

# PAYCARE

**Company number 00820791**

**Registered office address**

**Paycare House, George Street, Wolverhampton, West Midlands, WV2 4DX**

**Year Ending 31 December 2018**

## **SOLVENCY AND FINANCIAL CONDITION REPORT**



## DEFINITIONS

SII	Solvency II
the reporting date	31 December 2017 <sup>8</sup>
the reporting period	Year to 31 December 2018
the Company	Paycare
SFCR	Solvency and Financial Condition Report
ORSA	Own Risk and Solvency Assessment
SCR	Solvency Capital Requirement
MCR	Minimum Capital Requirement
UK GAAP	United Kingdom Generally Accepted Accounting Principles
RLAM	Royal London Asset Management
JPM	JP Morgan
LBPB	Lloyds Bank Private Banking
AFM	Association of Financial Mutuals
IPT	Insurance Premium Tax
CSR	Corporate Social Responsibility
ICG	Internal Capital Guidance
NBV	Net Book Value
GDPR	General Data Protection Regulation



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## 1. Executive Summary

This is the third SFCR of the company based on financial position as at 31<sup>st</sup> December 2018

**“Our vision is nothing less than realizing the full potential of our people, delivering outstanding customer outcomes and making every day healthcare accessible to all”**



To ensure that we achieve our vision the business focus will be split into four steams.

### Customers

***Paycare exists for the benefit of our Customers. It is the reason for our existence. We will always put them at the heart of everything we do.***

We are here for our policyholders and will ensure that they get value and benefit from their policy with us. We not only look to meet our customer’s expectation but to exceed them and actively encourage our policyholders to be proactive in the management of their everyday healthcare by producing content that helps our customers strive for this goal. We will also look to recognise trends in the NHS and develop our products accordingly for the benefit of our policyholders.

We welcome and embrace feedback from our policyholders in order to continue to improve as a business. The FCA Principles for Businesses (6) states “A *firm* must pay due regard to the interests of its *customers* and treat them fairly”. This principle is fully embedded in the company.

The FCA Principles for Businesses (1) states “A *firm* must conduct its business with integrity”. The Paycare brand is a trusted one, we will ensure this is protected and look to enhance the value of this trust to existing and future customers. We will always look to ensure that our compliance with good IT governance principles is adhered to.

## People

***Our people ARE our most important asset. We believe and embrace that always. We will strive to nurture, challenge and show respect for them***

We believe that is essential for excellent performance that our employees are rested and energised when they come to work. We believe that a life outside of work is vital to achieving this and always strive to get that balance right. We continue to embed the mindfulness in the workplace practice, acknowledging that this is not for everyone and accepting non-participation. We trust our people to make the right decisions and support them when they don't. Our culture is one of non-blame, non-judgemental.

Succession planning is vital to the long term success and sustainability of any business. Our aim is to ensure continual development of our team, meeting their needs and expectations and also the demands of the business.

## Technology

***Technology will drive efficiencies in the business and deliver a better customer experience***

We shall strive for operational excellence and embrace new technologies to deliver maximum benefit to our policyholders.

## Communities

***We don't just talk about CSR, we embrace it and demonstrate our commitment to it.***

The company is a really respected part of our community and we pride ourselves on what we can give back to that community. It is therefore essential that we have a sustainable business model that takes us into our next 140 years, by doing so we shall be able to fulfil our desire to continue giving back to our community.

## **2. Business and Performance**

### **2.1 The Business**

Paycare is a company limited by guarantee. Our company number is 00820791

The company is a category 5 firm and therefore has no named supervisor and is managed through the smaller insurer regime. The company is approved and authorised by the PRA and regulated by the PRA and the FCA.

The Company was founded in 1874 and is a provider of healthcare cash plans throughout the UK

### **2.2 Underwriting Performance**

We continue to see an increase in our Company paid policies; we also see the continuing trend of decreases in individual policies. This reflects the trend in our industry. The consequence of this movement is a reduction in the average premium income we receive per policyholder.

We saw increases in Insurance premium tax (IPT) in both 2015 and 2016 and a further increase implemented in 2017. We are aware of the fiscal pressures on our Policyholders and the many hundreds of businesses that are our customers. To this end The Board decided to not pass on the full impact of IPT increase and instead change some of our less well used benefits. This continued to have a negative effect on the Operating profit for the year. A price increase was implemented in June 2018 and this aims to claw back the IPT increases implemented during this period.

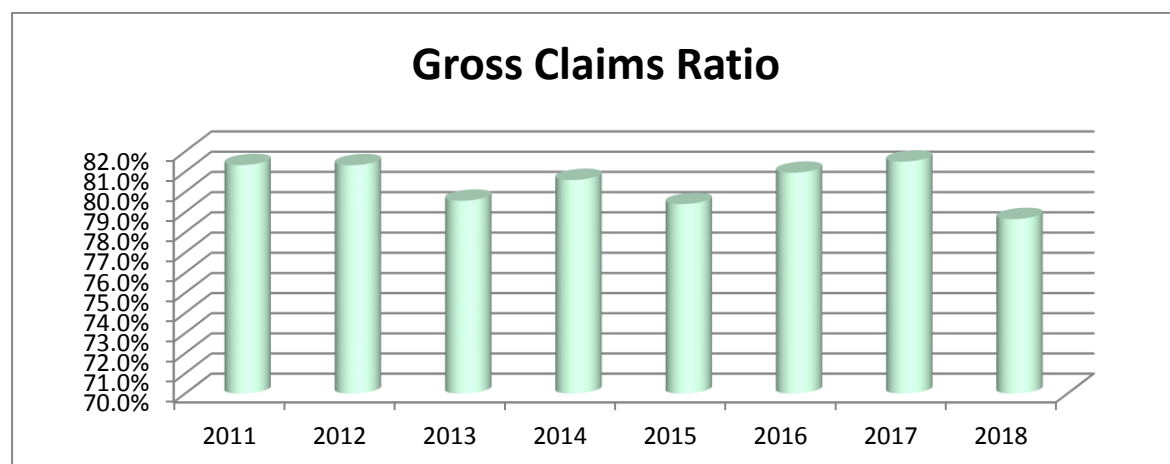
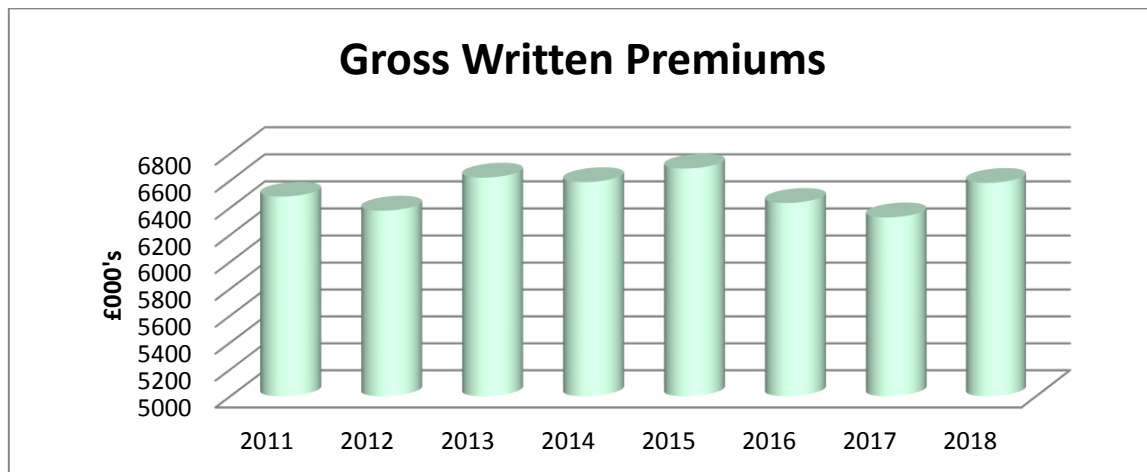
We paid £795k in IPT in 2018, this compared to £399k in 2014 an increase of £396k (100%).

We continue to lobby regulators and government through our trade association to highlight the consequences of what the impacts will be if they continue to see the raising of IPT as an easy target for revenue collection.

Claims ratio can be an unpredictable area to control and we mitigate adverse effects by utilising various monitoring methods. The increases in IPT that have been absorbed by us have had the effect of increasing the claims ratio over recent years. Our policies are monthly renewable and can be amended by giving one months' notice to policyholders. We continue to experience a trend in increasing claims as policyholders choose our products to enable them to have timely access to qualified healthcare providers to improve their health & wellbeing rather than wait for NHS treatment. We have seen a marked shift in claims numbers

and values, predominantly in Professional Therapy and other benefits which policyholders can choose to utilise. To mitigate the effect of Increased IPT costs and healthcare price inflation we have had to increase the premiums of some of our policies. In 2018 this resulted in a decrease in claims ratio.

The company does not have any reinsurance.

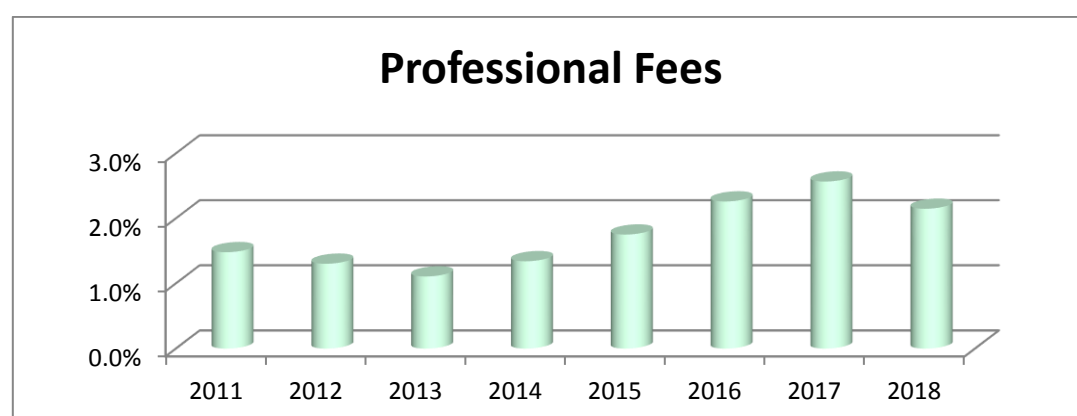
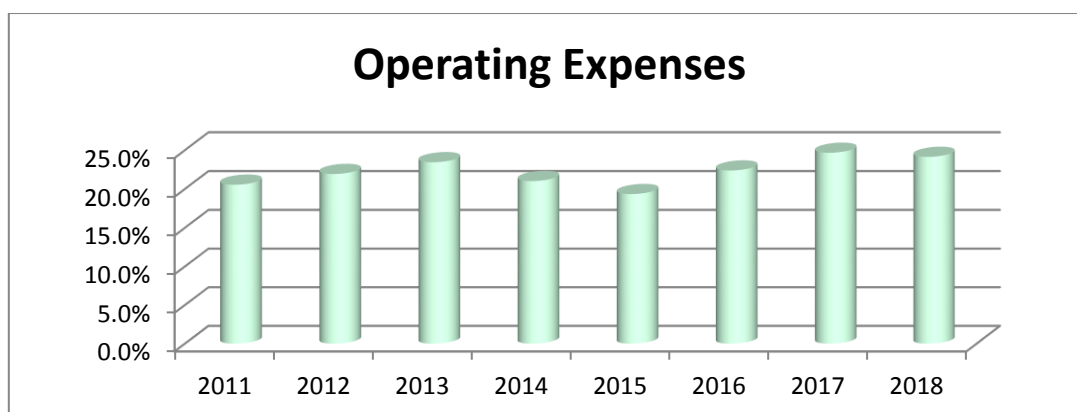


Operating expenses have increased over the past few years with the introduction of the SII regime now in force and we have seen our professional fees increase by 60% since 2014 due to employing the services of consultants, actuaries and similar professionals to ensure that we were and remain compliant with regulated requirements. We have seen many benefits from the introduction of the regime however the increased cost to the business requires us to embrace technology to drive down other operating expenses.

Paycare always looks to innovate in all areas of our business. Our industry is undergoing changes at a rapidly accelerating rate, and those who are unwilling or unable to keep up risk being left behind. Technology brings many benefits to the insurance industry. With faster,

easier access to more information, we've seen dramatic increases in productivity and efficiency. We shall continue to invest in Technology, learning both from inside the UK and globally, particularly where we see this improving our customers experience with us.

Increased use of technology however brings with it new risks. GDPR came into effect in late 2018 to protect our customers private data. Paycare ensured that it was compliant with the regulation and has processes and policies embedded for ongoing compliance.



## 2.3 Investment Performance

At the reporting date our investment assets are analysed as follows:

- Collective Investment Fund £4.5m
- Property £0.3m
- Total £4.8m

The company also hold liquid assets such as cash to meet any short-term liabilities. These assets are held in the name of the company.



The investments are currently registered in the name of Royal London Asset Management. The board meets with our fund managers at least once a year to discuss the performance of the fund and our requirements going forward. Senior management have regular correspondence with our fund managers and actuaries.

### **3. System of Governance**

#### **3.1 General Governance Arrangements**

The company is a Not for Profit organisation limited by guarantee.

The Board is responsible for corporate governance, reputation of the company and stewardship of its policyholders.

The composition of the Board and Board succession are managed to maintain the range of skills required to direct and govern the company and support as well as challenge management constructively.

Appointment of non-executive directors is the responsibility of the Board of Directors.

Directors serve 3-year terms for a maximum of 3 terms, however the company recognises the benefit of continuity of some directors serving for longer than 9 years subject to approval.

The Board approves all company policies via an official approval process. Board directors take individual and collective responsibility for determining the company objectives and strategies to ensure the company is managed and directed in a way to determine best outcome for policyholders as a whole.

On 10<sup>th</sup> December 2018 The Senior Managers & Certification Regime (SM&CR) came into force for insurers.

The aim of SM&CR is to increase accountability of individuals and to influence the behaviours of individuals and ultimately culture in the financial services sector

Senior Managers will have a 'duty of responsibility'. This means that the Financial Conduct Authority (FCA) can take action against a senior manager where any breaches or contraventions occur in their area of responsibility, if the FCA can demonstrate that the senior manager did not take reasonable steps to prevent the breach occurring or from continuing.

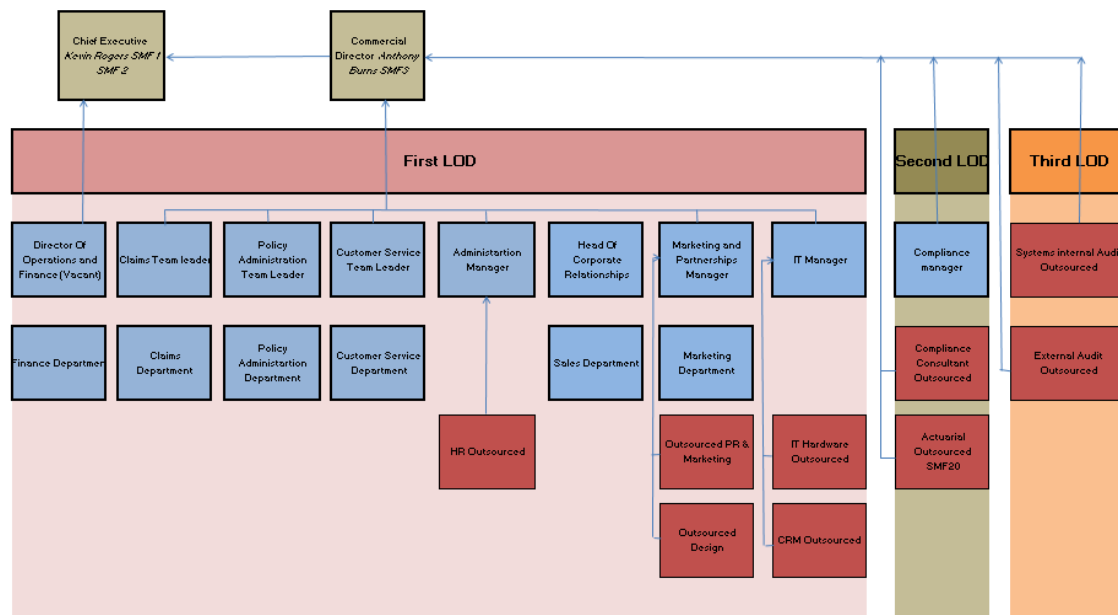
Paycare is compliant with SM&CR and has processes and policies in place to ensure ongoing compliance.

The company adopts an approach that represents the nature, scale and complexity of the business in respect of the SM&CR functions of risk management, internal audit and actuarial functions to deliver the desired outcomes. The CEO holds the majority of SMR functions.

The company are members of the AFM and subscribes to the Annotated UK corporate governance code for Mutuals.

## The company operates a three line of defence governance model.

Paycare  
Three Lines of Defence Governance Model as at 31 December 2018



### 3.2 Fit and Proper

Directors are appointed under the 'fit and proper' process adopted by the company. 'Fit and proper' is reviewed annually and there is a continuing obligation to advise the chairman if at any point individuals are unable to fill the requirements.

The company processes used to determine, honesty, integrity, reputation, competence/capability and financial soundness involves various checks as listed

- Credit checks,
- Criminal record checks
- Identity checks (including passport)
- Financial sanctions and Anti money laundering check
- FCA register search
- UK directorship search
- Social media checks

A personal declaration and an assessment of the individual's skills, knowledge and experience to undertake the role is also undertaken.

### **3.3 Risk Management System**

The company identifies and manages risk within a clearly defined framework and this framework forms the major risk elements of the company's ORSA. The framework is again underpinned by a 3 lines of defence mechanism.

The Board have ultimate responsibility for identifying and managing the risks that face the business and determine the risk appetite of the company and the Risk and Audit committee directly oversee the framework. Executive directors and senior management manage risks on an operational basis.

Executive directors and senior management meet at least once a year to review assess and update the risk register in full and present this to the Risk and Audit committee for approval. The Risk and Audit committee recommend final approval by the Board.

Senior management prepare at least annually an ICG report to determine how much additional capital it is felt the company should hold to cover the risks identified.

The company also has a full business continuity plan which is regularly updated.

### **3.4 ORSA**

The company is reporting on the standard formula basis, the Board decided that this was appropriate for the needs of the business, and did not apply for an internal or partial internal model. The company has a waiver for quarterly reporting which is valid until 1<sup>st</sup> January 2021

The company does not have a defined benefit pension scheme or any material reinsurance in place.

The ORSA process pulls together all the elements of the risk work carried out within the business and ensures appropriate monitoring takes place.

The ORSA is updated at least annually following the business planning process and at any point where a material change to the business is to take place. It is formally reviewed by the Risk and Audit committee prior to full approval by the Board.

### 3.5 Internal Control System

The company maintains an internal control system that governs financial and regulatory reporting in the company. This framework aims to ensure that

- All risks that pertain to the preparation and fair representation of the financial statements in accordance with the applicable financial reporting framework have been identified and documented
- There are controls, manual and automated, in place to address these risks and they are adequately designed to prevent or detect material misstatements in the financial statements and disclosures
- The controls identified operate as they are supposed to and are appropriately evidenced.

Within the control framework the company focuses on various key elements as stated:

- Company culture and shared values that bind the organisation
- Personal development plans are agreed for all employees and each employee will undergo a formal performance appraisal at least annually
- Training and development of all employees from Board level to staff
- Treating customers fairly is embedded across the organisation

Compliance is the responsibility of all within the business and this is overseen by the compliance manager who ensures all relevant legislation and regulation is embedded in the business and adhered to.

Senior managers prepare monthly internal process checks across all functions which includes monitoring telephone calls, new business and due diligence, claims payments and correct authorisation of expenditure. The results are reported to the Compliance manager who oversees this process and reports quarterly to the Board.

The compliance function is responsible for reporting to senior management and the Board any breaches or non-compliance with its policies, rules and regulations.

### 3.6 Internal Audit Function

To achieve independence and objectivity the Board felt this function should be headed up by an external third party and the services of Mazars were engaged to perform this function.

All aspects of internal audit will be covered through a 3-year plan as agreed with the Board and reporting lines are directly to the Risk and Audit committee.

### 3.7 Actuarial Function

The Board has considered the structure of the actuarial function to be proportional in constitution but complete in scope. The function holder for the actuarial function is Kathryn Moore. Kathryn is employed as a Senior Actuary with Steve Dixon Associates LLP (SDA). Kathryn presents an annual actuarial report to the Board.

The company has engaged the services of SDA to work alongside the Finance Manager in identifying analysing and quantifying levels of risks as required under SII and is reviewed and approved by the CEO.

### 3.8 Outsourcing

The company have in place an outsourcing policy and all key third party suppliers undergo due diligence and comprehensive service agreements are put in place to ensure that policyholder outcomes are not put at risk.

The Board considers the outsourcing arrangements at the company to be proportional in nature.

The company currently utilises the following service providers to undertake critical or important functions on its behalf:

- IT Outsourcing services including hosting services, software maintenance and support and development activities
- Internal Audit services
- Actuarial services
- Website services
- Compliance Consultant
- Human Resources

## **4. Risk Profile**

### **4.1 Underwriting Risk**

Underwriting risk is the risk of making a loss on an activity or insurance either in assessing the risks it provides policies for or in quantifying claims that occur.

The following measures are used to assess underwriting risks:

- Experience analysis – the company projects the expected premiums and claims that it anticipates for the year ahead and tracks the performance against expected rates and reports results to the executive committee. Any deviations from expected results are identified and corrective action where necessary are put in place. Corrective actions available include changes in premium prices and amendments to benefits received.
- Economic capital modelling – the company has developed methodologies to assess underwriting risks and involves analysis of changing patterns in claims and premiums over time. This analysis gives indication of a deterioration or improvement to underwriting risk profile of the business over a period of time.
- The SII standard formula Capital requirement requires an assessment and quantification of the underwriting risk exposure.

The principal risk faced by the company is that actual claims and benefit payments exceed the premiums received for those benefits. This could occur because the frequency and severity of claims are greater than anticipated. Claim events for certain benefits can be random and the actual number and amount of claims and benefits could vary year on year from the level estimated using estimation techniques as described above.

### **4.2 Market Risk**

The company's core business is the writing of everyday health cash plans which are monthly renewable and have a short claims tail. Given this short duration a relatively conservative investment strategy is taken.

Market risk the company faces is that an adverse movement in the value of assets caused by changes in the value of interest rates, credit rating scores or equity prices is not matched by a corresponding movement in the value of liabilities. The company's investment policy ensures a suitable balance of assets and testing of the impact of particular events on these assets, for example a downturn in equities which is critical as part of our SII work in the calculation of the SCR.

### 4.3 Credit Risk

The company does not have any credit risk exposure to reinsurance counterparties.

The primary credit risk to the company arises from counterparties holding the companies' assets as there is a risk they will default when the company requires the funds. The company holds a managed fund with RLAM which holds various investments to mitigate this risk.

The SII standard formula requirement includes an assessment and quantification of credit risk exposure.

### 4.4 Liquidity Risk

Liquidity risk is the risk that the business may be unable to meet its obligations as they fall due as a consequence of having insufficient accessible funds.

The company does not consider liquidity risk to be a significant risk as highly liquid assets such as cash and instant access deposits are held within the business to cover the highest claims month over a rolling twelve month period.

### 4.5 Operational Risk

Operational risk relates to the risk of loss resulting from inadequate or failing internal processes, people and systems or from external events such as a natural disaster or terrorist attack.

Material operational risks that are assessed include:

- Cyber/data security – the risk of the inability to protect data from unauthorised use, disclosure, disruption, modification and /or destruction.
- Outsourcing – the risk of failure, non-performance, ineffective management or retention of employees and/or contractors.
- People – the risk of inadequate recruitment process, development, management or retention of employees and/or contractors



## 5. Valuation for Solvency Purposes

### 5.1 Assets

The table below sets out the basis of our SII asset valuation for each material class of asset. Assets are measured on a market value basis at the reporting date.

Assets	SII Value £000's	UK GAAP Value £000's
Property, plant & equipment (own use)	896	815
Investment Property	266	266
Collective Investments	4,475	4,475
Insurance and intermediaries receivables	370	370
Cash and cash equivalents	444	444
Any other assets, not elsewhere shown	17	97
<b>Total assets</b>	<b>6,468</b>	<b>6,467</b>

- Property – is valued at fair value under SII and NBV in the annual financial statements which follow UK GAAP.
- Plant & equipment – The Board considers that there is minimal difference between the UK GAAP valuation and the SII value.
- Investment Property – is valued on the same basis as the annual financial statements. Valuations are based on the Board assessment of market value with full valuations being made by an independent professionally qualified valuer periodically as required.
- Investments – are valued for SII purposes on the same value as the financial statements which follow UK GAAP. These are valued at market value at the reporting date.
- Insurance and intermediaries receivables – under UK GAAP these relate primarily to amounts owed to us by policyholders.
- Cash and cash equivalents – the cash holdings are held in the name of the company, they are instant access and the company has no issues withdrawing or moving money held in these accounts.
- Prepayments – under Solvency II these services are valued at nil as they cannot be transferred to another party.

## 5.2 Technical Provisions

The table below gives a summary of the SII and UK GAAP valuations of technical provisions split between best estimate and risk margin.

Technical Provisions	SII Value £000's	UK GAAP Value £000's
Technical Provisions (Best Estimate)	370	154
Risk Margin	74	-
<b>Total</b>	<b>444</b>	<b>154</b>

The company's technical provisions consist of the claims and premium technical provisions which form the best estimate and the risk margin. These are set out in accordance with SII regulations. The UK GAAP technical provisions relate to claims only.

Best estimates are determined using forward looking projections of all in-force policies and claims. The company includes all its business under 'medical expenses insurance' and all business is direct, there is no inward reinsurance.

Risk margin is calculated using SII standard formula criteria.

The company consider that the technical provision is prepared on a suitable basis and in line with legislation.

### 5.3 Other Liabilities

The table below sets out other liabilities under SII and UK GAAP valuations

<b>Other Liabilities</b>	<b>SII Value £000's</b>	<b>UK GAAP Value £000's</b>
Deferred Tax	0	0
Insurance & intermediaries payables	13	13
Trade payables	317	317
Other liabilities	197	197
<b>Total Other Liabilities</b>	<b>527</b>	<b>527</b>

Deferred tax liabilities are recognised when transactions or events have occurred at the reporting date that will result in an obligation to pay tax in the future. Deferred tax liabilities relate to unrealised gains on investments. Unrealised tax on gains on investments at 31<sup>st</sup> December 2018, when realised can be added to the tax payable. At the reporting date no specific date has been set for the sale of assets.

Trade payables, including IPT payable are valued at fair value at the reporting date. The financial statements include 'insurance & intermediaries payable' in 'creditors'. There are no differences in valuation under UK GAAP

## 6. Capital Management

### 6.1 Own Funds

The objectives of the business are to maintain sufficient funds to cover MCR and SCR with an appropriate buffer.

The company's own funds consist 100% of policyholder's funds arising from retained profits which have arisen from past underwriting and investment surpluses. There are no restrictions on the availability of the company's own funds to support the MCR and SCR and are therefore classified as Tier 1.

### 6.2 SCR and MCR

The company applies the standard formula, without modification for undertaking specific parameters and has not used any simplifications allowed by the regulators. The final values remain subject to supervisory assessment.

	<b>Dec 18 SII Value £000's</b>	<b>Dec 17 SII Value £000's</b>
Market Risk	1,133	1,048
Counterparty Risk	140	142
Health Underwriting Risk	1,032	1,094
Diversification	(543)	(540)
Operational Risk	199	193
<b>SCR</b>	<b>1,961</b>	<b>1,937</b>
<b>MCR</b>	<b>2,222</b>	<b>2,196</b>
<b>Own Funds</b>	<b>5,498</b>	<b>5,793</b>
<b>Solvency Ratio</b>	<b>247%</b>	<b>264%</b>

MCR is the result of the formula component calculated in accordance with article 248 (1) of Delegated Regulation 2015/35 of Delegated Regulation 2015/35.

### **6.3 Non-compliance with MCR and SCR**

The company has fully complied with the standard formula calculation for MCR and SCR and has had sufficient assets to cover the technical provisions and MCR (and therefore the SCR) at all times during 2018.

The company has not identified any area where uncertainties are likely to lead to a material misstatement of our capital requirements.

# Paycare

## Solvency and Financial Condition Report

### Disclosures

31 December

**2018**

(Monetary amounts in GBP thousands)

## General information

Undertaking name	Paycare
Undertaking identification code	213800H3VDM75WS7BQ64
Type of code of undertaking	LEI
Type of undertaking	Non-life undertakings
Country of authorisation	GB
Language of reporting	en
Reporting reference date	31 December 2018
Currency used for reporting	GBP
Accounting standards	Local GAAP
Method of Calculation of the SCR	Standard formula
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 technical provisions

## List of reported templates

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 Provisions  
S.19.01.21 - Non-Life insurance claims  
S.23.01.01 - Own Funds  
S.25.01.21 - Solvency Capital Requirement - for undertakings on Standard Formula  
S.28.01.01 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

## S.02.01.02

## Balance sheet

Solvency II value	
C0010	
	896
	4,741
	266
	0
	0
	0
	0
	0
	0
	0
	4,475
	0
	0
	0
	0
	0
	0
	0
	420
	0
	444
	-33
	6,468

## Assets

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



## S.02.01.02

## Balance sheet

		Solvency II value
		C0010
<b>Liabilities</b>		
R0510	Technical provisions - non-life	444
R0520	<i>Technical provisions - non-life (excluding health)</i>	0
R0530	<i>TP calculated as a whole</i>	0
R0540	<i>Best Estimate</i>	0
R0550	<i>Risk margin</i>	0
R0560	<i>Technical provisions - health (similar to non-life)</i>	444
R0570	<i>TP calculated as a whole</i>	0
R0580	<i>Best Estimate</i>	370
R0590	<i>Risk margin</i>	74
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	<i>Technical provisions - health (similar to life)</i>	0
R0620	<i>TP calculated as a whole</i>	
R0630	<i>Best Estimate</i>	
R0640	<i>Risk margin</i>	
R0650	<i>Technical provisions - life (excluding health and index-linked and unit-linked)</i>	0
R0660	<i>TP calculated as a whole</i>	
R0670	<i>Best Estimate</i>	
R0680	<i>Risk margin</i>	
R0690	Technical provisions - index-linked and unit-linked	0
R0700	<i>TP calculated as a whole</i>	
R0710	<i>Best Estimate</i>	
R0720	<i>Risk margin</i>	
R0740	Contingent liabilities	
R0750	Provisions other than technical provisions	
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	
R0780	Deferred tax liabilities	0
R0790	Derivatives	
R0800	Debts owed to credit institutions	
R0810	Financial liabilities other than debts owed to credit institutions	
R0820	Insurance & intermediaries payables	13
R0830	Reinsurance payables	
R0840	Payables (trade, not insurance)	317
R0850	Subordinated liabilities	0
R0860	<i>Subordinated liabilities not in BOF</i>	
R0870	<i>Subordinated liabilities in BOF</i>	0
R0880	Any other liabilities, not elsewhere shown	197
R0900	<b>Total liabilities</b>	971
R1000	<b>Excess of assets over liabilities</b>	5,498

## Premiums, claims and expenses by line of business

## Non-life

[illegible]

## S.05.02.01

## Premiums, claims and expenses by country

## Non-life

R0010

C0010	C0020	C0030	C0040	C0050	C0060	C0070
Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations			Top 5 countries (by amount of gross premiums written) - non-life obligations		Total Top 5 and home country
C0080	C0090	C0100	C0110	C0120	C0130	C0140

## Premiums written

R0110	Gross - Direct Business	6,618					6,618
R0120	Gross - Proportional reinsurance accepted						0
R0130	Gross - Non-proportional reinsurance accepted						0
R0140	Reinsurers' share						0
R0200	Net	6,618	0	0	0	0	6,618

## Premiums earned

R0210	Gross - Direct Business	6,618					6,618
R0220	Gross - Proportional reinsurance accepted						0
R0230	Gross - Non-proportional reinsurance accepted						0
R0240	Reinsurers' share						0
R0300	Net	6,618	0	0	0	0	6,618

## Claims incurred

R0310	Gross - Direct Business	5,082					5,082
R0320	Gross - Proportional reinsurance accepted						0
R0330	Gross - Non-proportional reinsurance accepted						0
R0340	Reinsurers' share						0
R0400	Net	5,082	0	0	0	0	5,082

## Changes in other technical provisions

R0410	Gross - Direct Business						0
R0420	Gross - Proportional reinsurance accepted						0
R0430	Gross - Non-proportional reinsurance accepted						0
R0440	Reinsurers' share						0
R0500	Net	0	0	0	0	0	0

R0550	Expenses incurred	1,589					1,589
R1200	Other expenses						129
R1300	Total expenses						1,718

### Non-Life Technical Provisions

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

## Non-Life insurance claims

20020

R0100  
R0160  
R0170  
R0180  
R0190  
R0200  
R0210  
R0220  
R0230  
R0240  
R0250  
R0260

R0100  
R0160  
R0170  
R0180  
R0190  
R0200  
R0210  
R0220  
R0230  
R0240  
R0250  
R0260

S.23.01.01

Own Funds

Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35

R0010	Ordinary share capital (gross of own shares)
R0030	Share premium account related to ordinary share capital
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings
R0050	Subordinated mutual member accounts
R0070	Surplus funds
R0090	Preference shares
R0110	Share premium account related to preference shares
R0130	Reconciliation reserve
R0140	Subordinated liabilities
R0160	An amount equal to the value of net deferred tax assets
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above
R0220	Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds
R0230	Deductions for participations in financial and credit institutions
R0290	Total basic own funds after deductions

Ancillary own funds

R0300	Unpaid and uncalled ordinary share capital callable on demand
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand
R0320	Unpaid and uncalled preference shares callable on demand
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC
R0390	Other ancillary own funds
R0400	Total ancillary own funds

Available and eligible own funds

R0500	Total available own funds to meet the SCR
R0510	Total available own funds to meet the MCR
R0540	Total eligible own funds to meet the SCR
R0550	Total eligible own funds to meet the MCR

R0580	SCR
R0600	MCR
R0620	Ratio of Eligible own funds to SCR
R0640	Ratio of Eligible own funds to MCR

Reconcillation reserve

R0700	Excess of assets over liabilities
R0710	Own shares (held directly and indirectly)
R0720	Foreseeable dividends, distributions and charges
R0730	Other basic own fund items
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds
R0760	Reconciliation reserve

Expected profits

R0770	Expected profits included in future premiums (EPIFP) - Life business
R0780	Expected profits included in future premiums (EPIFP) - Non- life business
R0790	Total Expected profits included in future premiums (EPIFP)

Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
C0010	C0020	C0030	C0040	C0050
0	0		0	
0	0		0	
0	0		0	
0		0	0	0
0	0			
0		0	0	0
0		0	0	0
5,498	5,498			
0		0	0	0
0				0
0	0	0	0	0
0				
0				

0			
0			
0			
0			
0			
0			
0			
0			
0			
0		0	0

5,498	5,498	0	0	0
5,498	5,498	0	0	
5,498	5,498	0	0	0
5,498	5,498	0	0	
1,961				
2,222				
280.38%				
247.43%				

C0060
5,498
0
0
0
5,498

-8
-8

## S.25.01.21

## Solvency Capital Requirement - for undertakings on Standard Formula

R0010 Market risk  
 R0020 Counterparty default risk  
 R0030 Life underwriting risk  
 R0040 Health underwriting risk  
 R0050 Non-life underwriting risk  
 R0060 Diversification

R0070 Intangible asset risk

## R0100 Basic Solvency Capital Requirement

## Calculation of Solvency Capital Requirement

R0130 Operational risk  
 R0140 Loss-absorbing capacity of technical provisions  
 R0150 Loss-absorbing capacity of deferred taxes  
 R0160 Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC  
 R0200 Solvency Capital Requirement excluding capital add-on  
 R0210 Capital add-ons already set  
 R0220 Solvency capital requirement

## Other information on SCR

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

Gross solvency capital requirement	USP	Simplifications
C0110	C0090	C0120
1,133		
140		
0		
1,032		
0		
-543		

0

1,762

C0100
199
0
0
0
1,961
0
1,961

0
0
0
0
0

## USP Key

## For life underwriting risk:

- 1 - Increase in the amount of annuity benefits
- 9 - None

## For health underwriting risk:

- 1 - Increase in the amount of annuity benefits
- 2 - Standard deviation for NSLT health premium risk
- 3 - Standard deviation for NSLT health gross premium risk
- 4 - Adjustment factor for non-proportional reinsurance
- 5 - Standard deviation for NSLT health reserve risk
- 9 - None

## For non-life underwriting risk:

- 4 - Adjustment factor for non-proportional reinsurance
- 6 - Standard deviation for non-life premium risk
- 7 - Standard deviation for non-life gross premium risk
- 8 - Standard deviation for non-life reserve risk
- 9 - None

## S.28.01.01

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

## Linear formula component for non-life insurance and reinsurance obligations

R0010 MCR<sub>NL</sub> Result

C0010

328

Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
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C0020

C0030

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

370	6,618
0	
0	
0	
0	
0	
0	
0	
0	
0	
0	
0	
0	
0	
0	

## Linear formula component for life insurance and reinsurance obligations

R0200 MCR<sub>L</sub> Result

C0040

0

Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
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C0050

C0060

R0210	Obligations with profit participation - guaranteed benefits
R0220	Obligations with profit participation - future discretionary benefits
R0230	Index-linked and unit-linked insurance obligations
R0240	Other life (re)insurance and health (re)insurance obligations
R0250	Total capital at risk for all life (re)insurance obligations


## Overall MCR calculation

C0070

R0300	Linear MCR
R0310	SCR
R0320	MCR cap
R0330	MCR floor
R0340	Combined MCR
R0350	Absolute floor of the MCR
R0400	Minimum Capital Requirement

328
1,961
882
490
490
2,222
2,222