ASTRENSKA

Astrenska Insurance Holdings Limited

and Astrenska Insurance Limited.

Single Solvency and Financial Condition Report for the year ended 30 April 2018.

Astrenska Insurance Holdings Limited

Company Registration No: 10330418

and

Astrenska Insurance Limited

Company Registration No: 01708613

For the year ended 30 April 2018

Contents

Introduction and scope

This is the single Solvency and Financial Condition Report (SFCR) prepared for both Astrenska Insurance Holdings Limited ("AIHL") (this being the "Group" for Solvency II purposes) and Astrenska Insurance Limited ("AIL" or the "Company"). Permission to prepare a single SFCR was granted by the Prudential Regulation Authority ("PRA) on 12 January 2016 and remains in force until 31 December 2020.

The consolidated Solvency II Group is comprised of two legal entities: Astrenska Insurance Holdings Limited and Astrenska Insurance Limited. The legal structure is shown in section A.1.2.1.

AIHL is an insurance holding company, being the parent of the wholly owned subsidiary AIL. AIL is the sole 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 Group's Solo entity, separate disclosures are provided for the Group and AIL. However in many cases information about the Group and Solo subsidiary is equivalent in nature and content and no distinction is drawn between Group and the Solo subsidiary, when providing group information.

Executive Summary

Business and Performance

AIL and AIHL (referred to collectively hereafter as "the Group") sit within the Insurance and Assistance Division (I&A) of The Collinson Group Limited (Collinson). The legal structure is shown in section A.1.2.1.

Founded by Colin Evans in 1991, Collinson is a privately owned company and global leader in shaping and influencing customer behaviour to drive revenue and add value for our clients within the travel and financial services sectors.

With over 25 years' experience, Collinson's breadth of expertise in Loyalty, Lifestyle Benefits, Insurance and Assistance has created an unrivalled level of insight into the behaviours and needs of consumers and frequent travellers. This insight allows it to develop and deliver market-leading products and services that protect and to create engagement, value and loyalty for hundreds of the world's leading companies and their customers across the globe, generating double digit growth over each of the last 5 years.

Collinson employs over 2,000 talented individuals in 25 locations worldwide and supports more than 800 clients including MasterCard, Visa, American Express, Diners, Cathay Pacific, InterContinental, EasyJet, Saga and Hilton Hotel Groups.

AIL's insurance product offering is entirely consistent with Collinson's wider value proposition. 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.

AIL made a loss for the financial year 2018 of £23k (covering the period 1 May 2017 to 30 April 2018) (FY17: profit £2,243k). While the balance on the technical account was £487k for the financial year (FY17: £840k), the financial result has deteriorated primarily due to the impact of foreign exchange losses in the financial year of £502k compared to a foreign exchange gain in financial year 2017 of £1,361k.

We have detailed our underwriting performance in Section A.2 and investment performance in A.3.

Systems of Governance

The Group and AIL are governed by a single board, referred to in the remainder of the document as the Group board.

The Group Board provides the strategic leadership of the Group within a framework of prudent and effective controls which enable risk to be assessed and managed. The Group Board believes that a strong system of governance is essential to ensure that the business runs smoothly, aid effective decision making and support the achievement of the agreed objectives.

The Group Board is responsible for promoting the long term success of the Group for the benefit of its shareholders, its staff and its clients. 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 Group 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 a number of 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. This is outlined in Section B.7.

There have been no material changes in the systems of governance during the year.

The Group Board has assessed the Group systems of governance and has concluded they are appropriate for the nature, size and complexity of the operations within the Group.

Risk Profile

The Board has continued to review strategically its options in respect of Brexit, with the review incorporating both the Group and AIL. A range of options are being considered to allow the Group to be able to continue to support our current and potential future product offerings within EU markets, whilst ensuring that the Group's/AIL's policyholders in the UK and EU markets are not adversely impacted by the "Brexit" process.

The Group's risk profile is the same as that of AIL. AIHL is not a trading entity; operating only in the capacity as a holding company. Reference to "AIL" in the remainder of this section of the executive summary and in Section C: Risk Management of the document, incorporates the risk profile of both AIL and the Group.

The Board accepts that the management team of AIL needs to take risks to deliver success. AIL has exposure to the following risks:

- Insurance risk (incl. Reserving risk): The risk arises from inadequacies in pricing and uncertainty as to the occurrence, amount and timing of claims;
- Market risk (incl. Currency risk): this risk relates mainly to loss from movement in exchange rates when holding assets and incurring liabilities, denominated in currencies other than Sterling.
- Credit risk: The risk that a counterparty will be unable to pay amounts in full when due;
- Operational risk: The risk arises from economic loss, resulting from failed or inadequate controls, processes or systems, or from human or external events;
- Liquidity risk: Risk of the inability to generate sufficient cash resources to meet payment obligations as they fall due; and
- Strategic risk: The risk that AIL fails to set and implement an appropriate strategy.

AIL has the necessary processes and procedures in place to identify, measure and mitigate these risks. These processes are detailed in Section C.

Valuation for Solvency Purposes

The Group and AIL 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 and AIL's Financial Statements are prepared in accordance with UK Generally Accepted Accounting Practice.

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 Ratio (SCR). The capital coverage ratio (being the ratio of eligible own funds to the SCR) for the Group/AIL as at 30 April 2018 was 139% (2017: 213% restated). Additional information about the restatement of 2017 Minimum Capital Requirement (MCR) and SCR data is contained in Section E: "Capital Management".

The Group's approach to capital management focuses on ensuring there is sufficient capital and reserves to honour the Group's 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.

A

Business and Performance

(Unaudited)

A. Business and Performance

A.1 Business

A.1.1 Information about our Business

AIHL is an insurance holding company for which Group supervision has been agreed with the PRA. AIHL wholly owns AIL, a UK general insurance company authorised by the PRA and regulated by the PRA and Financial Conduct Authority ("FCA").

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

A.1.2 Group structure and ownership

A.1.2.1 AIHL and AIL legal structure

AIHL sits within the Insurance and Assistance Division (I&A) of The Collinson Group Limited as a direct subsidiary of Collinson Insurance Holdings Limited (CIHL).

Collinson is a global leader in shaping and influencing customer behaviour to drive revenue and add value for its clients. With a unique blend of industry and sector specialists, Collinson develops and delivers market-leading products and services to help build, manage and optimise customer relationships across four core capabilities: Loyalty, Lifestyle Benefits, Insurance and Assistance.

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.

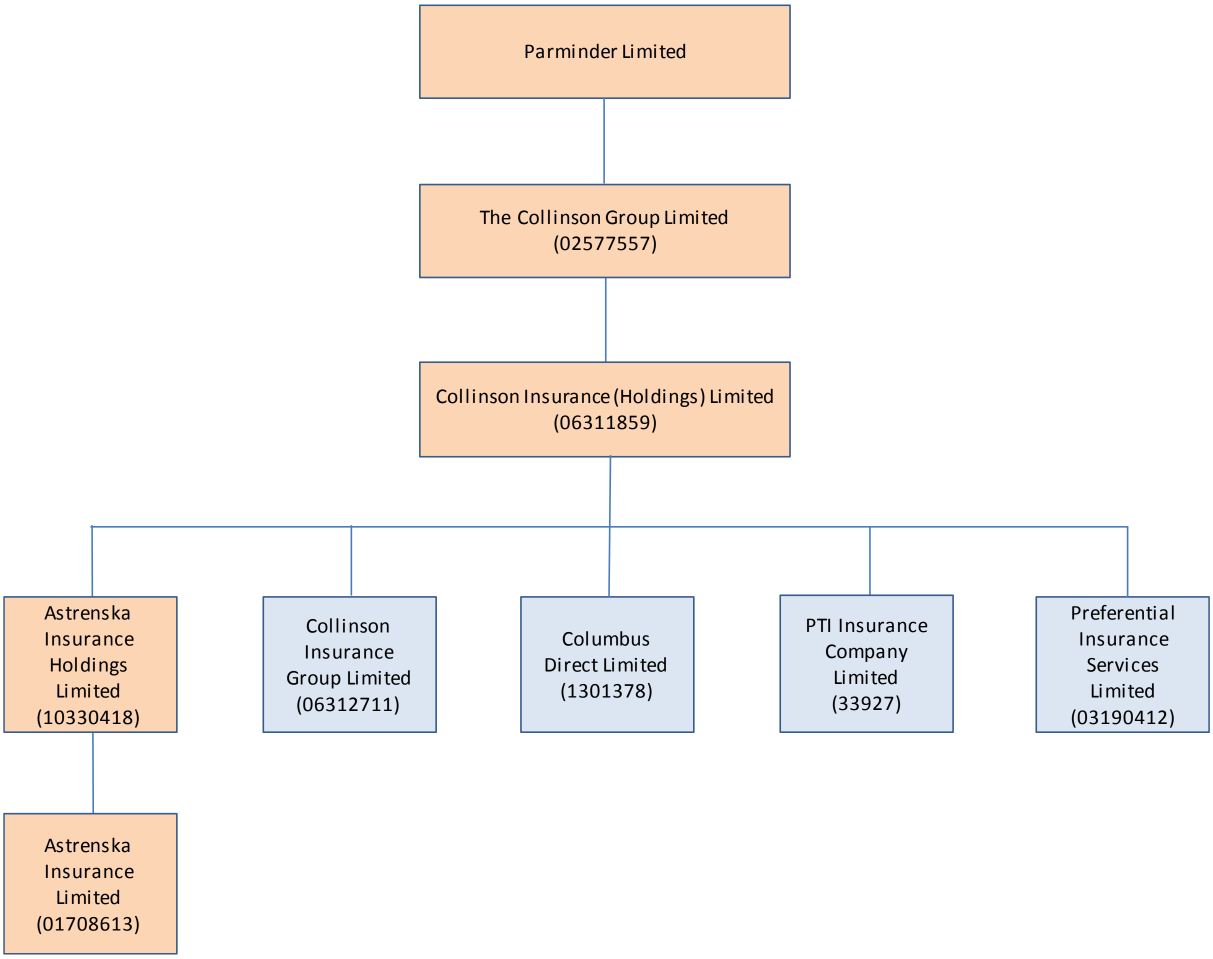
AIL writes predominately personal insurance lines in the International Health, Travel, Motor, Ancillary Home Emergency and Personal Accident sectors.

As Collinson's only active Insurer, AIL is integral to the strategy of Collinson which is to focus on the travel and financial service sectors; utilising their capabilities of loyalty, lifestyle benefits, insurance and assistance.

Insurance has been a capability within Collinson for over 20 years. AIL provides the ability to write business on its own paper alongside business written with its insurance partners. The insurance offering is focused on the travel sector with a particular emphasis on developing insurance and assistance relationships within the affinity and partner channel.

In the UK, Collinson continues to have a very healthy pipeline of opportunities to drive insurance growth with travel insurance featuring prominently; AIL seeks to benefit from some of its more innovative customer propositions. International Healthcare remains a key product line and AIL expects to place further emphasis on growing the International Health insurance business in selected global territories during the next financial year.

The legal structure of AIHL and AIL is as follows:



(Extract from the Collinson Group structure.)

A.1.2.2 AIL's material lines of business and geographical operating areas

The material products sold by AIL are:

- International Health Insurance (SII line of business – Medical Expense Insurance);
- Motor Excess Protection (SII line of business – Assistance), and
- Travel Insurance (SII line of business – Assistance).

(Refer: QRT - S.05.01.02 – Premium, claims, and expenses by line of business – in appendix.)

The portfolio also consists of the following additional products:

- Motor Breakdown (SII line of business – Assistance);

- Ancillary Home Emergency Assistance (SII line of business – Assistance);
- Personal Accident Insurance (SII line of business – Assistance), and
- Dental Insurance (SII line of business – Medical Expense Insurance).

The majority of AIL's business is written in the UK and Eire and covers risks in the UK, Europe, and through inward reinsurance, the Middle East and Kenya.
(*Refer: QRT - S.05.02.01 – Premium, claims, and expenses by country in appendix.)*

A.1.2.3 Significant business and other events that have occurred over the reporting period that have had a material impact on the company

Following the UK electorate's vote to leave the EU on 23 June 2016, Article 50 of the Lisbon Treaty was triggered by the UK Government, starting the process of formal negotiation between the UK and the EU in respect of the UK's exit from the EU, expected to take place over a two year period.

The Group along with AIL, continue to assess the various options available to be able to continue to support our current and potential future product offerings within EU markets, whilst ensuring that the Group's/AIL's policyholders in the UK and EU markets are not adversely impacted by the "Brexit" process.

The Group/AIL has submitted its applications for an EU entity to be licenced and established before 29 March 2019.

At the reporting date, a high degree of uncertainty remains around the future terms of the UK's relationship with the EU, and whether any benefits of the current membership of the EU will remain in place.

A.2 Underwriting Performance

A.2.1 Development and Results

AIL Gross Written Premiums (GWP) in Financial Year 2018 (FY18) (which covers the 12 months ending 30 April 2018) were £68.7m compared to £51.8m in Financial Year 2017 (FY17) (covering the 12 months ended 30 April 2017).

GWP for FY18 shows an underlying increase of 33% compared to FY17. This increase is mainly driven by new business growth across our motor excess portfolio as we have broadened our Motor ancillary offer sold across the UK and EEA countries.

The table below shows AIL premiums, claims and expenses for the year ended 30 April 2018.

An analysis based on SII lines of business can be found in the Quantitative Reporting Templates contained in the appendix of the document (*Refer appendix 1 : QRT - S.05.01.02 Premiums, claims and expenses by line of business)*

£'000	FY18	FY17	Var
Gross Premiums Written	68,696	51,819	16,877
Total Technical Income	44,675	32,307	12,368
Claims Incurred Net of Reinsurance	16,544	13,206	3,338
Underwriting Result	28,131	19,101	9,030
Underwriting Loss Ratio	*37%*	*41%*	
Net Operating Expenses	27,644	18,261	9,383
Net Operating Expense Ratio	*62%*	*57%*	
Balance on Technical Account for General Business	487	840	-353

The AIL underwriting result is £28.1m in FY18 (FY17: £19.1m). The underwriting loss ratio (this is the ratio of claims incurred net of reinsurance to total technical income) has reduced from 41% to 37% reflecting the change in mix of business of the motor excess business.

Operating expenses have increased to £27.6m in FY18 (FY17: £18.3m) for AIL. This increase was driven by increased expenses relating to the motor excess book.

Net income arising from the Balance on Technical Account for General Business reduced by £0.35m to £0.49m in FY18 (FY17: £0.84m).

A.3 Investment Performance

A.3.1 Analysis of overall investments

Investments consist of term deposits with credit institutions which have fixed rates of interest over varying durations. 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 for FY18 was £111k (FY17: £184k).

A.4 Performance of other activities

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

A.5 Any Other information

There is no material additional information to note in the reporting period.

B

System of Governance

(Unaudited)

B. System of Governance

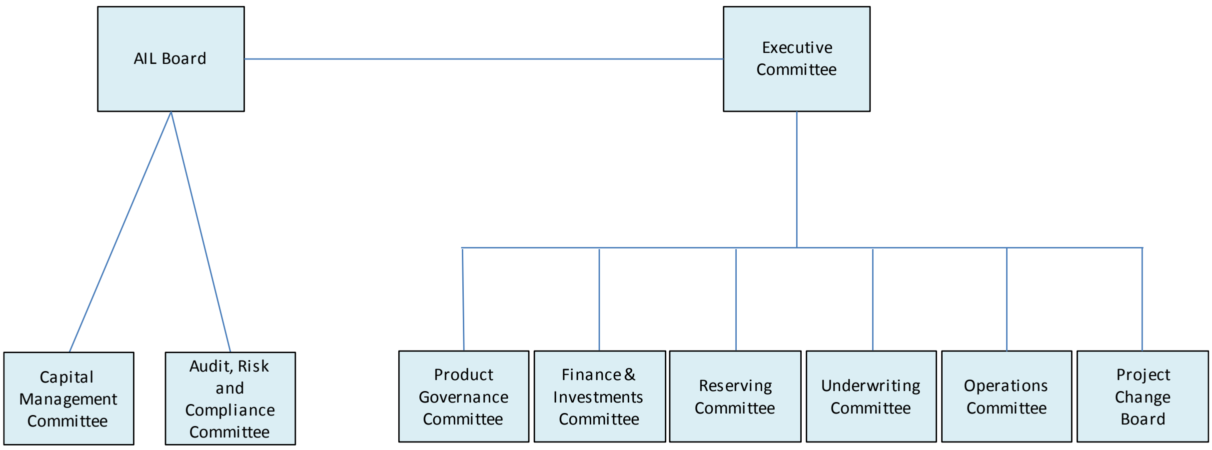
B.1 General Information on AIHL and AIL's (The Group) system of Governance

AIHL acts only as a holding company and as such has no formal governance structure. Therefore this section considers AIL's governance structure only in detail.

The Group believes in promoting a strong culture of honest and ethical behaviour in the way that it conducts business. The Board has therefore adopted a code of professional conduct and implemented a system of governance specifically designed to support it. This system of governance is essential to the smooth running of the business; aids effective decision making and supports the achievement of agreed objectives.

AIL's Corporate Governance Framework sets out the principles for strategic and business planning; financial management and reporting; human resource planning and controls; and risk management, compliance and accountability.

The AIHL and AIL Board and committee structure is summarised below:



B.2 The Board

The Board is ultimately responsible for providing effective leadership for the Group with a view to setting and achieving the strategy. The Board delegates its authority to a number of committees (without absolving themselves of responsibility). It is the Board's responsibility to:

- Ensure the Group is compliant with applicable regulation;
- Determine the objectives, policies, strategic direction and structure of AIL;
- Monitor the implementation of strategic development initiatives; and
- Set and monitor compliance with AIL strategic business targets, return on capital / investment expectations and risk appetite.

B.3 Board Committees

B.3.1 Executive Committee

The Executive Committee is designed to provide a forum for the senior team to work together to provide leadership and align business activities. The Executive Committee is chaired by the AIL Chief Executive Officer (CEO) with each area of the business represented. An update is provided to the committee on the activities of each department.

The responsibilities of the Executive Committee are:

- Day to day management of the business in accordance with the business strategy;
- To review the resource requirements and allocation across AIL;
- To review financial and operational performance of the business and determine appropriate actions;
- To review the functional areas' key performance indicators; and
- To determine the appropriate balance between AIL's strategic, tactical and operational activities.

B.3.2 Audit, Risk and Compliance Committee (ARCC)

The ARCC is responsible for assisting the Board in overseeing:

- The financial reporting processes;
- The review of the output of the statutory audit;
- The internal and external assurance activities, and
- The overall system of risk and compliance management including the Own Risk and Solvency Assessment (ORSA) process and conduct risk.

The ARCC is chaired by an AIL Non-Executive Director (NED), who is also Collinson's Chief Financial Officer (CFO). Membership consists of the Chairperson and an experienced independent NED. In addition to the members, senior management from each area of the business are invited to attend, on an ad hoc basis.

B.3.3 Capital Management Committee (CMC)

The CMC is responsible for assisting the Board in overseeing:

- The development of AIL's capital management strategy;
- The production of the ORSA;
- The review of AIL's Minimum Capital Requirement (MCR) and Solvency Capital Requirement (SCR), Technical Provisions and eligible own funds, and
- The production of the SFCR and Regular Supervisory Report (RSR).

The CMC is chaired by the European Financial Controller and is attended by Collinson's CFO, CEO, other senior members of the Finance team, the Director of Underwriting, Regulatory Reporting and Technical Manager, Group Head of Treasury and the Group's senior Risk Manager.

B.3.4 Product Governance Committee

The Product Governance Committee (PGC) is a sub-committee of the Executive Committee. It is designed to ensure the AIL product governance framework is underpinned by a robust operating structure and processes to deliver good customer outcomes. The PGC is chaired by AIL's CEO and members include the Underwriting Director, Senior Compliance Manager, the heads of each line of business (Travel, Health & Accident and Home & Motor) and the Head of Technical Claims.

The key responsibilities of the PGC are to:

- Develop, implement and maintain appropriate policies and procedures on product governance for the purpose of ensuring the fair treatment of customers;
- Provide an oversight of the suitability and performance of existing and new products;
- Review the performance of existing products / schemes versus launch requirements using agreed Management Information (MI); and
- Authorise the development of new risk products including all associated product components and wordings.

B.3.5 Underwriting Committee

The Underwriting Committee is responsible for monitoring AIL's underwriting performance against Board expectations and risk appetite. This includes monitoring the impact of quota share and excess of loss reinsurance purchase, and advising the Board of any changes needed in underwriting or reinsurance processes, strategies or risk appetite. The Committee is chaired by the Underwriting Director and members include AIL's CEO, European Financial Controller, Head of Commercial and heads of each line of business.

A series of "Dealrooms" are designed to review in detail the performance of each of AIL's largest schemes of business in detail at least annually, prior to seeking annual reconfirmation of reinsurers' capacity participation. The membership of each Dealroom includes the responsible underwriter, a cross-line underwriter (as peer-reviewer), pricing lead and loss forecasting lead. Each Dealroom is chaired by the Underwriting Director.

B.3.6 Operations Committee

The Operations Committee is responsible for managing operational issues and monitoring and reporting on the operational risks facing the business. The Operations Committee is chaired by the Chief Operating Officer (COO) and consists of members from Risk and Compliance, Legal, Finance, IT, Technical claims, the customer services contact centre, HR and the Commercial Support Unit.

Key responsibilities of the Operations Committee are to:

- Manage operational issues and monitor and report on the operational risks, including a review of the operational loss log;
- Monitor claims turnaround times and IT performance versus agreed service levels;
- Monitor staff turnover, recruitment and training needs;

- Monitor complaint levels and trends in root causes; and
- Consider emerging risks.

B.3.7 Finance and Investments Committee

The Finance and Investments Committee (FIC) is responsible for identifying, developing and recommending investment strategies to the Board and for monitoring the performance of the AIL investment portfolio. The FIC is chaired by The European Financial Controller and members are the Collinson CFO, Head of Operational Finance, Regulatory Reporting and Technical Manager and Collinson Head of Treasury.

Key responsibilities of the FIC are to:

- Establish appropriate policies for financial management, liquidity and expenses, and to monitor and report on the financial performance of AIL;
- Ensure that investments comply with the AIL Investment policy;
- Set benchmarks for investment and concentration limits for counterparties; and
- Monitor the performance of the AIL investment portfolio against plan and benchmarks.

B.3.8 Reserving Committee

The Reserving Committee is responsible for reviewing and approving the reserving analysis and its output. The Reserving Committee is chaired by the Underwriting Director and the members are the CEO, European Financial Controller, Head of Technical Claims, Head of Commercial and the head of each line of business.

Key responsibilities of the Reserving Committee are to:

- Approve and maintain AIL's reserving policy and procedures, and
- Review the output of the four-monthly reserving analysis and approve the loss ratios and reserves proposed by the analysis for use in AIL's financials and forecasting.

B.3.9 Projects Change Board

The Projects Change Board (PCB) is an Executive sub-committee. Chaired by the COO, it is responsible for providing oversight and challenge to all projects on-going within I&A. Members are key AIL senior management including the Head of IT, European Financial Controller, Global Customer Services Director and the IT Portfolio Manager.

Key responsibilities of the PCB include:

- Reviewing each project status and ensuring appropriate actions are put in place to address any issues with implementation;
- Ensuring the necessary resources & tools are available to successfully deliver the projects;
- Providing direction and decisions on escalated risks & issues;
- Reviewing & approving changes to approach / governance, and

- Determining appropriate and timely communications and information flows including escalation of unresolved issues to the Board.

B.4 Material changes in the system of governance over the reporting period

The following Director resignation took place in the year:

- Kerri Bracewell resigned as Head of Risk and Compliance on 30 April 2018.

The following Director appointments took place in the year:

- Richard Coleman was appointed as Chief Executive Officer and appointed to the AIL Board on 10 April 2018;
- Deborah Thomas was appointed as Chief Risk Officer subject to PRA approval,
- Richard Clarke was appointed to the AIL board (SMF02) on 20 August 2018 , and
- Post 30 April 2018, Richard Clarke was appointed to the AIHL board on 01 October 2018

The following Executive appointments were made in the year:

- Susie Hayward was appointed as Head of Compliance (CF10) subject to PRA approval.

The following changes were made to Committees in the last year:

- Richard Coleman was appointed to the Board on 10 April 2018

Other changes of significance:

- No other significant appointments were made.

B.5 Remuneration Policy and entitlements over the reporting period

Collinson have an established remuneration policy that applies to all subsidiaries including AIHL and AIL. Remuneration responsibilities are discharged by the Board of Collinson without any delegation to a Sub-Committee, with the support of the Collinson Director of People and Culture.

Collinson recognises the need to recruit the right people and ensure employees are rewarded based on performance and behaviours that are consistent with the Group values and strategy.

The key principles underpinning remuneration within Collinson are:

- Base salaries are intended to be in line with the market. Salaries are reviewed annually, taking account of individual performance and market conditions;
- A range of core benefits are offered and are competitive with market practice;
- All employees will be provided with Personal Pension arrangements via a defined contribution plan into which both the Group and employee make contributions;
- Senior Management Annual bonus payments are now linked to key company objectives which are a rounded view of the needs of the company and include operational and service aligned targets as well as fiscal measures; and
- The senior management Annual bonus plan includes personal performance measures for which an assessment of behaviours is a key measure.

Collinson offers long term incentive plans to senior employees who are recognised as being key to driving the future of the business.

Collinson is not a listed company and as such there is no opportunity to offer any share-based remuneration.

B.6 Fit and Proper Requirements

B.6.1 Requirements for skills, knowledge and expertise

Appropriate policies and procedures are in place to ensure all persons who have a significant influence in the management of the Group or hold responsibilities for overseeing key functions are "fit and proper". The Group will assess at least the following:

- Relevant qualifications and previous employment;
- Personal probity and character;
- Management competencies, as appropriate to the role;
- Relevant technical competence for the proposed function as applicable to the Company's business activities; and
- Demonstration of due skill, care, diligence and compliance with the relevant standards of the area/sector they have worked in.

B.6.2 Fitness and Propriety of persons

Prior to recruitment, senior managers / directors 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.

Where applicable the information is submitted to the PRA / FCA in support of their Senior Insurance Manager Function (SIMF) / Controlled Function (CF) / Approved Persons (AP) applications.

The checks are repeated on an at least annual basis.

B.7 Information about our Risk Management System

The Group has established and embedded a consistent risk management system, supported by appropriate policies and procedures in order 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.

The Group has implemented a “three lines of defence” model as a formal and robust framework to ensure all risks are identified, assessed, controlled / mitigated, reported and monitored. The three lines of defence approach can be summarised as follows:

B.7.1 The First Line of Defence

The first line of defence (FLOD) comprises all senior managers and heads of department, who retain overall responsibility for maintaining effective internal controls and for executing risk and control procedures on a day to day basis.

B.7.2 The Second Line of Defence

The second line of defence (SLOD) comprises the key control functions of Risk Management and Compliance. These functions are separate from front line business activities and provide oversight and challenge to evaluate the effectiveness of the overall risk management system.

B.7.3 The Third Line of Defence

Internal Audit provides independent and objective assurance over the effectiveness of the risk management system.

B.7.4 Risk Identification and Assessment

The FLOD is responsible for carrying out the risk identification and assessment process. Individuals from all areas of the business manage risk as part of their day to day activities. Each key risk is recorded within a risk register and allocated to a specific owner, as an appropriately senior person operating in the particular area to which the risk relates.

The risk owners make a qualitative risk assessment based upon the potential impact and the likelihood that the risk will crystallise over the forthcoming 12 month period.

The Risk Management team records the controls identified to manage or mitigate each risk.

The risk register, showing an assessment of the key risks and associated controls, is presented to the ARCC for challenge and review. A subset of key risks with the highest potential to adversely impact the business is presented to the Board on a quarterly basis.

B.7.5 Implementing the Risk Management System

Once the risk identification and assessment activity is completed by the FLOD, the Risk Management team reviews and challenges the output. Although the risk management system is subject to continuous review and enhancement, the risks and controls identified are subject to formal challenge on an at least 6 monthly basis.

The risks relating to AIL outputs are included in its ORSA, which is owned by the Board, and reviewed and approved at least annually.

B.8 Conducting the Group's Own Risk and Solvency Assessment

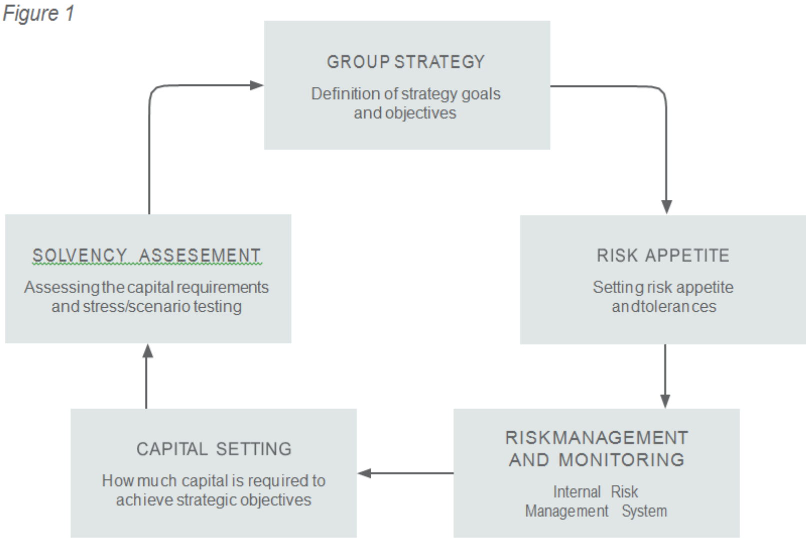
The purpose of the Group ORSA is to provide the Board with a comprehensive assessment of the adequacy of the processes and controls in place to manage the risks to the business strategy and the amount of capital considered necessary to support its successful implementation over the 3 year business planning period.

The ORSA is forward looking and aims to:

- Provide the Board and individuals involved in the decision-making and management of the Group with an assessment of whether risk management and solvency position are adequate in the context of the 3 year strategy;
- Serve as an essential insight for any strategic decision to be made; and
- Serve as a supervisory tool by providing a detailed understanding of the evolving risk exposure, solvency position and capital planning of the Group to the PRA.

The Group has aligned its ORSA process with its business planning, risk management and capital management processes as shown in figure 1 below. The ORSA will increasingly assist and direct key decisions that will impact the strategy of the Group and other Collinson companies given the intragroup dependencies and the shared responsibilities of the Group's management team.

Figure 1



The ORSA report is produced at least annually with key metrics monitored and reported to the ARCC. The ORSA report contains both static and dynamic information and presents a summary of the key components of the Group strategy, risk and capital planning and management environment.

Throughout the financial year, updates to the ORSA are reported to the Board as the strategy develops in response to internal / external events and influences.

B.8.1 Roles and Responsibilities

The Board assumes overall responsibility for the ORSA and has delegated the day to day responsibility for managing the underlying processes to the Risk Management team in co-operation with the Finance, Actuarial and Underwriting teams.

The ORSA is reviewed and approved by the Board and shared with the PRA. Any actions arising from the ORSA are documented and monitored by the ARCC.

An ORSA will be undertaken upon any planned or unplanned material change in the risk profile of AIL.

Preparation of an ORSA outside the usual timetable will explain any expected changes in the risk profile, the financial situation and/or the subsequent impact on the Group solvency requirements.

B.9 Description of the Internal Control System

The Group maintains an internal control system that governs the effectiveness and efficiency of all the Group operations, reliability of financial and regulatory reporting and compliance with the applicable laws and regulations. The control system is built upon the following core principles:

- The costs do not outweigh the benefits;

- Staff at all levels can understand the importance of maintaining adequate control and apply the procedures correctly, and
- Processes and procedures demonstrate a direct relationship between the AIL strategic objectives, risk appetite and required mitigating controls.

B.9.1 Control Activities and Components

Control activities fall within 3 areas; Operations, Financial Reporting and Compliance, although there is potential overlap between these areas.

The internal control framework comprises 5 inter-related components:

B.9.1.1 Control environment

The standards, processes and structures that provide the foundation for carrying out internal control measures include the following elements:

- Ethical values and competence (quality) of personnel;
- Direction provided by the Board;
- Organisational structure;
- Assignment of authority and responsibility including appropriate segregation of duties, and
- Management's philosophy and operating style.

B.9.1.2 Control activities

Control activities are established through policies and procedures to mitigate risks. Control activities are performed at all levels and at various stages within business processes. They include a range of activities including information validation, physical controls, segregation of duties, and security of assets and reviews of operating performance.

B.9.1.3 Information and communication

Relevant and quality reporting from internal and external sources is produced to facilitate the running and control of the business.

Effective communication enables staff to receive clear, consistent messages to assist them in understanding their role in the control system and the need to report control performance information to management and external parties as required.

B.9.1.4 Monitoring

The Compliance team undertakes regular reviews as part of their annual plans to ensure that the Internal Control framework remains fit for purpose. Findings are reported to the ARCC and the Board.

B.9.1.5 How the Compliance team is implemented

The Compliance team aims to provide assurance to the Board that the Company conducts business in accordance with all relevant laws and regulations; internal compliance policies and ethical standards.

The role of Compliance is to:

- Ensure relevant and appropriate compliance training is provided for employees;
- 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 and Ireland;
- Ensure appropriate policies and procedures are in place to mitigate Compliance risk that are in line with the relevant laws, rules, regulations and standards in the UK and Ireland;
- Assist in the design, formulation and amendment of new and existing policies and procedures, products, services including the marketing and advertising;
- 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, and
- Design and deliver effective and regular reporting on Compliance matters to the Board.

Compliance review areas including:

- Fraud and Financial Crime;
- Duty of care, and the level of information provided to customers ensuring good customer outcomes (Treating Customers Fairly);
- Fit and proper rules, code of ethics;
- Agent, Sub-Agent and AR's, and
- Corporate Governance.

Each area is reviewed on an at least a bi-annual basis. The activities of the Compliance team are detailed in the Compliance Monitoring Plan for each year and approved by the ARCC.

When the Compliance team becomes aware of notifiable breaches it has a duty to notify the appropriate regulator.

The Compliance team 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 communicating the impact of the regulations and associated actions to the relevant parts of the business.

B.9.1.6 Compliance Risk Assessment

The Compliance team plans its monitoring activities across all business areas on an annual basis. The areas selected for Compliance monitoring and the type and frequency of the monitoring activity, is based upon the level of perceived risk each business area poses to the business. Compliance and Risk Management teams work closely together to align the assessment of regulatory risk with the risk register and ensure that high risk areas (e.g. known Compliance issues) are incorporated.

The Compliance team monitors the key risk areas of the business for compliance via a review of FLOD oversight attestations and by performing SLOD testing.

B.9.1.7 First Line of Defence Attestation

Each department provides the Compliance team with demonstrable evidence of their FLOD operational management oversight. Where control gaps are identified and / or there is a lack of evidence to support operational management oversight, the business department agrees an appropriate remediation plan with accompanying time-frame for implementation.

Identified issues / weaknesses in the FLOD are reported to the Senior Compliance Manager and Compliance and relevant Executive manager / SIMF / Key Function Holder.

B.9.1.8 Compliance testing/review procedures

The more in depth Compliance review work focuses on areas of the business considered to have a high potential exposure to regulatory risk and / or previously identified control weaknesses (e.g. by the FLOD attestation process, Internal Audit, Risk Management or departmental reviews).

The Compliance Monitoring Plan is reviewed at least annually and the frequency of monitoring is assessed to reflect the risks presented to the business.

B.10 Internal Audit

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 ARCC on an at least annual basis.

The function, which is led by the Head of Internal Audit, forms the Group'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.

The Head of Internal Audit, who is an employee of the business, has no responsibility for any other function across Collinson and reports into the chairperson of the ARCC, which is a Non-Executive Director role. This reporting structure delivers independence to Internal Audit.

The Head of Internal Audit 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 ARCC Chairperson for review and approval. The ARCC 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.11 Actuarial Function

AIL has invested heavily in actuarial subject matter experts and specialist software tools and, as a consequence, the actuarial tasks which were previously outsourced to Willis Towers Watson (WTW), including UK GAAP Reserving, SII Technical Provisions (TP's) and Solvency Capital calculations, were completed in-house successfully for the second year this year under teams managed by the Finance Director and the Underwriting Director. A continuous peer-review and validation of these actuarial tasks was requested and received from the WTW actuarial team for the calculations relating to year end, giving the Directors comfort that the new, in-house processes are fit for purpose. This peer-review process was in addition to the formal validation brought by the annual Actuarial Function Report (AFR).

The AFR is produced annually by a senior Actuary from WTW who acts as the Group's senior insurance management function holder 20: Chief Actuary (SIMF20). The AFR provides an independent opinion and recommendations on: (i) the adequacy of the SII Technical Provisions, (ii) the underwriting processes policy, and (iii) the adequacy of reinsurance arrangements. The recommendations of the Chief Actuary are recorded and reviewed by the ARCC, and the progress of actions is tracked and reported to the Executive Committee.

B.12 Outsourcing

AIHL does not have any outsourced activities. AIL 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. AIL will assess that the provider is financially sound and has the relevant knowledge and experience of the service it is contracted to supply.

The Board determines the decision to outsource activities. Key outsourcing considerations are that the operational activities will not:

- Materially impair the quality of the system of governance in place;
- Unduly increase the operational risk;
- Impair the ability of the appropriate regulator to monitor how AIL complies with its regulatory responsibilities, or

- Undermine continuous and satisfactory service to policyholders.

The scope of permitted outsourcing and processes to be followed in outsourcing any service or function is detailed in the Board approved Outsourcing Policy. Board approval is required for any new outsourcing arrangement.

Specific controls have been put in place to ensure AIL maintains sufficient oversight of its outsourced arrangements. These include: due diligence; contractual arrangements; assurance over the protection of the security and confidentiality of customer data; adequacy of Business Continuity and Disaster Recovery plans and the appropriate monitoring by the Compliance team.

AIL has an intra-company outsource 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 AIL:

Activity	Jurisdiction
SII Actuarial Services – Chief Actuary role	UK
Claims handling / case management of medical assistance for travel policyholders	Worldwide
All Back office services – such as IT / Property / HR	UK
Claims handling / case management of International Health Insurance	Worldwide

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

B.13 Any other information

The Group considers it has a sound corporate governance system that effectively provides for the sound and prudent management of the business.

C

Risk Profile

(Unaudited)

C. Risk Profile

C.1 AIL's Risk Profile

AIHL acts only as a holding company; it has no risk profile other than the investment in AIL. Therefore this section considers AIL's Risk Profile only in detail.

Risk exposure is classified within 5 broad categories; insurance risk, market risk, credit risk, operational risk and liquidity risk. It also then considers any other risks that fall outside of these categories, such as strategic risk. For each of these risks; the material risks, the assessment and the mitigation are analysed in this section. The sensitivity to stress tests is also considered.

The components of the SCR as at 30 April 2018 are shown below:

SCR Group	as at 30 April 2018
	£m
Health underwriting risk	4.1
Non-life underwriting risk	8.2
Counterparty default risk	2.8
Market risk	2.6
Undiversified Base SCR	**17.7**
Diversification credit	-5.6
Basic SCR	**12.1**
Operational Risk	2.1
Solvency capital requirement	**14.2**

C.1.1 Insurance Risk (including Reserve Risk)

C.1.1.1 Material risks

Underwriting risk arises from inadequacies in pricing, compared to the product benefits, or worse than expected claims experience. The majority of underwriting risk to which AIL is exposed is of a short term nature in view of the lines of business which it writes. At 30 April 2018, Insurance risk comprises 61% of the total SCR.

C.1.1.2 How AIL assesses the risk

The following measures are in place to assess AIL's exposure to underwriting risk:

- AIL have a team of experienced Underwriters with industry expertise in the products we write. AIL's Underwriters set policy wording terms and conditions for new business, and manage changes to coverage on existing schemes. For new business they price to target levels of underwriting margin, and manage existing business to achieve those target underwriting margins.

- Underwriters review emerging data on premiums and claims on a regular basis (usually monthly or quarterly) and design changes to product and price to apply the following year. For material blocks of business an annual re-pricing review exercise, which also seeks buy in from AIL's reinsurers, is conducted. The Reserving Team will monitor and, on a four-monthly basis, reset loss ratios and reserves.
- The AIL Executive team are kept updated with changes to actual or expected Underwriting performance.
- The information feeds into the business planning and budgeting process, into the monthly trading reports, and the executive performance report. This enables the management team to set targets and monitor against the targets set.
- A combination of Reserving Policy, Reinsurance Policy and Underwriting governance, including underwriting authorities and procedures, has been adopted as part of the AIL risk management framework and reviewed and approved by the Board on an annual basis.

C.1.1.3 How AIL mitigates the risk

Underwriting risk is mitigated by implementing the underwriting processes described in section C1.1.2 and in addition:

- AIL has made significant investment in insurance systems and data. This will enable single source performance information to be produced on a regular basis, feeding into the underwriting and management processes and enabling informed decisions. AIL has also invested in improvements to the analytical processes – including new reserving processes and also underwriting management information and pricing models.
- AIL underwrites general insurance risks for Travel, International Health and Assistance in the UK, Europe, Kenya and the Middle East. The AIL book consists of individual policies spread across the whole geographical area, minimising concentration risk. As well as pricing, AIL has additional controls to segment the market and target those risks it wishes to underwrite.
- The nature of AIL's product portfolio, (International Health and Travel insurance), means that claims emerge from accidents or events which can happen across the globe wherever our policyholders may travel to. This brings an inherent diversification to our risk of claims.
- 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.
- AIL undertakes a four-monthly review of reserving loss ratios which set the UK GAAP reserves. This is done by projecting premiums and claims to an ultimate position using underwriting year triangles. Prior to each analysis, the accuracy of these models is tested. Back testing of recent experience against the expected premiums and claims emergence

allows for an empirical measurement of the inherent level of estimation error associated with the forecast. This feedback loop gives assurance of the adequacy of these models.
- The reserving analysis is passed to WTW for independent review, and presented to the Reserving Committee where it is challenged prior to signoff and booking. As the SII Best Estimate TP's consist of Premium Provisions, Claims Provisions and Risk Margin, the booked UK GAAP reserves form an input into AIL's SII Best Estimate TP's Model.

C.1.2 Market risk

C.1.2.1 Material risks

Market risk arises from fluctuations in the market value of, or income from, AIL assets.

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 denominated in currencies other than sterling. AIL manages its foreign exchange risk against its functional currency. Foreign exchange exposure arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not AIL's functional currency.

Market risk at 30 April 2018 comprises 8.4 % of the total SCR.

The main risk to AIL within this category arises from movements in the relative value of currencies impacting income and/or the value of its assets and liabilities.

C.1.2.2 How AIL assesses the risk

The following measures are in place to assess the AIL exposure to the currency risk component of market risk:

- AIL holds both asset and liability in currencies other than GBP Sterling, and continually monitors the level of foreign currency exposure across the AIL balance sheet as a whole.
- Bank and cash positions held in Sterling and non-Sterling currencies are monitored on a daily basis.
- Claims cash flow patterns associated with Sterling and non-Sterling insurance liabilities are monitored and regularly reviewed.
- The current and future duration of non- Sterling assets and the duration of non-Sterling liabilities are monitored and regularly reviewed.

C.1.2.3 How AIL mitigates the risk

The AIL 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 treasury function when any surplus or deficit positions arise.

The underwriting committee also monitors the level of the 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 Capital Management Committee.

AIL does not currently use derivatives to manage currency exposure.

C.1.3 Credit Risk

C.1.3.1 Material risks

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

- Reinsurers 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 term deposits.

Credit risk at 30 April 2018 comprises 13.8% of the SCR.

C.1.3.2 How AIL assesses the risk

The following measures are in place to assess AIL's exposure to Credit risk:

- Cash balances are reviewed daily;
- A weekly cash balance report is prepared and reviewed;
- A daily treasury report is prepared and reviewed;
- The standard formula calculation of AIL's SCR includes an assessment and quantification of credit risk;
- An assessment of credit risk is included within the ORSA, and
- Total levels of debt and deposits are managed to within agreed limits. An allowance for bad debt is maintained and regularly monitored by the Operational Finance team.

C.1.3.3 How AIL mitigates the risk

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 geographical and industry segments. Such risks are subject to regular review.

- All banks used by AIL currently have a credit rating of A or higher.
- AIL has significant cash holdings which are held across a number of banks.

- AIL limits its investment with each bank to a level agreed with the FIC.
- Regular monitoring of cash balances and concentration limits is managed by the Operational Cash Management team.
- Reinsurance is used to manage insurance risk. This does not, however, discharge AIL's liability as primary insurer. If a reinsurer fails to pay a claim, AIL remains liable for the payment to the policyholder. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalisation of any contract. In addition, management assess the creditworthiness of all reinsurers and intermediaries by reviewing credit grades provided by rating agencies and other publically available financial information. The recent payment history of reinsurers is also used to update the reinsurance purchasing strategy.
- AIL has a minimum reinsurer credit agency rating (A.M. Best) of A- with its principle reinsurers being Munich Re and Axis Re, both carrying a rating of A+.
- AIL maintains intercompany debt with Collinson entities. The Board policy is to maintain these debts at a minimum 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 balances outstanding. AIL is not exposed to concentrations of credit risk in respect of policyholders.

The FIC meets on a quarterly basis and is responsible for monitoring the financial performance of AIL as well as ensuring that investments comply with its investment policy and monitoring the performance of the investment portfolio against plan.

C.1.4 Operational Risk

C.1.4.1 Material Risks

AIL is exposed to operational risk – which is defined as economic loss, resulting from failed or inadequate controls, processes, or systems, or from human or external events. To operate efficiently AIL 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 Operational Risk Policy consists of AIL wide processes embedded at business function level and sets out the agreed methodologies for identifying, assessing, mitigating and reporting operational risk. The processes include**:**

- Internal loss data collection;
- Bi-annual review of operational risks by the business in conjunction with risk management, and
- Operational risk event reporting and analysis.

Operational risk at 30 April 2018 comprises 16.2% of the SCR.

In the execution of its day to day activities AIL has identified the following potential sources of operational risk:

- Conduct Risk - inadequacy or failure of employees in the execution of their duties or the inability to recruit suitable or sufficient employees or from the loss of a person, persons of a team that is vital to the running of the business;
- Outsourcing & Third Party Service Provider Risk – AIL uses a number of third parties and there are risks associated from inadequate, inappropriate or failed provision of these outsourcing services;
- Project & Change Management Risk – from inadequate or failed project and change management activities;
- Data Risk – the client (e.g. policyholder / reinsurer), industry or third party provider data may be lost, stolen, corrupted or the subject of cyber-attack;
- Financial Crime Risk – from deliberate, intentional and potentially illegal activities occurring within AIL and from the deliberate illegal activities of third parties;
- Legal and Regulatory Risk - associated with the breach of, or a change in a local, country or international statute, directive or financial services industry regulations to which AIL does not react appropriately;
- Business Interruption Risk – the damage to or loss of any people (e.g. pandemics), physical assets (e.g. access to business premises) or any other interruption to business as usual activities, and
- Systems Risk - failure or underperformance of AIL's IT network including software programmes and / or applications, hardware (such as PC's and laptops) and telecommunication tools such as the telephone system, mobiles, IPad's etc., will have a detrimental effect on AIL's ability to operate and service customers.

C.1.4.2 How AIL assesses the risk

AIL aims to keep the operational risks outlined above within its risk appetite by maintaining a sound control framework. Operational risks are primarily identified, assessed and managed by the AIL business units. The AIL operational risk and internal controls are kept under continual review by the business and are subject to a formal, bi-annual review by Risk Management alongside the business. Any update is fed into the risk register and reviewed by the ARCC.

The standard formula calculation of the AIL SCR includes an assessment and quantification of operational risk.

An assessment of operational risk is included within the ORSA.

C.1.4.3 How AIL mitigates the risk

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.

The first phase of the new I&A trading platform and broader finance transformation are well developed with future phases also scoped and planned to support the broader delivery of the Transformation Agenda within the previously agreed 2020 horizon. There has also been significant investment in the global network, strengthening our assistance proposition and taking the final steps on fully integrating previous acquisitions into a single operating model to improve performance. This will begin to generate the initial stages of operational efficiencies, data and information enhancement and improvements in the customer experience which are linked to the objectives within our broader transformation agenda and designed to mitigate operational risk.

C.1.5 Liquidity Risk

C.1.5.1 Material Risks

Liquidity refers to the ability to generate sufficient cash resources to meet payment obligations. AIL's investment strategy is to invest funds in deposits with a duration of less than one year reducing exposure to liquidity risk.

AIL has a minimal exposure to liquidity risk, due to the short term cash flows mismatches or gaps that create an adverse business condition, that may otherwise create future liquidity short fall.

Liquidity risk is not explicitly included within the standard formula SCR calculation.

C.1.5.2 How AIL assesses & mitigates the risk

The following measures are used to assess liquidity risk:

- AIL monitors and reassesses existing investment portfolios on a regular basis to identify any emerging liquidity risks, and
- AIL has established and maintains a system of management reporting and monitoring against insurance liability duration.

Liquidity risk is not considered a material risk to AIL 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. AIL considers the composition of its assets in terms of their nature and liquidity to be appropriate and sufficient to meets its obligations as they fall due.

C.1.6 Other Material Risks

Other risks cover factors that can impact AIL's ability to meet its business plan:

C.1.6.1 Strategic Risk

Strategic Risk, defined as "failure to set and implement an appropriate strategy", has been assessed as within the AIL risk appetite. The targets set out within the AIL 3 year business plan are purposely designed as stretched. Given the new business, organic growth prospects and opportunities seen to date, for new products tailored to meet the needs of identified customer groups, the targets are deemed reasonable.

It is recognised that strategic risk underpins every risk taken by the business and exists simply by virtue of operating within a dynamic business environment. To this extent, whilst not explicitly modelled, the downside (consequences) of inappropriate strategic decisions will be assessed within each risk contributing to the SCR.

C.1.6.2 Brexit Risk

Post the Brexit referendum decision, the Group/AIL has continued to review its options, particularly in light of its recent growth in European business.

Following the UK electorate's vote to leave the EU on 23 June 2016, Article 50 of the Lisbon Treaty was triggered by the UK Government which started the process of formal negotiation between the UK and the EU in respect of the UK's exit from the EU, which is expected to take place over a two year period.

The Group, along with AIL, continue to assess the various options available to be able to continue to support our current and potential future product offerings within EU markets, whilst ensuring that the Group's/AIL's policyholders in the UK and EU markets are not adversely impacted by the "Brexit" process.

The Group/AIL has submitted its applications for an EU entity to be licenced and established before 29 March 2019.

At the reporting date a high degree of uncertainty remains around what the extent of the future terms of the UK's relationship with the EU will be, and whether any benefits of the current membership of the EU will remain in place.

C.1.6.3 Group Risk

AIL recognises that it relies on the Collinson Group for arranging claims handling, IT and HR services. This operational dependency exposes the Group (i.e the Solvency II Group) and AIL to Group risk. The Group / AIL keeps this commercial model under constant review.

C.2 Risk Exposure to Off Balance Sheet and Special Purpose Vehicle

The Group / AIL have no exposure to off balance sheet items or special purpose vehicles.

C.3 Volume and Nature of Loan Portfolio

The loans within AIL are inter-company funding balances in relation to on-going trading activities.

C.4 Expected loss of profit from Liquidity risks

AIL has no exposure to loss of profit associated with liquidity risks.

C.5 Expected loss of profit from future premiums

Neither the Group's nor AIL's balance sheets contain exposure to loan assets at 30 April 2018.

C.6 Methods used, assumptions made and outcomes of stress testing for material risks and events

C.6.1 Stress and Scenario Testing

During FY18 AIL performed a range of Stress and Scenario Tests (SST's) with input from key personnel throughout the business (Underwriting, Finance and Capital Modelling) aimed at identifying any additional capital requirements that may be required to absorb losses should large shocks occur.

Risk Category	Test Name
Insurance	Loss of all business from largest Health and/or Travel partner
Insurance	Major un-modelled health loss event/catastrophe
Insurance	Travel Market softens
Credit	Largest bank counterparty defaults
Credit	Reinsurer dispute, delays in settlement of material recovery
Credit	Reinsurer default, not able to settle obligations
Operational	Mass systems failure / cyber attack

The results of these tests demonstrated that the Group has sufficient capital to withstand the scenarios identified and would not be in danger of breaching its regulatory capital requirement.

C.7 Any other information

The directors do not consider that there is any further information which should be disclosed regarding the risk profile of AIL.

D

Valuation for Solvency Purposes

(Audited)

D. Valuation for Solvency Purposes

The Solo financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (GAAP), note the group does not prepare consolidated GAAP accounts, while the Group and Solo Solvency II balance sheets have been prepared in accordance with valuation fair value principles contained in the Solvency II Directive (2009) and Solvency II Delegated Acts (2015).

The reporting currency of the Group is GBP sterling.

The structure and underlying assets and liabilities within the consolidated AIHL (Group) and AIL (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 £100. The receivable is due from a Collinson Group undertaking.

Accordingly Section D "Valuation for Solvency Purposes" does not differentiate between the Solo and Group balance sheet, with reference being made to the Group balance sheet.

Please note that the appendix of this document on page 70 contains both the Group and Solo reporting templates (QRTs) prepared for AIL and AIHL as at 30 April 2018.

D.1 Assets

D1.1 Valuation methodology for assets and liabilities other than technical provisions

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. At 30 April 2018, 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/AIL.

D1.2 Key differences between the UK GAAP and Solvency II balance sheet in respect of assets and other liabilities

Deferred acquisition costs of £11.8m and prepayments of £3.0m (disclosed within the “Any other assets not shown elsewhere” section of the balance sheet) are both reflected as assets on the UK GAAP balance sheet but neither are recognised as assets within the Solvency II balance sheet , as neither has the capacity to absorb losses.

Where cash flows from insurance receivables are not yet due, the value of these cash flows (£13.8m) have been reclassified from insurance receivables and included in technical provisions.

Liabilities on the UK GAAP balance sheet include £3.5m of deferred income disclosed within the “Any other liabilities not shown elsewhere” section of the balance sheet, which is not recognised as a liability in the Solvency II balance sheet.

D1.3 Group UK GAAP and Solvency II balance sheets

The table below contains AIL’s UK GAAP balance sheet in summary form (refer to column “1” and the Solvency II balance sheet in summary form (refer to column “2”).

The differences in assets and liabilities between the GAAP balance sheet (in the format of a Solvency II QRT) and Solvency II balance sheet are presented in column “3” with further analysis between presentation differences (column 3.2) and differences in valuation and recognition between the GAAP balance sheet and Solvency II balance sheet (column 3.1).

Consolidated UK GAAP financial statements are not currently prepared and accordingly the group Solvency II balance sheet has not been presented.

Astrenska Insurance Limited	1.UK GAAP (reclassified)	2.Solvency II	3.Difference SII vs.UK GAAP	3.1 Valuation differences	3.2Presentation differences
Assets					
Deferred acquisition costs	11.8	0.0	-11.8	-11.8	
Financial investments	15.0	15.03	0.03		0.03
Reinsurance recoverable/assets	13.1	8.1	-5.0	-4.2	-0.8
Receivables insurance	16.2	2.4	-13.8		-13.8
Receivables reinsurance	0.1	0.0	-0.1		-0.1
Receivables trade not insurance	6.2	3.0	-3.2		-3.2
Cash and cash equivalents	12.7	12.7	0.0		
Any other assets not shown elsewhere	3.0	0.0	-3.0	-2.97	-0.03
Total assets	**78.1**	**41.2**	-36.9	**-19.0**	**-17.9**
Liabilities					
Technical provisions non-life	37.6	16.1	-21.5	-13.9	-7.6
Insurance payables	7.5	1.3	-6.2		-6.2
Reinsurance payables	6.8	0.4	-6.4		-6.4
Payables (trade not insurance)	1.4	3.7	2.3		2.3
Any other liabilities not shown elsewhere	3.5	0.0	-3.5	-3.5	
Total liabilities	**56.8**	**21.5**	-35.3	**-17.4**	**-17.9**
Excess of assets over liabilities	**21.3**	**19.7**	-1.6	**-1.6**	**0.0**

(Refer: Appendix 1 QRT - S.02.01.02 - Balance sheet for AIL)

D1.4 Assets – Solvency II balance sheet

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.

Insurance and trade receivables

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

Trade receivables represent cash flows due from intermediaries and insurance service providers and administrators.

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 AIL/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. The tax loss of £1.4m associated with the move from a UK GAAP to a Solvency II balance sheet valuation has not been recognised as a deferred tax asset on the Solvency II balance sheet.

At 30 April 2018, AIL has unused tax losses of £12.7m.

D.2 Technical Provisions

The following table details AIL's TP's:

£'000	Medical Expense	Assistance	Total
Claims Provisions	7,781	3,334	11,115
Premium Provisions	2,488	1,935	4,423
Total Best Estimate	**10,269**	**5,269**	**15,538**
Risk Margin	370	190	560
Technical Provisions - Total	**10,639**	**5,459**	**16,098**
Total Recoverables from Reinsurance	5,767	2,355	8,122
Technical Provisions - Net of Reinsurance	**4,872**	**3,103**	**7,976**

The value of TP's correspond to the current amount an insurer would have to pay if it were to transfer its obligations immediately to another SII undertaking.

TP's 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 TP's are as follows:

D.2.1 Calculation Basis

- Calculations are carried out on a going-concern basis;
- Insurance exposure is split into two lines of business; Medical Expense and Assistance;
- TP's 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 EIOPA basic risk free rates (without the matching adjustment and volatility adjustment). It is assumed that, on average, cash flows occur midway through 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.

D.2.2 Best Estimate

- The TP's are on a best estimate basis and therefore do not contain margins for prudence, and
- The best estimate consists of a claims provision and premium provision for business written at or before the valuation date.

D.2.3 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 over the run-off of reserves, and
    - Discount cash flows.

D.2.4 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 any claims incurred 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 ENID’s;
    - Include SII expenses over the run-off of reserves, and
    - Discount cash flows.

D.2.5 Risk Margin

- Risk Margin reflects the cost of providing an amount of capital (covering certain risks of the SCR) necessary to support the obligations, and
- 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.

D.2.6 Reinsurance recoverables

- TP's are calculated gross, and the reinsurance recoverable asset is calculated using a similar approach, consistent with the boundaries of the contracts to which those relate, and
- 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 Munich Re and Axis Re for quota share and a panel of A-rated reinsurers for excess of loss reinsurance.

D.2.7 Level of uncertainty associated with the amount of TP's

- Modelling future cash flows will contain some uncertainty due to the inherent random nature of future events;
- Assessment of the uncertainty - key assumptions including probability of reinsurer default, ENIDs, BBNI and claims payment patterns have been stressed.
- This has resulted in the following impact in net TPs

£000	Change in Net TPs
Economic	82
Non-Economic	127

- The economic assumption stressed with the largest impact is downgrading of reinsurer credit rating from A to BB.
- The non-economic assumption stressed with the largest impact is increasing the ENIDs assumption by 25%.

D.2.8 Reconciliation between UK GAAP and Solvency II valuation

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

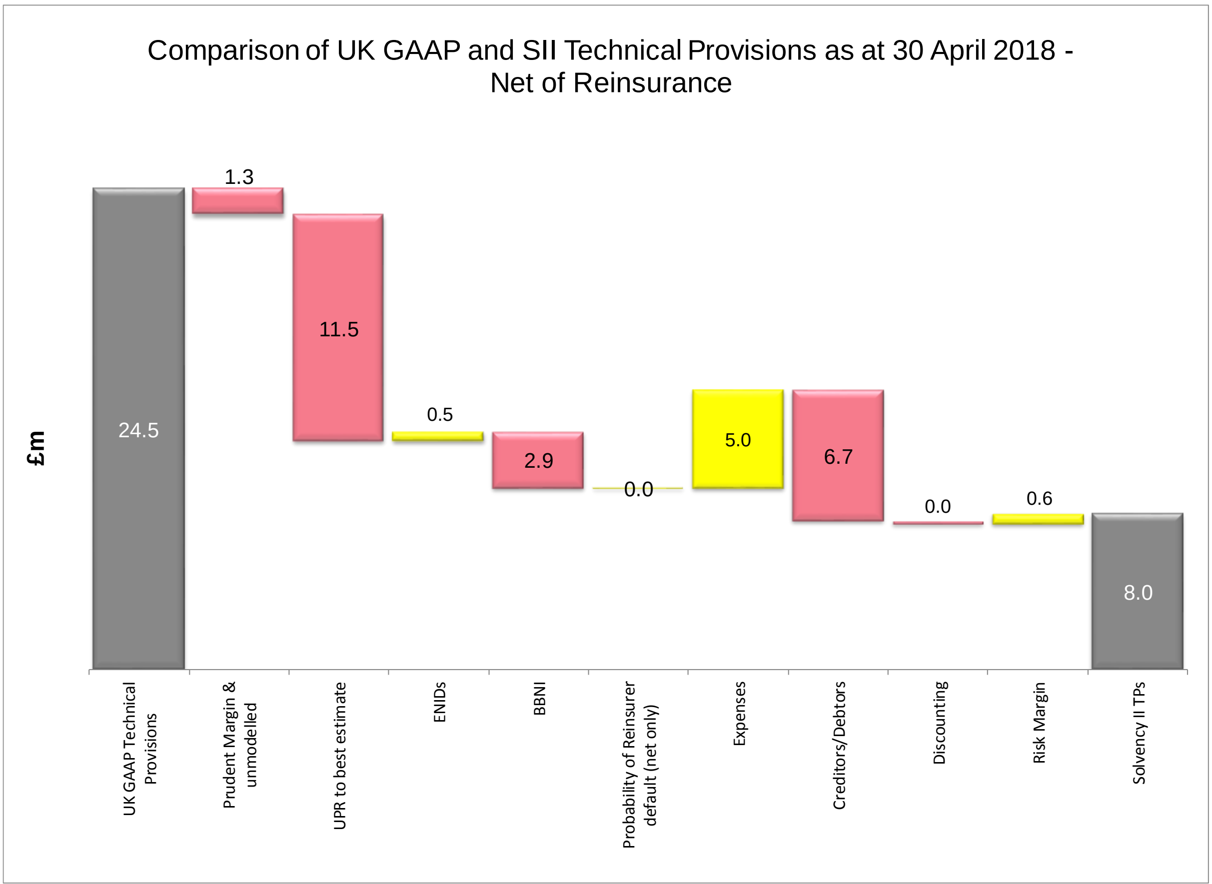
£'000	UK GAAP Value			Solvency II Value		
	Medical Expense	Assistance	Total	Medical Expense	Assistance	Total
Provision of claims outstanding	7,604	4,543	12,147			
Provision of unearned premium	14,401	11,062	25,463			
Best estimate Claims Provision				7,781	3,334	11,115
Best estimate Premium Provision				2,488	1,935	4,423
Risk Margin				370	190	560
Gross Technical Provisions	**22,005**	**15,605**	**37,610**	**10,639**	**5,459**	**16,098**
Total Recoverables from Reinsurance	10,634	2,507	13,141	5,767	2,355	8,122
Net Technical Provisions	**11,370**	**13,098**	**24,469**	**4,872**	**3,103**	**7,976**

- TP's 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 general provisions for adverse development (prudent margin);

- The provision for unearned premium provision represents the proportion of premiums written in the financial year that relate to risk in the future.

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

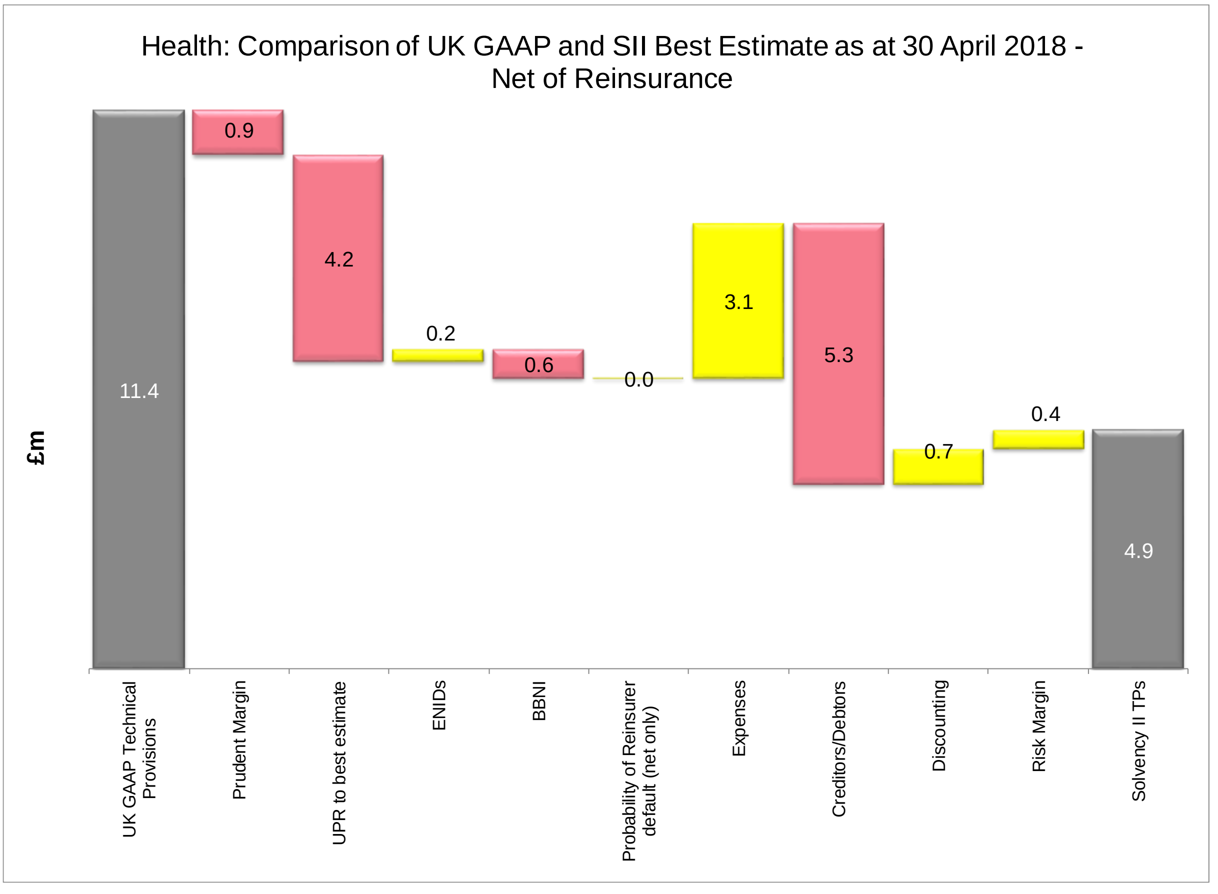


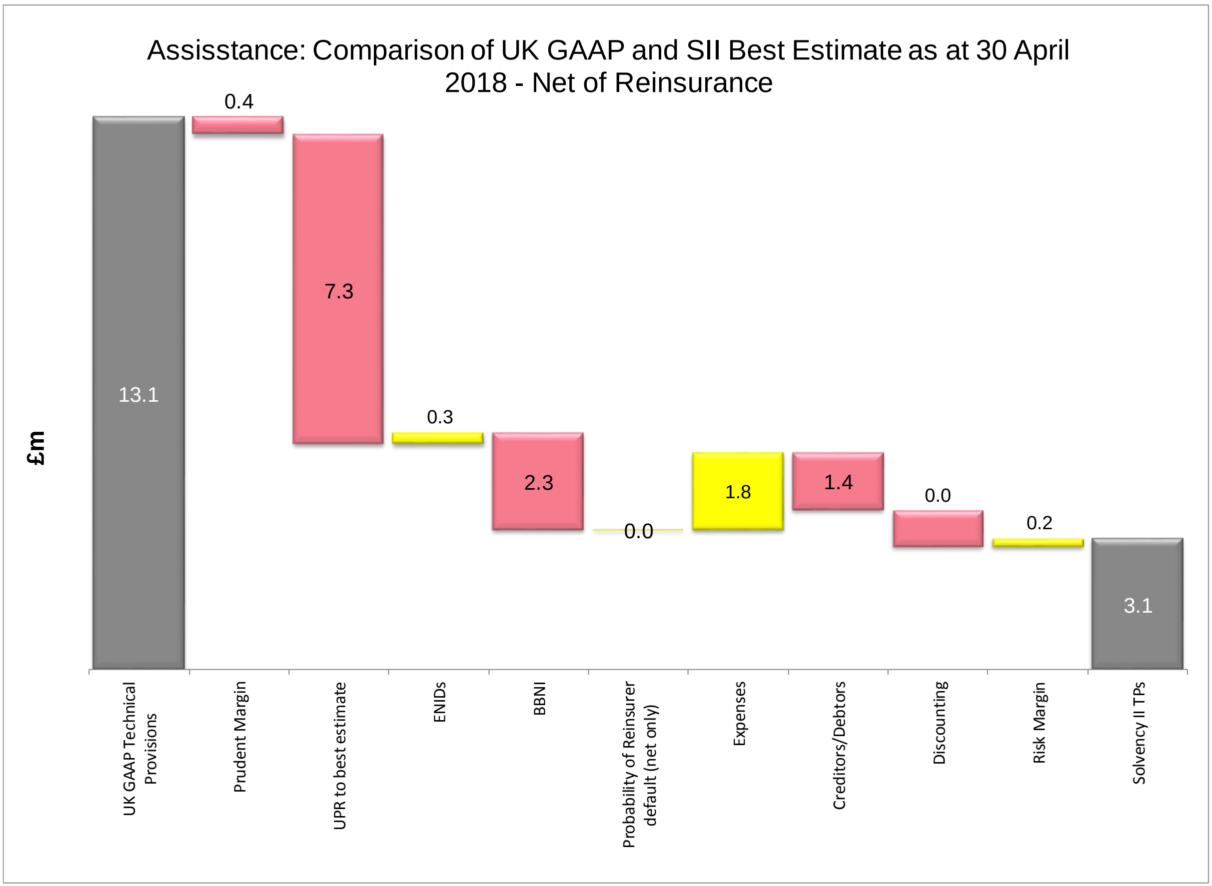
The difference between UK GAAP and SII valuations are caused by the differences between the bases, methods, and main assumptions used. In particular, the following adjustments are made to convert UK GAAP provisions to SII best estimate:

- Remove prudent margin (note the £1.3 in above analysis represents £1.1m of prudent margin and £0.2m in respect of foreign exchange losses not allocated to specific schemes);
- Adjust the provision for unearned premium to represent proportion of unearned premiums that relate to the unearned claims only (best estimate view);
- Allow for ENID's;

- Allow for BBNI;
- Allow for the probability of reinsurer defaulting;
- Provide for SII run-off expenses;
- Movement in creditors/debtors (please see section D2.10)
- Discount the cash flows, and,
- Include a risk margin.

The graphs below show the impact of the above headings of adjustment separately for SII lines of business – Medical Expenses and Assistance





The relative differences between the Health and the Assistance lines of business can be explained as follows:

- BBNI is lower in health, this is driven by lower new business being written in this line due to the runoff of the Morgan Price scheme.
- Reduction/offset in TP's due to inclusion of debtors and creditors is higher in Health driven by the instalment premium business which exists in that line of business.
- All other movements are proportionate to the volume of business in each line.

D.2.9 Matching adjustment, volatility adjustment and transitional provisions

The Company does not utilise any of these arrangements.

D.2.10 Changes to technical provisions from Previous Reporting Period

The key changes affecting the TP's from the previous reporting period are reflected in the Year on Year waterfall below:

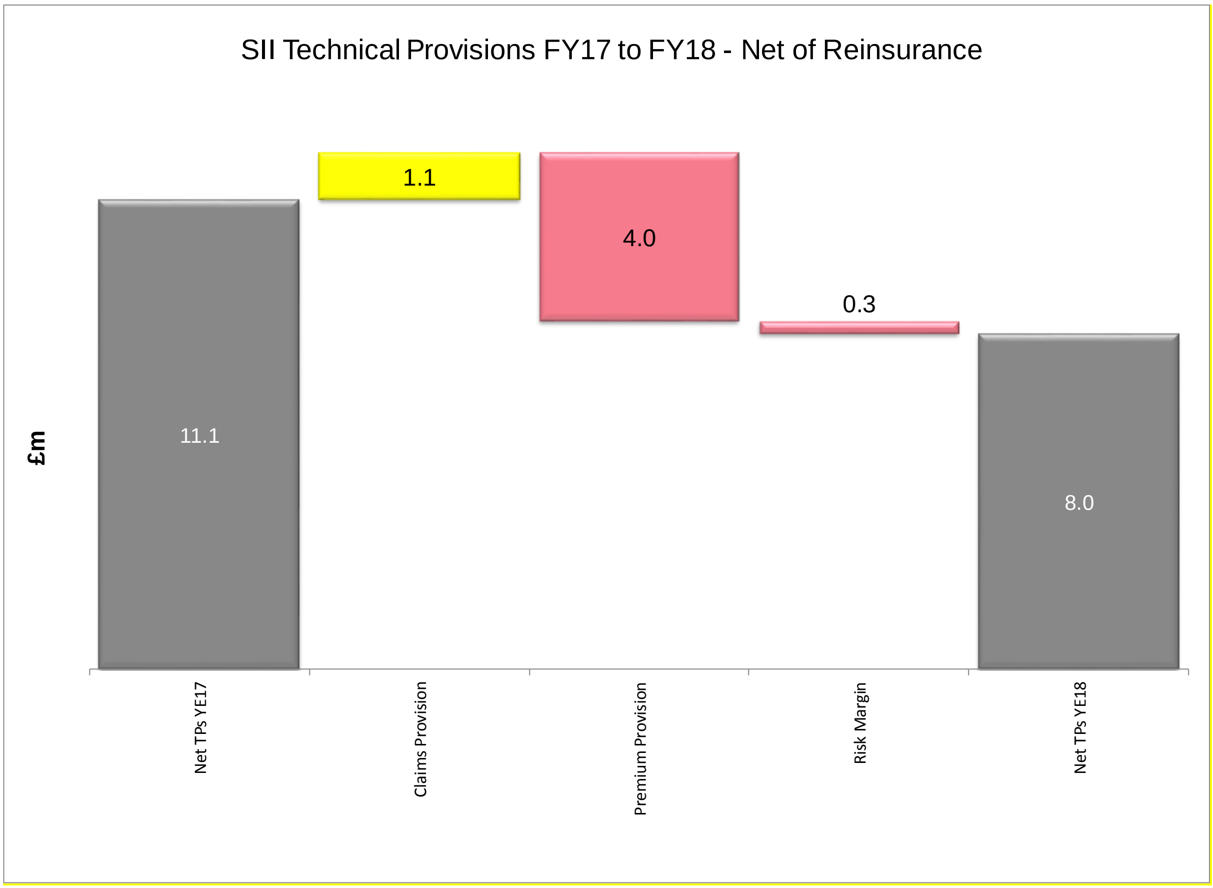
- Change in EIOPA discount rate, and
- Volume of business has increased, therefore increasing the best estimate cash outflows in the Premiums & Claims provisions

- Improvements in the quality and availability of data used to calculate the premium provision during 2018, have allowed additional analysis of future instalment premium cash flows to be undertaken, and also enhanced our understanding of the nature and timing of premium cash flows.

  This resulted in a higher value of future premium cash flows being included in the calculation of 2018 premium provision, when compared to the approach followed in 2017.

- Recalculated Risk Margin after above changes

The following graph shows the walk from year end 2017 SII TP's to year end 2018 SII TP's.



D.2.11 Reinsurance

The quota share reinsurance cessions to Munich Re and Axis Re have remained fairly stable year on year – and there are no intentional dependencies amongst these risks or their mitigation. Excess of Loss (XOL) reinsurance coverage also operates at a per event basis avoiding dependencies. XOL contracts are renewed annually while the quota share treaties have longer terms, currently going to 2020.

D.2.12 Claims Management Procedures

Claims management procedures utilised by AIL are broadly in line with those adopted in 2017, and incorporate both direct and indirect costs associated with the management and settlement of claims.

D.3 Other Liabilities – Solvency II balance sheet

Reinsurance payables

Consist of amounts due to reinsurers in respect of excess of loss and quota share reinsurance agreements, the settlement of which is expected to occur imminently.

Trade payables

Consist of amounts due to other Collinson Group companies in respect of administration and support services along with and indirect taxes and charges, 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 is 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.

E

Capital Management

(Audited)

E. Capital Management

E.1 Structure and amount of Own Funds and their quality

E.1.1 Own Funds

Objectives of capital management

The Group's capital management policy is to ensure that capital is managed efficiently and to ensure that the regulatory, operational and policyholder requirements are met.

On a quarterly basis the board of the Group reviews the relationship between own funds, MCR and SCR and considers these ratios against the Group's capital management policy.

Currently the Group considers that the normal operating range for the level of coverage of its SCR (the Group uses the standard formula to calculate its SCR), lies within the range of 130% to 160%. The Group believes that operating at this level of coverage allows it to meet regulatory and operational capital requirements and maintain capital strength to ensure policyholder requirements are met.

Management of own funds and business and capital planning

The Group's planning cycle currently covers a period of three years and includes a plan that incorporates a 3 year view of SCR, MCR and Solvency II capital coverage ratios.

E.1.2 Composition of eligible own funds to cover the SCR and MCR (Solo and Group)

Composition of eligible own funds to cover the SCR and MCR

The Group's and AIL's own funds currently comprise unrestricted tier 1 capital and are fully available to cover both the MCR and SCR.

The tables (below) contain analysis of components of own funds (Tier 1 capital) at 30 April for the 2018 and 2017 reporting periods for the Group and AIL.

Analysis of basic own funds (Group)	**2018**	**2017**
	£m	**£m**
Share capital issued and fully paid	23.6	23.6
Reconciliation reserve	(3.9)	(2.0)
Basic own funds to cover the MCR and SCR	**19.7**	**21.6**

The main components of Group basic own funds comprise issued and fully paid share capital of £23.6m, together with a reconciliation reserve representing the amount by which Group liabilities exceed assets by £3.9m.

The increase of £1.9m in the amount by which group liabilities exceed group assets (i.e. the reconciliation reserve) has resulted in a reduction of basic funds of £1.9m during 2018.

Analysis of basic own funds (Solo)	**2018**	**2017**
	£m	**£m**
Share capital issued and fully paid	16.0	16.0
Reconciliation reserve	3.7	5.6
Basic own funds to cover the MCR and SCR	**19.7**	**21.6**

The main components of AIL basic own funds comprise issued and fully paid share capital of £ 16m, together with a reconciliation reserve representing the excess of assets over liabilities of £3.7m.

A reduction in the reconciliation reserve of £1.9m has resulted in a reduction of basic funds of £1.9m during 2018.

Movement between equity in AIL/Group financial statements and Solvency II excess of assets over liabilities

Group:

The Group does not prepare consolidated financial statements, so no reconciliation has been prepared between UK GAAP equity and Solvency II excess of assets over liabilities.

AIL:

The movement between share capital and reserves as reflected in the AIL UK GAAP balance sheets as at 30 April 2018 and the excess of assets over liabilities as presented in the Group and AIL Solvency II balance sheets as at 30 April 2018 is presented in the table below.

Solo	2018	2017
UK GAAP	**£ m**	**£ m**
Issued share capital	16.0	16.0
Retained earnings	5.3	5.3
Total capital and reserves	**21.3**	**21.3**
Adjustments to move to SII valuation:		
Technical provisions & DAC , difference in valuation GAAP vs. SII	0.5	0.3
GAAP assets not recognised on the Solvency II balance : prepayments	(2.8)	-
GAAP liabilities not recognised on the Solvency II balance : deferred income	0.7	-
SII asset surplus (i.e. SII assets less SII liabilities)	**19.7**	**21.6**

Other information

No own funds items are subject to transitional arrangements.

At 30 April 2018 the Group did not have any ancillary own funds. At 30 April 2017 the Group 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 Minimum Capital Requirement (“MCR”) and Solvency Capital Requirement (“SCR”)

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 AIL are the same, accordingly the remainder of this section of the document no distinction between Group and AIL is made.

MCR

The Group and AIL both held £19.7 m of eligible unrestricted own funds to cover the solo MCR and Group minimum SCR at the reporting date.

AIL held £19.7m of eligible unrestricted own funds to cover the MCR at reporting date, and held sufficient capital to cover the MCR throughout the reporting period.

The Group held £19.7m of eligible unrestricted own funds to cover the minimum value of the group SCR at reporting date , and held sufficient capital to cover the minimum value of the group SCR throughout the reporting period.

Restatement of 2017 MCR

MCR data for the 2017 reporting period was resubmitted to the PRA during the year, in order to correct errors made in the reporting of MCR data as part of the April 30, 2017 annual reporting process. The errors in the original 2017 submission arose from incorrect interpretation of reporting requirements.

The restated 2017 MCR values have not been subject to audit.

The table (below) compares the reported 2017 MCR data with the 2017 restated MCR data. The restatement of the SCR at 30 April 2017 is explained on pages 58 and 59.

MCR (Solo)	**2017 (as reported)**	**2017 (restated & unaudited)**	**Difference:**
	£m	**£m**	**£m**
Absolute floor MCR	2.1	3.3	1.2
Linear MCR	2.9	2.9	-
SCR	10.6	10.1	(0.5)
Combined MCR	2.9	2.9	-
MCR	**2.9**	**3.3**	**0.4**

In the prior year AIL incorrectly presented the absolute floor MCR as £2.1m instead of £3.3m, which impacted the MCR as presented at 30 April 2017 by £0.4m.

The table (below) summaries the components of the MCR, as at 30 April 2018.

MCR	**2018**	**2017 (restated & unaudited)**
	£m	**£m**
Absolute floor MCR	3.3	3.3
Linear MCR	4.2	2.9
SCR	14.2	10.1
Combined MCR	4.2	2.9
MCR	**4.2**	**3.3**

The inputs to the calculation comprise of written premium net of reinsurance over the last year and best estimate of insurance liabilities net of reinsurance. The increase in MCR of £0.9m (2018: £4.2m vs. £3.3m 2017 restated) has been driven primarily by growth in Solvency II insurance premiums (i.e. written premium net of reinsurance) during the year.

SCR

The Group and AIL both use the standard formula as the basis for calculating the SCR. During the year the Group and AIL reviewed the assumptions underpinning the standard formula and assessed that continued use of the standard formula to calculate the SCR remained appropriate for the business underwritten and managed by the Group and AIL.

The group solvency position is calculated using method 1 (accounting consolidation approach). No group diversification effects arose on consolidation.

Both the Group and AIL held £19.7m of eligible unrestricted own funds to cover the SCR at April 30th 2018 (the SCR at April 30th 2018 is the same for both the Group and AIL) and both the Group and AIL held sufficient capital to cover the SCR throughout the reporting period.

Restatement of 2017 SCR

SCR data for the 2017 reporting period was resubmitted to the PRA during the year in order to correct errors made in the reporting of SCR data as part of the April 30, 2017 annual reporting process. The errors in the original 2017 submission arose from incorrect interpretation of reporting requirements.

The restated 2017 SCR values have not been subject to audit.

The table (below) compares the reported 2017 MCR data with the 2017 restated SCR data.

SCR (Group and Solo)	**2017** (as reported)	**2017** (restated & unaudited)	**Difference :**
	£m	**£m**	**£m**
Health underwriting risk	4.4	4.4	-
Non-life underwriting risk	3.5	4.6	(1.1)
Counterparty default risk	4.2	2.6	1.6
Market risk	1.2	1.2	-
Undiversified Base SCR	**13.3**	**12.8**	**(0.5)**
Diversification credit	(4.2)	(4.2)	-
Basic SCR	**9.1**	**8.6**	**(0.5)**
Operational risk	1.5	1.5	-
Solvency capital requirement	**10.6**	**10.1**	**(0.5)**

The table below contains the risk modules that comprise the Group's SCR of £14.2m as at 30 April 2018 (April 30 2017 £10.1m restated), after taking diversification credit.

SCR (Group and Solo)	**2018**	**2017 (restated & unaudited)**
	£m	**£m**
Health underwriting risk	4.1	4.4
Non-life underwriting risk	8.2	4.6
Counterparty default risk	2.8	2.6
Market risk	2.6	1.2
Undiversified Base SCR	**17.7**	**12.8**
Diversification credit	(5.6)	(4.2)
Basic SCR	**12.1**	**8.6**
Operational Risk	2.1	1.5
Solvency capital requirement	**14.2**	**10.1**

The 2018 SCR of the Group has increased by £4.1 m to £14.2 m (2017:£10.1m restated).

This increase is attributable mainly to the following modules of the SCR:

Non-life underwriting risk

Non-life underwriting risk has increased by £3.6m during the year (2018: £8.2m vs. 2017 restated £4.6m). This resulted from an increase in written premium for assistance business, which exceeded the 2017 forecast for 2018 underwriting year.

Health underwriting risk

Health underwriting risk reduced by £0.3m (2018: £4.1m vs. 2017 restated £ 4.4m), driven by a reduction of the size in the health portfolio, following a decision to place part of the portfolio into run off. This has resulted in a reduction in written premiums and claims volumes.

Counterparty default risk

Counterparty default risk increased by £0.2m (2018: £2.8m vs. 2017 restated £ 2.6m) flowing from a small reduction in the credit quality of banking counterparties which was partially offset by a reduction in counterparty risk associated with intermediary / policyholder debt.

Market risk

The increase in market risk charge of £1.4m was driven mainly by an increase in bank and an increase cash held in currencies other than GBP Sterling.

The final amount of the SCR remains subject to supervisory assessment.

Simplified calculations

The Group/AIL did not use any simplified calculations or underwriting specific parameters in the standard formula calculation.

Capital add on

Neither AIL nor the Group have a capital add on, as the risk profiles of AIL 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 SCR

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 AIL or the Group. The standard formula has been used to calculate both the solo and Group 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 2018 there were no instances during which the AIL/Group were not compliant with both the MCR and SCR.

During the financial year ended 30 April 2017 there were no instances during which the AIL/Group were not compliant with both the MCR and SCR.

E.6 Any other information

Neither AIL, nor the Group, have other material information to disclose.

Statement of Directors' Responsibilities

Approval by the Board of Directors

Financial year ended 30 April 2018

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:

R Clarke

Richard Clarke
Director
Astrenska Insurance Holdings Limited
Astrenska Insurance Limited

1 October 2018

Independent Auditor's Report

Report of the external independent auditor to the Directors of Astrenska Insurance Holdings Limited ('the Group') pursuant to Rule 4.1 (2) of the External Audit Part of the PRA Rulebook applicable to Solvency II firms

Report on the Audit of the relevant elements of the Group Solvency and Financial Condition Report

Opinion

Except as stated below, we have audited the following documents prepared by Astrenska Insurance Holdings Limited ('the Group'), comprising of Astrenska Insurance Holdings Limited and the authorised insurance entity Astrenska Insurance Limited ('the Company') as at 30 April 2018**:**

- The 'Valuation for solvency purposes' and 'Capital Management' sections of the Group Solvency and Financial Condition Report of the Group as at 30 April 2018, ('**the Narrative Disclosures subject to audit'**); and
- Group templates S.02.01.02, S.23.01.22, S.25.01.22, S.32.01.22 ('**the Group Templates subject to audit'**); and
- Company templates of Astrenska Insurance Limited S.02.01.02, S.17.01.02, S.23.01.01, S.25.01.21, S.28.01.01 ('**the Company Templates subject to audit'**).

The Narrative Disclosures subject to audit and the Group and Company Templates subject to audit are collectively referred to as the **'relevant elements of the Group Solvency and Financial Condition Report'**.

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

- The 'Business and performance', 'System of governance' and 'Risk profile' elements of the Group Solvency and Financial Condition Report; and
- Group templates S.05.01.02, S.05.02.01; and
- Company templates of Astrenska Insurance Limited S.05.01.02, S.05.02.01, S.19.01.21;and
- the written acknowledgement by management of their responsibilities, including for the preparation of the Group Solvency and Financial Condition Report ('**the Responsibility Statement**').

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

In our opinion, the information subject to audit in the relevant elements of the Group Solvency and Financial Condition Report of Astrenska Insurance Holdings Limited as at 30 April 2018 is prepared, in all material respects, in accordance with the financial reporting provisions of the PRA Rules and Solvency II regulations on which they are based as modified by relevant supervisory modifications, and as supplemented by supervisory approvals and determinations.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the Group Solvency and Financial Condition Report is not appropriate; or
- the directors have not disclosed in the Group Solvency and Financial Condition Report any identified material uncertainties that may cast significant doubt about the Group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the Group Solvency and Financial Condition Report is authorised for issue.

Emphasis of Matter – Basis of Accounting & Restriction on Use

We draw attention to the 'Valuation for solvency purposes', 'Capital Management' and other relevant disclosures sections of the Group Solvency and Financial Condition Report, which describe the basis of accounting. The Group Solvency and Financial Condition Report is prepared in compliance with the financial reporting provisions of the PRA Rules and Solvency II regulations, and therefore in accordance with a special purpose financial reporting framework. As a result, the Solvency and Financial Condition Report may not be suitable for another purpose. The Group Solvency and Financial Condition Report is required to be published, and intended users include but are not limited to the Prudential Regulation Authority.

This report is made solely to the Directors of the Company in accordance with Rule 2.1 of the External Audit Part of the PRA Rulebook for Solvency II firms. Our work has been undertaken so that we might report to the Directors those matters that we have agreed to state to them in this report and for no other purpose.

Our opinion is not modified in respect of this matter.

Other Information

The Directors are responsible for the Other Information. Our opinion on the relevant elements of the Group Solvency and Financial Condition Report does not cover the Other Information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Group Solvency and Financial Condition Report, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the relevant elements of the Group Solvency and Financial Condition Report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the relevant elements of the Group Solvency and Financial Condition Report or a material misstatement of the Other Information. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Group Solvency and Financial Condition Report

The Directors are responsible for the preparation of the Group Solvency and Financial Condition Report in accordance with the financial reporting provisions of the PRA rules and Solvency II regulations on which they are based. The PRA rules are modified by a direction issued by the PRA under section 138A of FSMA at the request of Astrenska Insurance Limited to require the presentation of a Single Solvency and Financial Condition Report in place of separate Solvency and Financial Condition Reports for the Group and for Astrenska Insurance Limited.

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

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

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

Our objectives are to obtain reasonable assurance about whether the relevant elements of the Group Solvency and Financial Condition Report are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decision making or the judgement of the users taken on the basis of the Group Solvency and Financial Condition Report.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: **https://www.frc.org.uk/Our-Work/Audit-and-Actuarial-Regulation/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-**

responsibilities-for-audit.aspx. The same responsibilities apply to the audit of the Group Solvency and Financial Condition Report.

Report on Other Legal and Regulatory Requirements.

Other Information

In accordance with Rule 4.1 (3) of the External Audit Part of the PRA Rulebook for Solvency II firms we are also required to consider whether the Other Information is materially inconsistent with our knowledge obtained in the audit of Astrenska Insurance Holdings Limited, and Astrenska Insurance Limited statutory financial statements. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Ernst & Young LLP

Ernst & Young LLP
London
1 October 2018

The maintenance and integrity of the Group web site is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the Solvency and Financial Condition Report since it was initially presented on the web site.

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

Astrenska Insurance Holdings Limited

The relevant elements of the Group Solvency and Financial Condition Report that are not subject to audit comprise:

- Elements of the Narrative Disclosures subject to audit identified as 'unaudited'.

Astrenska Insurance Limited

The relevant elements of the Group Solvency and Financial Condition Report that are not subject to audit comprise:

- Elements of the Narrative Disclosures subject to audit identified as 'unaudited'.

Appendices

Appendix 1 - Quantitative Reporting Templates (Group QRTs)

Astrenska Insurance Holdings Limited (AIHL)

General Information

Participating Undertaking name	Astrenska Insurance Holdings Limited
Group identification code	LEI/213800GWL93FZHBJ7H18
Country of the group supervisor	GB
Sub-group information	No Sub-group information
Language of reporting	EN
Reporting reference date	30/04/2018
Currency used for reporting	GBP
Accounting standards	This group is using UK GAAP
Method of Calculation of the group SCR	Standard formula
Use of group specific parameters	No use of Group specific parameters
Method of group solvency calculation	Method 1 is used exclusively
Matching adjustment	No use of matching adjustment
Volatility adjustment	No use of volatility adjustment
Transitional measure on the risk-free interest rate	No use of transitional measure on the risk-free interest rate
Transitional measure on technical provisions	No use of transitional measure on the technical provisions

List of Reported Templates (Group)

S.02.01.02	Balance Sheet
S.05.01.02	Premiums, Claims and Expenses by line of business
S.05.02.01	Premiums, Claims and Expenses by country
S.23.01.22	Own Funds
S.25.01.22	SCR – for undertakings on Standard Formula
S.32.01.22	Undertakings in the scope of the group

Legal name: Astrenska Insurance Holdings Limited, Closing date: 2018-04-30
Display currency: k GBP

S.02.01.02
Balance sheet

		Solvency II value
		C0010
Assets		
Intangible assets	R0030	
Deferred tax assets	R0040	
Pension benefit surplus	R0050	
Property, plant & equipment held for own use	R0060	
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	15,035
Property (other than for own use)	R0080	
Holdings in related undertakings, including participations	R0090	
Equities	R0100	
Equities - listed	R0110	
Equities - unlisted	R0120	
Bonds	R0130	
Government Bonds	R0140	
Corporate Bonds	R0150	
Structured notes	R0160	
Collateralised securities	R0170	
Collective Investments Undertakings	R0180	
Derivatives	R0190	
Deposits other than cash equivalents	R0200	15,035
Other investments	R0210	
Assets held for index-linked and unit-linked contracts	R0220	
Loans and mortgages	R0230	
Loans on policies	R0240	
Loans and mortgages to individuals	R0250	
Other loans and mortgages	R0260	
Reinsurance recoverables from:	R0270	8,122
Non-life and health similar to non-life	R0280	8,122
Non-life excluding health	R0290	2,355
Health similar to non-life	R0300	5,767
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	
Health similar to life	R0320	
Life excluding health and index-linked and unit-linked	R0330	
Life index-linked and unit-linked	R0340	
Deposits to cedants	R0350	
Insurance and intermediaries receivables	R0360	2,379
Reinsurance receivables	R0370	0
Receivables (trade, not insurance)	R0380	2,957
Own shares (held directly)	R0390	0
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	0
Cash and cash equivalents	R0410	12,737
Any other assets, not elsewhere shown	R0420	0
Total assets	R0500	41,230

Liabilities		
Technical provisions - non-life	R0510	16,098
Technical provisions - non-life (excluding health)	R0520	5,459
TP calculated as a whole	R0530	0
Best Estimate	R0540	5,269
Risk margin	R0550	190
Technical provisions - health (similar to non-life)	R0560	10,639
TP calculated as a whole	R0570	0
Best Estimate	R0580	10,269
Risk margin	R0590	370
Technical provisions - life (excluding index-linked and unit-linked)	R0600	
Technical provisions - health (similar to life)	R0610	
TP calculated as a whole	R0620	
Best Estimate	R0630	
Risk margin	R0640	
Technical provisions - life (excluding health and index-linked and unit-linked)	R0650	
TP calculated as a whole	R0660	
Best Estimate	R0670	
Risk margin	R0680	
Technical provisions - index-linked and unit-linked	R0690	
TP calculated as a whole	R0700	
Best Estimate	R0710	
Risk margin	R0720	
Contingent liabilities	R0740	
Provisions other than technical provisions	R0750	
Pension benefit obligations	R0760	
Deposits from reinsurers	R0770	
Deferred tax liabilities	R0780	
Derivatives	R0790	
Debts owed to credit institutions	R0800	
Financial liabilities other than debts owed to credit institutions	R0810	
Insurance & intermediaries payables	R0820	1,292
Reinsurance payables	R0830	388
Payables (trade, not insurance)	R0840	3,725
Subordinated liabilities	R0850	
Subordinated liabilities not in BOF	R0860	
Subordinated liabilities in BOF	R0870	
Any other liabilities, not elsewhere shown	R0880	0
Total liabilities	R0900	21,501
Excess of assets over liabilities	R1000	19,728

Legal name: Astrenska Insurance Holdings Limited, Closing date: 2018-04-30

Display currency: k GBP

S.05.01.02 - 01

Premiums, claims and expenses by line of business

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)		Total
		Medical expense insurance	Assistance	
		C0010	C0110	C0200
Premiums written				
Gross - Direct Business	R0110	28,792	36,978	65,770
Gross - Proportional reinsurance accepted	R0120	2,926	0	2,926
Gross - Non-proportional reinsurance accepted	R0130			
Reinsurers' share	R0140	15,208	5,413	20,620
Net	R0200	16,511	31,566	48,076
Premiums earned				
Gross - Direct Business	R0210	29,197	31,387	60,584
Gross - Proportional reinsurance accepted	R0220	4,192	0	4,192
Gross - Non-proportional reinsurance accepted	R0230			
Reinsurers' share	R0240	14,493	5,608	20,101
Net	R0300	18,896	25,779	44,675
Claims incurred				
Gross - Direct Business	R0310	12,400	10,243	22,643
Gross - Proportional reinsurance accepted	R0320	3,315	272	3,587
Gross - Non-proportional reinsurance accepted	R0330			
Reinsurers' share	R0340	7,409	2,277	9,686
Net	R0400	8,307	8,238	16,544
Changes in other technical provisions				
Gross - Direct Business	R0410			
Gross - Proportional reinsurance accepted	R0420			
Gross - Non- proportional reinsurance accepted	R0430			
Reinsurers'share	R0440			
Net	R0500			
Expenses incurred	R0550	11,066	16,578	27,643
Other expenses	R1200			
Total expenses	R1300			27,643

Legal name: Astrenska Insurance Holdings Limited, Closing date: 2018-04-30

Display currency: k GBP

S.05.02.01 - 01

Premiums, claims and expenses by country

		Home Country												Total
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C00100	C00110	C00120	C0070
	R0010	GB	AE	DK	EE	FR	GI	IE	IT	KE	LK	NO	PT	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180	C0190	C0140
Premiums written														
Gross - Direct Business	R0110	31,667	-6	1,334	2,717	1,617	1,808	19,367	3,884	3	17	1,610	1,750	65,770
Gross - Proportional reinsurance accepted	R0120		2,926											2,926
Gross - Non-proportional reinsurance accepted	R0130													0
Reinsurers' share	R0140	8,940	1,592	0	0	0	0	8,468	0	-3	0	1,623	0	20,620
Net	R0200	22,727	1,328	1,334	2,717	1,617	1,808	10,899	3,884	6	17	-12	1,750	48,076
Premiums earned														
Gross - Direct Business	R0210	31,262	-6	951	1,938	1,153	1,808	18,688	2,770	75	26	671	1,248	60,584
Gross - Proportional reinsurance accepted	R0220		4,192											4,192
Gross - Non-proportional reinsurance accepted	R0230													0
Reinsurers' share	R0240	8,801	2,461	0	0	0	0	8,158	0	-2	0	683	0	20,101
Net	R0300	22,461	1,725	951	1,938	1,153	1,808	10,530	2,770	77	26	-12	1,248	44,675
Claims incurred														
Gross - Direct Business	R0310	14,436	-111	114	233	138	-266	7,362	333	22	3	229	150	22,643
Gross - Proportional reinsurance accepted	R0320	0	3,315	0	0	0	272	0	0	0	0	0	0	3,587
Gross - Non-proportional reinsurance accepted	R0330													0
Reinsurers' share	R0340	4,344	1,810	0	0	0	0	3,342	0	-3	0	192	0	9,686
Net	R0400	10,091	1,394	114	233	138	6	4,020	333	24	3	37	150	16,544
Changes in other technical provisions														
Gross - Direct Business	R0410													0
Gross - Proportional reinsurance accepted	R0420													0
Gross - Non- proportional reinsurance accepted	R0430													0
Reinsurers'share	R0440													0
Net	R0500	0	0	0	0	0	0	0	0	0	0	0	0	0
Expenses incurred	R0550	13,341	1,786	404	827	492	771	7,975	1,180	30	22	285	531	27,644
Other expenses	R1200													
Total expenses	R1300													27,644

Legal name: Astrenska Insurance Holdings Limited, Closing date: 2018-04-30
Display currency: k GBP

S.23.01.22 - 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	23,615			
Non-available called but not paid in ordinary share capital at group level	R0020					
Share premium account related to ordinary share capital	R0030					
Iinitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Non-available subordinated mutual member accounts at group level	R0060					
Surplus funds	R0070					
Non-available surplus funds at group level	R0080					
Preference shares	R0090					
Non-available preference shares at group level	R0100					
Share premium account related to preference shares	R0110					
Non-available share premium account related to preference shares at group level	R0120					
Reconciliation reserve	R0130	-3,887	-3,887			
Subordinated liabilities	R0140					
Non-available subordinated liabilities at group level	R0150					
An amount equal to the value of net deferred tax assets	R0160					
The amount equal to the value of net deferred tax assets not available at the group level	R0170					
Other items approved by supervisory authority as basic own funds not specified above	R0180					
Non available own funds related to other own funds items approved by supervisory authority	R0190					
Minority interests (if not reported as part of a specific own fund item)	R0200					
Non-available minority interests at group level	R0210					
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					
whereof deducted according to art 228 of the Directive 2009/138/EC	R0240					
Deductions for participations where there is non-availability of information (Article 229)	R0250					
Deduction for participations included by using D&A when a combination of methods is used	R0260					
Total of non-available own fund items	R0270					
Total deductions	R0280					
Total basic own funds after deductions	R0290	19,728	19,728			
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Non available ancillary own funds at group level	R0380					
Other ancillary own funds	R0390					
Total ancillary own funds	R0400					
Own funds of other financial sectors						
Reconciliation reserve	R0410					
Institutions for occupational retirement provision	R0420					
Non regulated entities carrying out financial activities	R0430					
Total own funds of other financial sectors	R0440					
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					
Own funds aggregated when using the D&A and a combination of method net of IGT	R0460					
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	19,728	19,728			
Total available own funds to meet the minimum consolidated group SCR	R0530	19,728	19,728			
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	19,728	19,728	0		
Total eligible own funds to meet the minimum consolidated group SCR	R0570	19,728	19,728	0		
Minimum consolidated Group SCR	R0610					
Ratio of Eligible own funds to Minimum Consolidated Group SCR	R0650					
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	19,728	19,728	0		
Group SCR	R0680					
Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	R0690					

Legal name: Astrenska Insurance Holdings Limited, Closing date: 2018-04-30

Display currency: k GBP

S.23.01.22 - 02

Own funds

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	19,728
Own shares (included as assets on the balance sheet)	R0710	
Forseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	23,615
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 before deduction for participations in other financial sector	R0760	-3,887
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	388
Total EPIFP	R0790	388

Legal name: Astrenska Insurance Holdings Limited, Closing date: 2018-04-30

Display currency: k GBP

S.25.01.22

Solvency Capital Requirement (for groups on Standard Formula)

		Gross solvency capital requirement	Simplifications	USP
		C0110	C0120	C0090
Market risk	R0010	2,602		
Counterparty default risk	R0020	2,821		
Life underwriting risk	R0030	0		0
Health underwriting risk	R0040	4,042		0
Non-life underwriting risk	R0050	8,212		None
Diversification	R0060	-5,553		
Intangible asset risk	R0070	0		
Basic Solvency Capital Requirement	R0100	12,123		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	2,043
Loss-absorbing capacity of technical provisions	R0140	0
Loss-absorbing capacity of deferred taxes	R0150	0
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	0
Solvency capital requirement excluding capital add-on	R0200	14,166
Capital add-on already set	R0210	0
Solvency capital requirement	R0220	14,166
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	0
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	0
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	0
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	0
Diversification effects due to RFF nSCR aggregation for article 304	R0440	0
Minimum consolidated group solvency capital requirement	R0470	
Information on other entities		
Capital requirement for other financial sectors (Non-insurance capital requirements)	R0500	
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	14,166

Legal name: Astrenska Insurance Holdings Limited, Closing date: 2018-04-30
Display currency: k GBP

S.32.01.22

Undertakings in the scope of the group

Identify the ISO 3166 code of the country in which the registered head office of each undertaking within the group is located.

Country	Identification code of the undertaking	Legal name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
C0010	C0020	C0040	C0050	C0060	C0070	C0080
GB	LEI/213800GWL93FZHBJ7H18	Astrenska Insurance Holdings Limited	Insurance holding company as defined in Article 212 (1) (f) of Directive 2009/138/EC	Companies limited by shares	Non mutual	
GB	LEI/2138008DN13KCEAE2Q93	Astrenska Insurance Limited	Non life Insurance undertaking	Companies limited by shares	Non Mutual	Prudential Regulation Authority

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
C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
	100%	100%				Included in the scope		Method 1 - Full Consolidation
100%	100%	100%		Dominant	100%	Included in the scope		Method 1 - Full Consolidation

Quantitative Reporting Templates (Solo QRT)

Astrenska Insurance Limited (AIL)

General Information

Undertaking name	Astrenska Insurance Limited
Undertaking identification code	LEI/2138008DN13KCEAE2Q93
Country of the group supervisor	GB
Language of reporting	EN
Reporting reference date	30/04/2018
Currency used for reporting	GBP
Accounting standards	This undertaking is using UK GAAP
Method of Calculation of the SCR	Standard formula
Use of undertaking specific parameters	No use of undertaking specific parameters
Matching adjustment	No use of matching adjustment
Volatility adjustment	No use of volatility adjustment
Transitional measure on the risk-free interest rate	No use of transitional measure on the risk-free interest rate
Transitional measure on technical provisions	No use of transitional measure on the technical provisions

List of Reported Templates (Solo)

S.02.01.02	Balance Sheet
S.05.01.02	Premiums, Claims and Expenses by line of business
S.05.02.01	Premiums, Claims and Expenses by country
S.17.01.02	Non-life Technical Provision
S.19.01.21	Non-life insurance claims
S.23.01.01	Own Funds
S.25.01.21	SCR – for undertakings on Standard Formula
S.28.01.01	Minimum Capital Requirement

Legal name: Astrenska Insurance Ltd, Closing date: 2018-04-30
Display currency: k GBP

S.02.01.02
Balance sheet

		Solvency II value
		C0010
Assets		
Intangible assets	R0030	
Deferred tax assets	R0040	
Pension benefit surplus	R0050	
Property, plant & equipment held for own use	R0060	
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	15,035
Property (other than for own use)	R0080	
Holdings in related undertakings, including participations	R0090	
Equities	R0100	
Equities - listed	R0110	
Equities - unlisted	R0120	
Bonds	R0130	
Government Bonds	R0140	
Corporate Bonds	R0150	
Structured notes	R0160	
Collateralised securities	R0170	
Collective Investments Undertakings	R0180	
Derivatives	R0190	
Deposits other than cash equivalents	R0200	15,035
Other investments	R0210	
Assets held for index-linked and unit-linked contracts	R0220	
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Life excluding health and index-linked and unit-linked	R0330	
Life index-linked and unit-linked	R0340	
Deposits to cedants	R0350	
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Receivables (trade, not insurance)	R0380	2,957
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Risk margin	R0550	190
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TP calculated as a whole	R0570	
Best Estimate	R0580	10,269
Risk margin	R0590	370
Technical provisions - life (excluding index-linked and unit-linked)	R0600	
Technical provisions - health (similar to life)	R0610	
TP calculated as a whole	R0620	
Best Estimate	R0630	
Risk margin	R0640	
Technical provisions - life (excluding health and index-linked and unit-linked)	R0650	
TP calculated as a whole	R0660	
Best Estimate	R0670	
Risk margin	R0680	
Technical provisions - index-linked and unit-linked	R0690	
TP calculated as a whole	R0700	
Best Estimate	R0710	
Risk margin	R0720	
Contingent liabilities	R0740	
Provisions other than technical provisions	R0750	
Pension benefit obligations	R0760	
Deposits from reinsurers	R0770	
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Any other liabilities, not elsewhere shown	R0880	0
Total liabilities	R0900	21,501
Excess of assets over liabilities	R1000	19,728

Legal name: Astrenska Insurance Ltd, Closing date: 2018-04-30

Display currency: k GBP

S.05.01.02 - 01

Premiums, claims and expenses by line of business

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)		Total
		Medical expense insurance	Assistance	
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Net	R0300	18,896	25,779	44,675
Claims incurred				
Gross - Direct Business	R0310	12,400	10,243	22,643
Gross - Proportional reinsurance accepted	R0320	3,315	272	3,587
Gross - Non-proportional reinsurance accepted	R0330			
Reinsurers' share	R0340	7,409	2,277	9,686
Net	R0400	8,307	8,238	16,544
Changes in other technical provisions				
Gross - Direct Business	R0410			
Gross - Proportional reinsurance accepted	R0420			
Gross - Non- proportional reinsurance accepted	R0430			
Reinsurers'share	R0440			
Net	R0500			
Expenses incurred	R0550	10,768	16,876	27,643
Other expenses	R1200			
Total expenses	R1300			27,643

Legal name: Astrenska Insurance Ltd, Closing date: 2018-04-30
Display currency: k GBP

S.05.02.01 - 01
Premiums, claims and expenses by country

		Home Country													Total
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C00100	C00110	C00120		C0070
	R0010	GB	AE	DK	EE	FR	GI	IE	IT	KE	LK	NO	PT		
		C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180	C0190		C0140
Premiums written															
Gross - Direct Business	R0110	31,667	0	1,334	2,717	1,617	1,808	19,367	3,884	3	17	1,610	1,750		65,776
Gross - Proportional reinsurance accepted	R0120		2,920												2,920
Gross - Non-proportional reinsurance accepted	R0130														0
Reinsurers' share	R0140	8,940	1,592	0	0	0	0	8,468	0	-3	0	1,623	0		20,620
Net	R0200	22,727	1,328	1,334	2,717	1,617	1,808	10,899	3,884	6	17	-12	1,750	0	48,076
Premiums earned															
Gross - Direct Business	R0210	31,262	0	951	1,938	1,153	1,808	18,688	2,770	75	26	671	1,248		60,590
Gross - Proportional reinsurance accepted	R0220		4,186												4,186
Gross - Non-proportional reinsurance accepted	R0230														0
Reinsurers' share	R0240	8,801	2,461	0	0	0	0	8,158	0	-2	0	683	0		20,101
Net	R0300	22,461	1,725	951	1,938	1,153	1,808	10,530	2,770	77	26	-12	1,248	0	44,675
Claims incurred															
Gross - Direct Business	R0310	14,436	3,205	114	233	138	-266	7,362	333	22	3	229	150		25,958
Gross - Proportional reinsurance accepted	R0320						272								272
Gross - Non-proportional reinsurance accepted	R0330														0
Reinsurers' share	R0340	4,344	1,810	0	0	0	0	3,342	0	-3	0	192	0		9,686
Net	R0400	10,091	1,394	114	233	138	6	4,020	333	24	3	37	150	0	16,544
Changes in other technical provisions															
Gross - Direct Business	R0410														0
Gross - Proportional reinsurance accepted	R0420														0
Gross - Non- proportional reinsurance accepted	R0430														0
Reinsurers'share	R0440														0
Net	R0500	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Expenses incurred	R0550	13,341	1,786	404	827	492	771	7,975	1,180	30	22	285	531		27,644
Other expenses	R1200														
Total expenses	R1300														27,644

Legal name: Astrenska Insurance Ltd, Closing date: 2018-04-30
Display currency: k GBP

S.17.01.02
Non-life Technical Provisions

		Direct business and accepted proportional reinsurance		Total Non-Life obligation
		Medical expense insurance	Assistance	
		C0020	C0120	C0180
Technical provisions calculated as a whole	R0010	0	0	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0050	0	0	0
Technical provisions calculated as a sum of BE and RM				
Best estimate				
Premium provisions				
Gross	R0060	2,488	1,935	4,423
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	1,751	1,060	2,811
Net Best Estimate of Premium Provisions	R0150	737	874	1,611
Claims provisions				
Gross	R0160	7,781	3,334	11,115
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	4,016	1,295	5,311
Net Best Estimate of Claims Provisions	R0250	3,765	2,039	5,804
Total Best estimate - gross	R0260	10,269	5,269	15,538
Total Best estimate - net	R0270	4,502	2,913	7,416
Risk margin	R0280	370	190	560
Amount of the transitional on Technical Provisions				
Technical Provisions calculated as a whole	R0290	0	0	0
Best estimate	R0300	0	0	0
Risk margin	R0310	0	0	0
Technical provisions - total				
Technical provisions - total	R0320	10,639	5,459	16,098
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	5,767	2,355	8,122
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	4,872	3,103	7,976

Legal name: Astrenska Insurance Ltd, Closing date: 2018-04-30
Display currency: k GBP

S.19.01.21 - 02 Underwriting

Non-life Insurance Claims Information

Accident year / Underwriting year	Z0020	2

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

Year		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	0	0	0	0	0	0	0	0			
N-6	R0190	0	0	0	0	0	0	0				
N-5	R0200	208	6,958	4,514	496	154	3					
N-4	R0210	342	6,644	14,983	-922	163						
N-3	R0220	181	9,594	10,859	415							
N-2	R0230	323	12,927	8,580								
N-1	R0240	576	12,806									
N	R0250	501										

		In Current year	Sum of years (cumulative)
		C0170	C0180
	R0100	0	0
	R0160	0	0
	R0170	0	0
	R0180	0	0
	R0190	0	0
	R0200	3	12,333
	R0210	163	21,210
	R0220	415	21,049
	R0230	8,580	21,829
	R0240	12,806	13,381
	R0250	501	501
Total	R0260	22,468	90,303

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

Year		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	0			
N-6	R0190	0	0	0	0	0	0	0				
N-5	R0200	0	0	0	0	33	108					
N-4	R0210	0	0	0	361	67						
N-3	R0220	0	0	1,628	566							
N-2	R0230	0	4,510	3,097								
N-1	R0240	1,050	6,665									
N	R0250	726										

		Year end (discounted data)
		C0360
	R0100	0
	R0160	0
	R0170	0
	R0180	0
	R0190	0
	R0200	107
	R0210	67
	R0220	564
	R0230	3,079
	R0240	6,633
	R0250	722
Total	R0260	11,172

Legal name: Astrenska Insurance Ltd, Closing date: 2018-04-30
Display currency: k GBP

S.23.01.01 - 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 (EU) 2015/35						
Ordinary share capital (gross of own shares)	R0010	16,000	16,000			
Share premium account related to ordinary share capital	R0030					
Iinitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Surplus funds	R0070					
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	3,728	3,728			
Subordinated liabilities	R0140					
An amount equal to the value of net deferred tax assets	R0160					
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180					
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					
Total basic own funds after deductions	R0290	19,728	19,728			
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Other ancillary own funds	R0390					
Total ancillary own funds	R0400					
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	19,728	19,728			
Total available own funds to meet the MCR	R0510	19,728	19,728			
Total eligible own funds to meet the SCR	R0540	19,728	19,728	0	0	0
Total eligible own funds to meet the MCR	R0550	19,728	19,728	0	0	
SCR	R0580	14,166				
MCR	R0600	4,213				
Ratio of Eligible own funds to SCR	R0620	1.39				
Ratio of Eligible own funds to MCR	R0640	4.68				

Legal name: Astrenska Insurance Ltd, Closing date: 2018-04-30

Display currency: k GBP

S.23.01.01 - 02

Own funds

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	19,728
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	16,000
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	3,728
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	388
Total Expected profits included in future premiums (EPIFP)	R0790	388

Legal name: Astrenska Insurance Ltd, Closing date: 2018-04-30

Display currency: k GBP

S.25.01.21

Solvency Capital Requirement (for undertakings on Standard Formula)

		Gross solvency capital requirement	Simplifications	USP
		C0110	C0120	C0090
Market risk	R0010	2,602		
Counterparty default risk	R0020	2,821		
Life underwriting risk	R0030	0		0
Health underwriting risk	R0040	4,042		0
Non-life underwriting risk	R0050	8,212		None
Diversification	R0060	-5,553		
Intangible asset risk	R0070	0		
Basic Solvency Capital Requirement	R0100	12,123		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	2,043
Loss-absorbing capacity of technical provisions	R0140	0
Loss-absorbing capacity of deferred taxes	R0150	0
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	0
Solvency capital requirement excluding capital add-on	R0200	14,166
Capital add-on already set	R0210	0
Solvency capital requirement	R0220	14,166
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	0
Total amount of Notional Solvency Capital Requirement for remaining part	R0410	0
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	0
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430	0
Diversification effects due to RFF nSCR aggregation for article 304	R0440	0

Legal name: Astrenska Insurance Ltd, Closing date: 2018-04-30
Display currency: k GBP

S.28.01.01 - 01

Minimum Capital Requirement (Only life or only non-life insurance or reinsurance activity)

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCRNL Result	R0010	4,213

		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	4,502	16,511
Income protection insurance and proportional reinsurance	R0030		
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		
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	2,913	31,566
Miscellaneous financial loss insurance and proportional reinsurance	R0130		
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	

		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	4,213
SCR	R0310	14,166
MCR cap	R0320	6,375
MCR floor	R0330	3,542
Combined MCR	R0340	4,213
Absolute floor of the MCR	R0350	3,251
Minimum Capital Requirement	R0400	4,213

Glossary

Glossary

AFR	Actuarial Function Report
AIHL	Astrenska Insurance Holdings Limited
AIL	Astrenska Insurance Limited
AOF	Ancillary Own Funds
AP	Approved Persons
AR’s	Appointed Representatives
ARCC	Audit, Risk and Compliance Committee
BEL	Best Estimate Liabilities
Board	AIL / AIHL Board
BOF	Basic Own Funds
CF	Controlled Function
CFO	Chief Financial Officer
CIHL	Collinson Insurance Holdings Limited
CISL	Collinson Insurance Services Limited
Collinson	The Collinson Group
COO	Chief Operating Officer
CV	Curriculum Vitae
DBS	Disclosure and Barring Services
EBS	Economic Balance Sheet
EIOPA	European Insurance Occupational Pensions Authority

FCA	Financial Conduct Authority
FIC	Finance and Investments Committee
FLOD	First Line of Defence
FRS	Financial Reporting Standards
FY16	Financial Year 2016 – covering the period 1 May 2015 to 30 April 2016
FY17	Financial Year 2017 – covering the period 1 May 2016 to 30 April 2017
FY18	Financial Year 2018 – covering the period 1 May 2017 to 30 April 2018
GAAP	UK General Accepted Accounting Principles
GWP	Gross Written Premium
I&A	Insurance and Assistance Division
MCR	Minimum Capital Requirement
MI	Management Information
NED	Non-Executive Director
ORSA	Own Risk and Solvency Assessment
PCB	Projects Change Board
PGC	Product Governance Committee
PRA	Prudential Regulation Authority
QRT	Quantitative Reporting Template
SCR	Solvency Capital Requirement
SII	Solvency II Directive
SIMF	Senior Insurance Manager Function
SLOD	Second Line of Defence

SPV	Special Purpose Vehicle
The Company	Astrenska Insurance Limited
The Group	Astrenska Insurance Holdings Limited and Astrenska Insurance Limited
TP's	Technical Provision
UEPR	Unearned Premium
UK	United Kingdom
USP	Undertaking Specific Parameters
WTW	Willis Towers Watson