&A and combination of method net of IGT	R0460	0.00				
Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0520	25,058,077.36	23,141,616.63	0.00	0.00	1,916,460.73
Total available own funds to meet the minimum consolidated group SCR	R0530	23,141,616.63	23,141,616.63	0.00	0.00	
Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0560	25,058,077.36	23,141,616.63	0.00		1,916,460.73
Total eligible own funds to meet the minimum consolidated group SCR	R0570	23,141,616.63	23,141,616.63	0.00		
Consolidated Group SCR	R0590	11,035,584.98				
Minimum consolidated Group SCR	R0610	4,966,013.24				
Ratio of Eligible own funds to the consolidated Group SCR (excluding other financial sectors and the undertakings included via D&A)	R0630	2.2707				
Ratio of Eligible own funds to Minimum Consolidated Group SCR	R0650	4.6600				
Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)	R0660	25,058,077.36	23,141,616.63	0.00	0.00	1,916,460.73
SCR for entities included with D&A method	R0670					
Group SCR	R0680	11,035,584.98				
Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	R0690	2.2707				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	25,058,077.36
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	25,531,860.73
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Other non available own funds	R0750	
Reconciliation reserve	R0760	-473,783.37
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	1,115,712.69
Total Expected profits included in future premiums (EPIFP)	R0790	1,115,712.69

Appendix 1 – AIHL QRTS (continued)

S.25.01 Total SCR

Article 112*	Z0010		*Article 112 1 - Article 112(7) reporting (output: x1) 2 - Regular reporting (output: x0)

Basic Solvency Capital Requirement

		Net solvency capital requirement	Gross solvency capital requirement	Allocation from adjustments due to RFF and Matching adjustments portfolios
		C0030	C0040	C0050
Market risk	R0010	2,121,144.03	2,121,144.03	
Counterparty default risk	R0020	1,241,552.57	1,241,552.57	
Life underwriting risk	R0030		0.00	
Health underwriting risk	R0040	3,666,374.81	3,666,374.81	
Non-life underwriting risk	R0050	5,662,332.25	5,662,332.25	
Diversification	R0060	-4,202,492.14	-4,202,492.14	
Intangible asset risk	R0070		0.00	
Basic Solvency Capital Requirement	R0100	8,488,911.52	8,488,911.52	

Calculation of Solvency Capital Requirement

		Value	
		C0100	
Adjustment due to RFF/MAP nSCR aggregation	R0120		
Operational risk	R0130	2,546,673.46	
Loss-absorbing capacity of technical provisions	R0140		
Loss-absorbing capacity of deferred taxes	R0150		
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC (transitional)	R0160		
Solvency capital requirement, excluding capital add-on	R0200	11,035,584.98	
Capital add-ons already set	R0210		
Solvency capital requirement for undertakings under consolidated method	R0220	11,035,584.98	
Other information on SCR			
Capital requirement for duration-based equity risk sub-module	R0400		
Total amount of Notional Solvency Capital Requirements for remaining part	R0410		
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420		
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430		
Diversification effects due to RFF nSCR aggregation for article 304	R0440		
Method used to calculate the adjustment due to RFF/MAP nSCR aggregation*	R0450	4	*Method used to calculate the adjustment due to RFF/MAP nSCR aggregation 1 - Full recalculation 2 - Simplification at risk sub-module level 3 - Simplification at risk module level 4 - No adjustment
Net future discretionary benefits	R0460		
Minimum consolidated group solvency capital requirement	R0470		
Information on other entities			
Capital requirement for other financial sectors (Non-insurance capital requirements)	R0500	0.00	
Capital requirement for other financial sectors (Non-insurance capital requirements) - Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	R0510		
Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational retirement provisions	R0520		
Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement for non-regulated entities carrying out financial activities	R0530		
Capital requirement for non-controlled participation requirements	R0540		
Capital requirement for residual undertakings	R0550		
Overall SCR			
SCR for undertakings included via D and A	R0560		
Solvency capital requirement	R0570	11,035,584.98	

Appendix 1 – AIHL QRTS (continued)

S.32.01 Entities in the scope of the Group

Identification code of the undertaking MANDATORY	Country*	Legal Name of the undertaking	Type of undertaking*	Legal form	Category (mutual/non mutual)*	Supervisory Authority
C0020	C0010	C0040	C0050	C0060	C0070	C0080
LEI/213800[illegible]	GB	Astrenska Insurance Limited	2	Companies limited by shares	2	Prudential Regulation Authority
LEI/213800[illegible]	GB	Astrenska Insurance Holdings Limited	5	Companies limited by shares	2	

Identification code of the undertaking MANDATORY	Ranking criteria (in the group currency)								
	Total Balance Sheet (for (re)insurance undertakings)	Total Balance Sheet (for other regulated undertakings)	Total Balance Sheet (non-regulated undertakings)	Written premiums net of reinsurance ceded under IFRS or local GAAP for (re)insurance undertakings	Turn over defined as the gross revenue under IFRS or local GAAP for other types of undertakings or insurance holding companies	Underwriting performance	Investment performance	Total performance	Accounting standard*
C0020	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170
LEI/213800[illegible]	25,058,077.36					610,155.59	1,046,130.85	2,054,761.65	2
LEI/213800[illegible]		23,615,400.00							2

Identification code of the undertaking MANDATORY	Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence*	Proportional share used for group solvency calculation	Yes/No*	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0020	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
LEI/213800[illegible]	100.0000%	100.0000%	100.0000%		1	100.0000%	1		1
LEI/213800[illegible]							1		1

Appendix 2 – AIL Quantitative Reporting Templates (QRTs)

S.02.01 Balance Sheet

		Solvency II value	Statutory accounts value
		C0010	C0020
Assets			
Goodwill	R0010		0.00
Deferred acquisition costs	R0020		25,772,475.59
Intangible assets	R0030	0.00	0.00
Deferred tax assets	R0040	1,916,460.73	1,822,219.34
Pension benefit surplus	R0050	0.00	0.00
Property, plant & equipment held for own use	R0060	0.00	0.00
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	57,702,791.04	57,320,059.06
Property (other than for own use)	R0080	0.00	0.00
Holdings in related undertakings, including participations	R0090	0.00	0.00
Equities	R0100	0.00	0.00
Equities - listed	R0110	0.00	0.00
Equities - unlisted	R0120	0.00	0.00
Bonds	R0130	0.00	0.00
Government Bonds	R0140	0.00	0.00
Corporate Bonds	R0150	0.00	0.00
Structured notes	R0160	0.00	0.00
Collateralised securities	R0170	0.00	0.00
Collective Investments Undertakings	R0180	37,268,584.18	37,267,661.12
Derivatives	R0190	0.00	0.00
Deposits other than cash equivalents	R0200	20,434,206.86	20,052,397.94
Other investments	R0210	0.00	0.00
Assets held for index-linked and unit-linked contracts	R0220	0.00	0.00
Loans and mortgages	R0230	0.00	0.00
Loans on policies	R0240	0.00	0.00
Loans and mortgages to individuals	R0250	0.00	0.00
Other loans and mortgages	R0260	0.00	0.00
Reinsurance recoverables from:	R0270	1,470,796.29	64,484,138.95
Non-life and health similar to non-life	R0280	1,470,796.29	64,484,138.95
Non-life excluding health	R0290	6,981,858.82	63,990,061.88
Health similar to non-life	R0300	-5,511,062.52	494,077.07
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	0.00	0.00
Health similar to life	R0320	0.00	0.00
Life excluding health and index-linked and unit-linked	R0330	0.00	0.00
Life index-linked and unit-linked	R0340	0.00	0.00
Deposits to cedants	R0350	0.00	0.00
Insurance and intermediaries receivables	R0360	4,517,111.71	31,017,925.22
Reinsurance receivables	R0370	55,524.07	706,706.04
Receivables (trade, not insurance)	R0380	0.01	382,731.99
Own shares (held directly)	R0390	0.00	0.00
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	0.00	0.00
Cash and cash equivalents	R0410	8,655,639.19	8,655,639.19
Any other assets, not elsewhere shown	R0420	156,666.70	156,666.70
Total assets	R0500	74,474,989.75	190,318,562.08
Liabilities			
Technical provisions – non-life	R0510	33,618,184.74	81,825,406.46
Technical provisions – non-life (excluding health)	R0520	16,936,766.05	80,877,225.32
Technical provisions calculated as a whole	R0530	0.00	
Best Estimate	R0540	16,833,219.09	
Risk margin	R0550	103,546.96	
Technical provisions - health (similar to non-life)	R0560	16,681,418.70	948,181.14
Technical provisions calculated as a whole	R0570	0.00	
Best Estimate	R0580	16,388,633.40	
Risk margin	R0590	292,785.30	
Technical provisions - life (excluding index-linked and unit-linked)	R0600	0.00	0.00
Technical provisions - health (similar to life)	R0610	0.00	0.00
Technical provisions calculated as a whole	R0620	0.00	
Best Estimate	R0630	0.00	
Risk margin	R0640	0.00	
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	0.00	0.00
Technical provisions calculated as a whole	R0660	0.00	
Best Estimate	R0670	0.00	
Risk margin	R0680	0.00	
Technical provisions – index-linked and unit-linked	R0690	0.00	0.00
Technical provisions calculated as a whole	R0700	0.00	
Best Estimate	R0710	0.00	
Risk margin	R0720	0.00	
Other technical provisions	R0730		0.00
Contingent liabilities	R0740	0.00	0.00
Provisions other than technical provisions	R0750	0.00	0.00
Pension benefit obligations	R0760	0.00	0.00
Deposits from reinsurers	R0770	0.00	0.00
Deferred tax liabilities	R0780	0.00	0.00
Derivatives	R0790	0.00	0.00
Debts owed to credit institutions	R0800	0.00	0.00
Financial liabilities other than debts owed to credit institutions	R0810	0.00	0.00
Insurance & intermediaries payables	R0820	2,590,013.80	11,913,525.59
Reinsurance payables	R0830	2,814,686.04	36,286,126.08
Payables (trade, not insurance)	R0840	10,394,027.81	10,394,027.81
Subordinated liabilities	R0850	0.00	0.00
Subordinated liabilities not in Basic Own Funds	R0860	0.00	0.00
Subordinated liabilities in Basic Own Funds	R0870	0.00	0.00
Any other liabilities, not elsewhere shown	R0880	0.00	24,439,632.85
Total liabilities	R0900	49,416,912.39	164,858,718.79
Excess of assets over liabilities	R1000	25,058,077.36	25,459,843.29

S.05.01 Premiums, claims and expenses

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)					Total
		Medical expense insurance	Income protection insurance	Fire and other damage to property insurance	Assistance	Miscellaneous financial loss	
		C0010	C0020	C0070	C0110	C0120	C0200
Premiums written							
Gross - Direct Business	R0110	88,417,854.37	286,072.86	9,094,211.45	61,776,546.95	11,214,800.46	170,789,486.09
Gross - Proportional reinsurance accepted	R0120	-7,660.83	0.00	0.00	-54.98	0.00	-7,715.81
Gross - Non-proportional reinsurance accepted	R0130						0.00
Reinsurers' share	R0140	70,418,004.80	91,111.12	7,204,496.58	49,172,228.77	7,949,346.98	134,835,188.26
Net	R0200	17,992,188.73	194,961.74	1,889,714.87	12,604,263.20	3,265,453.48	35,946,582.02
Premiums earned							
Gross - Direct Business	R0210	73,057,460.33	257,871.81	9,528,006.65	51,892,841.34	11,141,180.42	145,877,360.56
Gross - Proportional reinsurance accepted	R0220	-1,887.61	0.00	0.00	255.22	0.00	-1,632.39
Gross - Non-proportional reinsurance accepted	R0230						0.00
Reinsurers' share	R0240	56,885,076.66	68,333.34	7,054,641.59	39,685,542.90	6,729,403.32	110,422,997.81
Net	R0300	16,170,496.07	189,538.47	2,473,365.06	12,207,553.66	4,411,777.10	35,452,730.36
Claims incurred							
Gross - Direct Business	R0310	32,431,126.71	131,964.12	2,102,417.92	22,076,574.65	2,745,081.93	59,487,165.33
Gross - Proportional reinsurance accepted	R0320	509,748.32	0.00	0.00	-1,694.97	0.00	508,053.35
Gross - Non-proportional reinsurance accepted	R0330						0.00
Reinsurers' share	R0340	25,824,599.61	64,171.53	1,687,863.71	16,985,186.69	1,428,959.16	45,990,780.70
Net	R0400	7,116,275.42	67,792.59	414,554.21	5,089,693.00	1,316,122.77	14,004,437.98
Changes in other technical provisions							
Gross - Direct Business	R0410						0.00
Gross - Proportional reinsurance accepted	R0420						0.00
Gross - Non- proportional reinsurance accepted	R0430						0.00
Reinsurers'share	R0440						0.00
Net	R0500	0.00	0.00	0.00	0.00	0.00	0.00
Expenses incurred	R0550	8,960,398.82	208,381.37	1,875,432.31	6,876,585.14	2,917,339.15	20,838,136.79
Administrative expenses							
Gross - Direct Business	R0610	252,182.85	5,864.72	52,782.46	193,535.68	82,106.05	586,471.76
Gross - Proportional reinsurance accepted	R0620						0.00
Gross - Non-proportional reinsurance accepted	R0630						0.00
Reinsurers' share	R0640						0.00
Net	R0700	252,182.85	5,864.72	52,782.46	193,535.68	82,106.05	586,471.76
Investment management expenses							
Gross - Direct Business	R0710						0.00
Gross - Proportional reinsurance accepted	R0720						0.00
Gross - Non-proportional reinsurance accepted	R0730						0.00
Reinsurers' share	R0740						0.00
Net	R0800	0.00	0.00	0.00	0.00	0.00	0.00
Claims management expenses							
Gross - Direct Business	R0810	554,714.91	12,900.35	116,103.12	425,711.44	180,604.85	1,290,034.67
Gross - Proportional reinsurance accepted	R0820	0.00	0.00	0.00	0.00		0.00
Gross - Non-proportional reinsurance accepted	R0830						0.00
Reinsurers' share	R0840						0.00
Net	R0900	554,714.91	12,900.35	116,103.12	425,711.44	180,604.85	1,290,034.67
Acquisition expenses							
Gross - Direct Business	R0910	30,359,934.16	706,044.98	6,354,404.82	23,299,484.35	9,884,629.73	70,604,498.04
Gross - Proportional reinsurance accepted	R0920						0.00
Gross - Non-proportional reinsurance accepted	R0930						0.00
Reinsurers' share	R0940	22,491,708.81	523,063.00	4,707,566.96	17,261,078.85	7,322,881.94	52,306,299.56
Net	R1000	7,868,225.35	182,981.98	1,646,837.86	6,038,405.50	2,561,747.79	18,298,198.48
Overhead expenses							
Gross - Direct Business	R1010	285,275.71	6,634.32	59,708.87	218,932.52	92,880.46	663,431.89
Gross - Proportional reinsurance accepted	R1020						0.00
Gross - Non-proportional reinsurance accepted	R1030						0.00
Reinsurers' share	R1040						0.00
Net	R1100	285,275.71	6,634.32	59,708.87	218,932.52	92,880.46	663,431.89
Other expenses	R1200						
Total expenses	R1300						20,838,136.79

S.05.02 Premiums, claims and expenses by country

		United Kingdom	Ireland	Kenya	
		Home country	Country (by amount of gross premiums written)	Country (by amount of gross premiums written)	Total for top 5 countries and home country (by amount of gross premiums written)
		C0080	C0090	C0090	C0140
Premiums written					
Gross - Direct Business	R0110	170,689,141.59		100,344.50	170,789,486.09
Gross - Proportional reinsurance accepted	R0120		-7,715.81		-7,715.81
Gross - Non-proportional reinsurance accepted	R0130				0.00
Reinsurers' share	R0140	134,292,936.72		64,440.92	134,357,377.64
Net	R0200	36,396,204.87	-7,715.81	35,903.58	36,424,392.64
Premiums earned					
Gross - Direct Business	R0210	145,671,477.84		205,882.72	145,877,360.56
Gross - Proportional reinsurance accepted	R0220		-1,632.39		-1,632.39
Gross - Non-proportional reinsurance accepted	R0230				0.00
Reinsurers' share	R0240	110,339,839.95		83,157.86	110,422,997.81
Net	R0300	35,331,637.89	-1,632.39	122,724.86	35,452,730.36
Claims incurred					
Gross - Direct Business	R0310	59,119,236.18		367,929.15	59,487,165.33
Gross - Proportional reinsurance accepted	R0320		508,053.35		508,053.35
Gross - Non-proportional reinsurance accepted	R0330				0.00
Reinsurers' share	R0340	45,824,260.56		166,520.14	45,990,780.70
Net	R0400	13,294,975.62	508,053.35	201,409.01	14,004,437.98
Changes in other technical provisions					
Gross - Direct Business	R0410				0.00
Gross - Proportional reinsurance accepted	R0420				0.00
Gross - Non-proportional reinsurance accepted	R0430				0.00
Reinsurers' share	R0440				0.00
Net	R0500	0.00	0.00	0.00	0.00
Expenses incurred	R0550	20,629,755.42	10,419.07	197,962.30	20,838,136.79
Other expenses	R1200				
Total expenses	R1300				20,838,136.79

S.17.01 Summary of TPs

		Segmentation for: Direct business and accepted proportional reinsurance					
		Medical expense insurance	Income protection insurance	Fire and other damage to property insurance	Assistance	Miscellaneous financial loss	Total Non-Life obligation
		C0020	C0030	C0080	C0120	C0130	C0180
Technical provisions calculated as a whole	R0010	0.00	0.00	0.00	0.00	0.00	0.00
Direct business	R0020						0.00
Accepted proportional reinsurance business	R0030						0.00
Accepted non-proportional reinsurance	R0040						0.00
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050	0.00		0.00	0.00		0.00
Technical provisions calculated as a sum of BE and RM							
Best estimate							
Premium provisions							
Gross - Total	R0060	3,075,872.56	-1,946,350.40	686,577.58	6,283,648.48	819,687.18	8,919,435.40
Gross - direct business	R0070	3,075,872.56	-1,946,350.40	686,577.58	6,283,648.48	819,687.18	8,919,435.40
Gross - accepted proportional reinsurance business	R0080						0.00
Gross - accepted non-proportional reinsurance business	R0090						0.00
Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	R0100	-13,723,238.09	-3,682,560.18	322,457.71	2,037,313.10	152,267.65	-14,893,759.82
Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses	R0110	-13,723,238.09	-3,682,560.18	322,457.71	2,037,313.10	152,267.65	-14,893,759.82
Recoverables from SPV before adjustment for expected losses	R0120	0.00			0.00		0.00
Recoverables from Finite Reinsurance before adjustment for expected losses	R0130	0.00			0.00		0.00
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	-13,776,226.33	-3,732,923.51	294,393.87	-608,363.97	43,242.63	-17,779,877.31
Net Best Estimate of Premium Provisions	R0150	16,852,098.89	1,786,573.11	392,183.71	6,892,012.45	776,444.55	26,699,312.71
Claims provisions							
Gross - Total	R0160	14,898,913.18	360,198.06	461,261.21	7,837,091.70	744,952.93	24,302,417.09
Gross - direct business	R0170	14,898,913.18	360,198.06	461,261.21	7,837,091.70	744,952.93	24,302,417.09
Gross - accepted proportional reinsurance business	R0180	0.00		0.00	0.00	0.00	0.00
Gross - accepted non-proportional reinsurance business	R0190						0.00
Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	R0200	11,817,457.32	186,978.27	509,380.48	6,202,432.05	544,866.04	19,261,114.15
Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses	R0210	11,817,457.32	186,978.27	509,380.48	6,202,432.05	544,866.04	19,261,114.15
Recoverables from SPV before adjustment for expected losses	R0220	0.00		0.00	0.00		0.00
Recoverables from Finite Reinsurance before adjustment for expected losses	R0230	0.00		0.00	0.00		0.00
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	11,811,215.72	186,871.60	509,119.30	6,198,933.26	544,533.72	19,250,673.60
Net Best Estimate of Claims Provisions	R0250	3,087,697.46	173,326.46	-47,858.08	1,638,158.44	200,419.21	5,051,743.48
Total Best estimate - gross	R0260	17,974,785.74	-1,586,152.35	1,147,838.80	14,120,740.18	1,564,640.11	33,221,852.49
Total Best estimate - net	R0270	19,939,796.35	1,959,899.57	344,325.63	8,530,170.89	976,863.75	31,751,056.19
Risk margin	R0280	289,090.27	3,695.03	15,023.36	84,833.80	3,689.79	396,332.26
Amount of the transitional on Technical Provisions							
TP as a whole	R0290	0.00		0.00	0.00		0.00
Best estimate	R0300	0.00		0.00	0.00		0.00
Risk margin	R0310	0.00		0.00	0.00		0.00
Technical provisions - total							
Technical provisions - total	R0320	18,263,876.01	-1,582,457.31	1,162,862.16	14,205,573.99	1,568,329.90	33,618,184.74
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	-1,965,010.61	-3,546,051.91	803,513.16	5,590,569.30	587,776.35	1,470,796.29
Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total	R0340	20,228,886.62	1,963,594.60	359,348.99	8,615,004.69	980,553.55	32,147,388.45
Line of Business: further segmentation (Homogeneous Risk Groups)							
Premium provisions - Total number of homogeneous risk groups	R0350	0		0	0		
Claims provisions - Total number of homogeneous risk groups	R0360	0		0	0		
Cash-flows of the Best estimate of Premium Provisions (Gross)							
Cash out-flows							
Future benefits and claims	R0370	18,244,647.57	115,961.85	942,457.39	12,050,175.90	1,425,508.76	32,778,751.48
Future expenses and other cash-out flows	R0380	11,774,604.02	1,593,943.49	194,443.42	4,068,770.30	453,732.69	18,085,493.91
Cash in-flows							
Future premiums	R0390	-1,280,202.41	-173,302.67	-21,141.00	-442,380.02	-49,332.42	-1,966,358.51
Other cash-in flows (incl. Recoverable from salvages and subrogations)	R0400	14,447,355.11	96,634.90	765,858.09	9,669,313.77	1,152,129.32	26,131,291.19
Cash-flows of the Best estimate of Claims Provisions (Gross)							
Cash out-flows							
Future benefits and claims	R0410	14,898,913.18	360,198.06	461,261.21	7,837,091.70	744,952.93	24,302,417.09
Future expenses and other cash-out flows	R0420	0.00	0.00	0.00	0.00	0.00	0.00
Cash in-flows							
Future premiums	R0430	0.00		0.00	0.00		0.00
Other cash-in flows (incl. Recoverable from salvages and subrogations)	R0440	0.00		0.00	0.00		0.00
Percentage of gross Best Estimate calculated using approximations	R0450	0.0000	0.0000	0.00	0.00	0.0000	0.00
Best estimate subject to transitional of the interest rate	R0460	0.00		0.00	0.00		0.00
Technical provisions without transitional on interest rate	R0470	0.00		0.00	0.00		0.00
Best estimate subject to volatility adjustment	R0480	0.00		0.00	0.00		0.00
Technical provisions without volatility adjustment and without others transitional measures	R0490	0.00		0.00	0.00		0.00

Gross best estimate calculated using simplified methods	RTT01	0			0	0	0

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S.19.01.21 – 02 Underwriting

Non-life Insurance Claims Information

Accident year / Underwriting year	Z0020	2

Gross Claims Paid (non-cumulative) £'000

		Development Year										
		0	1	2	3	4	5	6	7	8	9	10 & +
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110
Prior	R0100											0
N-9	R0160	0	0	0	0	0	0	0	0	0	0	
N-8	R0170	0	0	0	0	0	0	0	0	0		
N-7	R0180	323	12,927	8,580	1,765	408	95	19	19			
N-6	R0190	576	12,806	10,354	2,513	104	-40	0				
N-5	R0200	501	10,854	9,178	1,005	26	20					
N-4	R0210	415	5,523	5,637	1,723	33						
N-3	R0220	198	2,232	4,471	988							
N-2	R0230	422	3,690	4,021								
N-1	R0240	74	3,561									
N	R0250	109										

		In Current year	Sum of years (cumulative)
		C0170	C0180
	R0100	0	0
	R0160	0	0
	R0170	0	0
	R0180	19	24,134
	R0190	0	26,313
	R0200	20	21,585
	R0210	33	13,332
	R0220	988	7,889
	R0230	4,021	8,133
	R0240	3,561	3,635
	R0250	109	109
Total	R0260	8,751	105,129

Gross Undiscounted Best Estimate Claims Provision

		Development Year										
		0	1	2	3	4	5	6	7	8	9	10 & +
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300
Prior	R0100											0
N-9	R0160	0	0	0	0	0	0	0	0	0	0	
N-8	R0170	0	0	0	0	0	0	0	0	0		
N-7	R0180	0	0	0	0	0	0	0	12			
N-6	R0190	0	0	0	0	0	0	28				
N-5	R0200	0	0	0	0	0	375					
N-4	R0210	0	0	0	0	-28						
N-3	R0220	0	0	0	3							
N-2	R0230	0	0	1,643								
N-1	R0240	0	20,837									
N	R0250	2,020										

		Year end (discounted data)
		C0360
	R0100	0
	R0160	0
	R0170	0
	R0180	12
	R0190	27
	R0200	367
	R0210	-27
	R0220	3
	R0230	1,603
	R0240	20,331
	R0250	1,946
Total	R0260	24,261

Appendix 2 – AIL QRTS (continued)

S.23.01 Own Funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	16,000,000.00	16,000,000.00			
Share premium account related to ordinary share capital	R0030	0.00				
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	0.00				
Subordinated mutual member accounts	R0050	0.00				
Surplus funds	R0070	0.00				
Preference shares	R0090	0.00				
Share premium account related to preference shares	R0110	0.00				
Reconciliation reserve	R0130	7,141,616.63	7,141,616.63			
Subordinated liabilities	R0140	0.00				
An amount equal to the value of net deferred tax assets	R0160	1,916,460.73				1,916,460.73
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	0.00				
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230	0.00				
Total basic own funds after deductions	R0290	25,058,077.36	23,141,616.63	0.00	0.00	1,916,460.73
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	0.00				
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	0.00				
Unpaid and uncalled preference shares callable on demand	R0320	0.00				
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0.00				
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	0.00				
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	0.00				
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	0.00				
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	0.00				
Other ancillary own funds	R0390	0.00				
Total ancillary own funds	R0400	0.00			0.00	0.00
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	25,058,077.36	23,141,616.63	0.00	0.00	1,916,460.73
Total available own funds to meet the MCR	R0510	23,141,616.63	23,141,616.63	0.00	0.00	
Total eligible own funds to meet the SCR	R0540	24,796,954.37	23,141,616.63	0.00	0.00	1,916,460.73
Total eligible own funds to meet the MCR	R0550	23,141,616.63	23,141,616.63	0.00	0.00	
SCR	R0580	11,035,584.98				
MCR	R0600	4,966,013.20				
Ratio of Eligible own funds to SCR	R0620	2.2707				
Ratio of Eligible own funds to MCR	R0640	4.6600				

Reconciliation reserve

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	25,058,077.36
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	17,916,460.73
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	7,141,616.63
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	1,115,712.69
Total Expected profits included in future premiums (EPIFP)	R0790	1,115,712.69

Appendix 2 – AIL QRTS (continued)

S.25.01 Total SCR

Article 112*	Z0010	2	*Article 112 1 - Article 112(7) reporting (output: x1) 2 - Regular reporting (output: x0)

Basic Solvency Capital Requirement

		Net solvency capital requirement	Gross solvency capital requirement	Allocation from adjustments due to RFF and Matching adjustments portfolios
		C0030	C0040	C0050
Market risk	R0010	2,121,144.03	2,121,144.03	
Counterparty default risk	R0020	1,241,552.57	1,241,552.57	
Life underwriting risk	R0030		0.00	
Health underwriting risk	R0040	3,666,374.81	3,666,374.81	
Non-life underwriting risk	R0050	5,662,332.25	5,662,332.25	
Diversification	R0060	-4,202,492.14	-4,202,492.14	
Intangible asset risk	R0070		0.00	
Basic Solvency Capital Requirement	R0100	8,488,911.52	8,488,911.52	

Calculation of Solvency Capital Requirement

		Value
		C0100
Adjustment due to RFF/MAP nSCR aggregation	R0120	
Operational risk	R0130	2,546,673.46
Loss-absorbing capacity of technical provisions	R0140	
Loss-absorbing capacity of deferred taxes	R0150	0.00
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency capital requirement excluding capital add-on	R0200	11,035,584.98
Capital add-on already set	R0210	
Solvency capital requirement	R0220	11,035,584.98
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	
Method used to calculate the adjustment due to RFF/MAP nSCR aggregation*	R0450	4
Net future discretionary benefits	R0460	

*Method used to calculate the adjustment due to RFF/MAP nSCR aggregation
1 - Full recalculation
2 - Simplification at risk sub-module level
3 - Simplification at risk module level
4 - No adjustment

Calculation of Solvency Capital Requirement

		Yes/No
		C0109
Approach based on average tax rate*	R0590	3

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

Calculation of loss absorbing capacity of deferred taxes

		Before the shock	After the shock
		C0110	C0120
DTA	R0600		
DTA carry forward	R0610		
DTA due to deductible temporary differences	R0620		
DTL	R0630		

		LAC DT
		C0130
LAC DT	R0640	0.00
LAC DT justified by reversion of deferred tax liabilities	R0650	
LAC DT justified by reference to probable future taxable economic profit	R0660	
LAC DT justified by carry back, current year	R0670	
LAC DT justified by carry back, future years	R0680	
Maximum LAC DT	R0690	

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S.28.01 MCR

Linear formula component for non-life insurance and reinsurance obligations		MCR components
		C0010
MCRNL Result	R0010	5,511,824.87

Background information		Background information	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	19,940,837.90	18,441,795.15
Income protection insurance and proportional reinsurance	R0030	1,959,918.81	389,361.14
Workers' compensation insurance and proportional reinsurance	R0040		
Motor vehicle liability insurance and proportional reinsurance	R0050		
Other motor insurance and proportional reinsurance	R0060		
Marine, aviation and transport insurance and proportional reinsurance	R0070		
Fire and other damage to property insurance and proportional reinsurance	R0080	344,307.31	2,454,157.51
General liability insurance and proportional reinsurance	R0090		
Credit and suretyship insurance and proportional reinsurance	R0100		
Legal expenses insurance and proportional reinsurance	R0110		
Assistance and proportional reinsurance	R0120	8,529,852.33	11,576,297.39
Miscellaneous financial loss insurance and proportional reinsurance	R0130	977,413.91	3,682,234.11
Non-proportional health reinsurance	R0140		
Non-proportional casualty reinsurance	R0150		
Non-proportional marine, aviation and transport reinsurance	R0160		
Non-proportional property reinsurance	R0170		

Linear formula component for life insurance and reinsurance obligations		C0040
MCRL Result	R0200	0.00

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

Overall MCR calculation		C0070
Linear MCR	R0300	5,511,824.87
SCR	R0310	11,035,584.98
MCR cap	R0320	4,966,013.24
MCR floor	R0330	2,758,896.24
Combined MCR	R0340	4,966,013.24
Absolute floor of the MCR	R0350	3,249,890.21
Minimum Capital Requirement	R0400	4,966,013.24

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