Antares
a QIC Company

Solvency and Financial Condition Report 2024

Antares Insurance Company Limited

Solvency and Financial Condition Report (SFCR)
For the financial year ended 31 December 2024

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Executive Summary

The Solvency and Financial Condition Report presents the business performance, governance, risk profile, and solvency and financial position of Antares Insurance Company Limited ("AICL" or "the Company") covering the financial year ending 31 December 2024.

This report is prepared in accordance with the supervisory reporting and disclosure requirements under UK Solvency II.

Section A: Business and Performance

Antares Insurance Company Limited ("AICL" or "the Company") is a wholly owned subsidiary of Antares Global Holdings Limited, incorporated on 24 November 2021 and approved by the Prudential Regulatory Authority ("PRA") to undertake Insurance Activity on 22 November 2023.

The ultimate parent is Qatar Insurance Company Q.S.P.C. ("QIC"), which is a leading Qatari publicly listed insurer with an underwriting footprint across the Middle East, Africa and Asia. The Company is backed by a full guarantee from QIC, rated ''A-" by Standard and Poor's and A.M. Best and benefits from the QIC Group's capital base. A copy of the group structure can be found within this section of the report.

The Company's business model is based on writing insurance business through selected managing general agents ("MGAs") and coinsurance in the UK. This section of the report details the classes of business in which the Company is approved to operate in.

2024 was the first year of underwriting activity with gross written premiums amounting to £35.6m. The company had a net loss ratio of 69.93% and an underwriting commission ratio of 22.75% which gave rise to an underwriting profit of £0.8m.

Investment returns in the year amounted to £1.8m, compared to £0.2m in the prior year. The increase being attributed to a full year of holding cash and investments.

Despite generating an underwriting profit and a positive investment return, the Company made an overall loss of £2.3m compared with a profit of £0.1m in 2023. The driver behind the loss in the current year being the administrative expenditure.

Section B: System of Governance

AICL has established a sound and effective corporate governance framework, which is appropriate to the size, nature, complexity and risk profile of the Company. AICL has adopted a "Three Lines of Defence" model to ensure appropriate segregation of roles and responsibilities across the Company.

The Board retains the ultimate responsibility for the design and effective operation of the system of governance and it has an established risk and capital Committee and audit Committee in addition to a range of other management committees which focus on specific areas. The Board also receives support and advice from various Antares Global committees namely the finance, security, reserving and remuneration committees that provide services, advice and recommendations to the Antares Global companies.

The key functions at AICL are the compliance function, risk management function, actuarial function and internal audit function with defined responsibilities, which are documented in AICL policies and procedures. Each of the key functions is independent from the Company's operational functions, thereby ensuring they can undertake their activities in an unbiased and objective manner.

This section of the report provides details on governance roles and responsibilities, internal control framework, operation of the key functions, policies and procedures and the risk management processes including Own Risk and Solvency Assessment ("ORSA").

Section C: Risk Profile

AICL's Solvency Capital requirement ("SCR") is calculated using the UK Solvency II standard formula. The board is responsible for ensuring that the company continuously holds sufficient eligible own funds to cover the SCR and Minimum Capital Requirement ("MCR").

AICL has an internal target to maintain eligible capital above the SCR, as defined in the risk appetite statements, ensuring a 160% solvency coverage ratio.

Material changes to the risk profile over the course of the year could trigger ad-hoc recalculation of the SCR and potentially an update of the ORSA.

A capital management plan is in place which provides formal guidance on how AICL maintains the required regulatory and economic capital to support its business plan over a three-year period.

Section D: Valuation for Solvency Purpose

The assessment of the available and required regulatory capital is made by taking an economic view of the Company's assets and liabilities, in accordance with the UK Solvency II ("UK SII") valuation principles.

Under UK Generally Accepted Accounting Principles ("UK GAAP"), the asset base supporting the business decreased to £71.9m in 2024. Under UK SII, total assets stood at £47.5m. The main drivers behind the reduction being unearned premiums and deferred acquisition costs, which are valued at nil in the UK SII balance sheet as the company does not expect future cash flows to arise from this asset. Separately, premium receivables not yet due are taken into account when setting the best estimate.

On a net basis, the UK SII Technical Provision including risk margin is £6.3m in 2024. This consists of a gross technical provision of £11.1m with a £4.3m impact from reinsurance. The risk margin within the Technical Provisions is £0.8m.

This section of the report provides the valuation of the assets and liabilities and a quantitative and qualitative assessment of the differences in the UK GAAP and UK SII bases.

Section E: Capital Management

The company is required to hold available own funds of an amount that is equal to or exceeds the MCR and SCR in accordance with the UK SII Directive. The SCR is calculated using the UK SII standard formula.

AICL - Eligible Capital to cover SCR (GBP'000)	2024 YE
Eligible Capital for SCR	27,816
Solvency Capital Requirement (SCR)	17,485
SCR ratio	159%

AICL has an approved risk appetite of maintaining at least 160% solvency coverage ratio and the solvency ratio stood at 159% as at 31 December 2024 which is marginally below the risk appetite.

Management has implemented measures to address the marginal solvency ratio breach relative to risk appetite and restore it to above 160% through further capital injection which will be completed in the first half of 2025.

Furthermore, it should be noted that the current eligible capital is fully composed of Tier 1 assets and AICL plans to apply to the PRA for approval of a Letter of Credit facility which will be used as Tier 2 eligible capital

AICL benefits from its parent company's credit rating due to the backing provided by QIC in the form of a parental guarantee and the quota share treaties with Antares Re and QIC.

Section F: Subsequent events

Between the reporting period and the signing date of this report, a proposal has been made for an entity specific Reserving Committee to be put in place.
No events have been identified subsequent to balance sheet date which require new estimates or changes to existing accounting estimates.
There has been no directorship changes since the year end.

A. Business and Performance

A.1 Business

A.1.1 The Company

Antares Insurance Company Limited ("AICL") is authorised as a provider of insurance products. The Company's capital has been provided by its immediate parent, Antares Global Holdings Limited ("AGHL"). The ultimate parent is Qatar Insurance Company QSPC ("QIC"), a publicly listed composite insurer listed on the Qatar Stock Exchange. The Company was incorporated on 24 November 2021 and remained dormant until its approval to underwrite insurance activities. AICL is backed by a full guarantee from QIC Group, rated ‘’A-/Strong’ by Standard and Poor’s and ‘’A-/Excellent’’ by A.M. Best and benefits from the QIC Group’s capital base.
Antares Global Management Limited ("AGML"), an affiliated entity, provides insurance services to the Company under an outsourcing agreement.
AICL is authorised and regulated by the Prudential Regulation Authority and the Financial Conduct Authority.

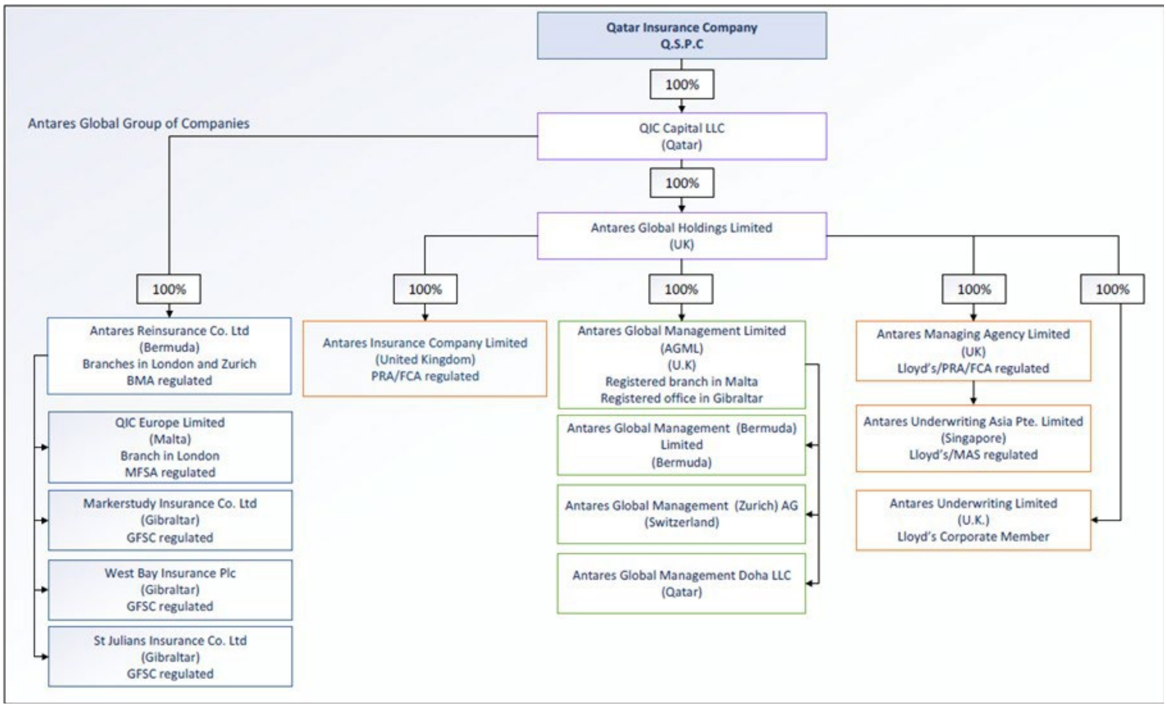
Supervisory Authority
Prudential Regulation Authority
20 Moorgate, Moorgate EC2R 6DA

Financial Conduct Authority
12 Endeavour Square London E20 1JN

External Auditor:
KPMG LLP
15 Canada Square, London, E14 5GL

A.1.2 Ownership Structure

The AICL legal structure is presented below. Antares Global Holdings Limited owns 32,500,001 ordinary shares that have a nominal value of GBP 1.00 in AICL.



A.1.3 Insurance and Reinsurance Business written

AICL holds licences in the following classes of general insurance and reinsurance business:

- Class 1: Accident
- Class 3: Land Vehicles
- Class 7: Goods in Transit
- Class 8: Fire and Natural forces
- Class 9: Damage to Property
- Class 10: Motor Vehicle Liability
- Class 13: General Liability
- Class 14: Credit
- Class 15: Suretyship
- Class 16: Miscellaneous financial
- Class 18: Assistance

A.2 Underwriting Performance

The Company commenced underwriting within the agricultural class before diversifying to include the casualty class.

The table below shows the underwriting performance by major line of business for the year ending 2024. All figures are presented under UK GAAP.

For the year ending December 2024			
GBP'000	**Agriculture**	**Casualty**	**Total**
Gross Written Premiums	28,500	7,087	**35,587**
Net Written Premiums	19,885	3,317	**23,202**
Gross Earned Premiums	14,218	1,097	**15,314**
Net Earned Premiums	9,920	583	**10,503**
Gross Incurred Loss (incl ULAE)	(9,737)	(755)	(10,492)
Net Incurred Loss (incl ULAE)	(6,816)	(528)	(7,344)
Net Commission Expense	(2,349)	(40)	(2,389)
Underwriting Profit	**754**	**14**	**769**
Net Loss Ratio	68.71%	90.72%	69.93%
Net Commission Ratio	23.68%	6.87%	22.75%
Net Technical Ratio	**92.39%**	**97.59%**	**92.68%**

The technical ratio of the entity is a key performance indicator ("KPI") on underwriting performance, with risk selection, rate adequacy and prior underwriting experience being key aids when partnering with MGA's.

During 2024, all premiums written were sourced from the United Kingdom.

A.3 Investment Performance

AICL's investment strategy is tailored to meet the Company's business needs and objectives. The asset mix is closely managed to meet liquidity needs and investment return targets. AICL's investment income is driven by investments in fixed income bonds.

Income Allocation (GBP'000)	YTD Dec-2024	YTD Dec-2023
Interest on Cash & Deposits	549	161
Interest on Fixed Income	1,192	-
Impairment	(48)	-
Realized Gain / (Loss)	100	-
Gross Investment Income	**1,792**	**161**
Unrealized Gain / (Loss)	9	-
Less: Advisory Fee	(48)	-
Net Investment Income	**1,753**	**161**

The investment income has remained consistent in line with a consistent investment strategy and asset base.

A.4 Performance of other activities

Expenditure aside from underwriting commissions on a UK GAAP basis comprises general and administrative costs, which are summarised below.

The table below shows the key administrative charges for the year.

GBP'000	31/12/2024	31/12/2023	Variance
Employment Costs	4,076	-	4,076
Professional Charges	830	-	830
Other	914	37	877
Total	**5,820**	**37**	**5,782**

The increase in charges since the prior year end is attributed to the commencement of underwriting activity in 2024. Until this time, there were no rechargeable administrative expenses.

A.5 Any other material information

There is no other material information regarding the business and performance.

B. System of Governance

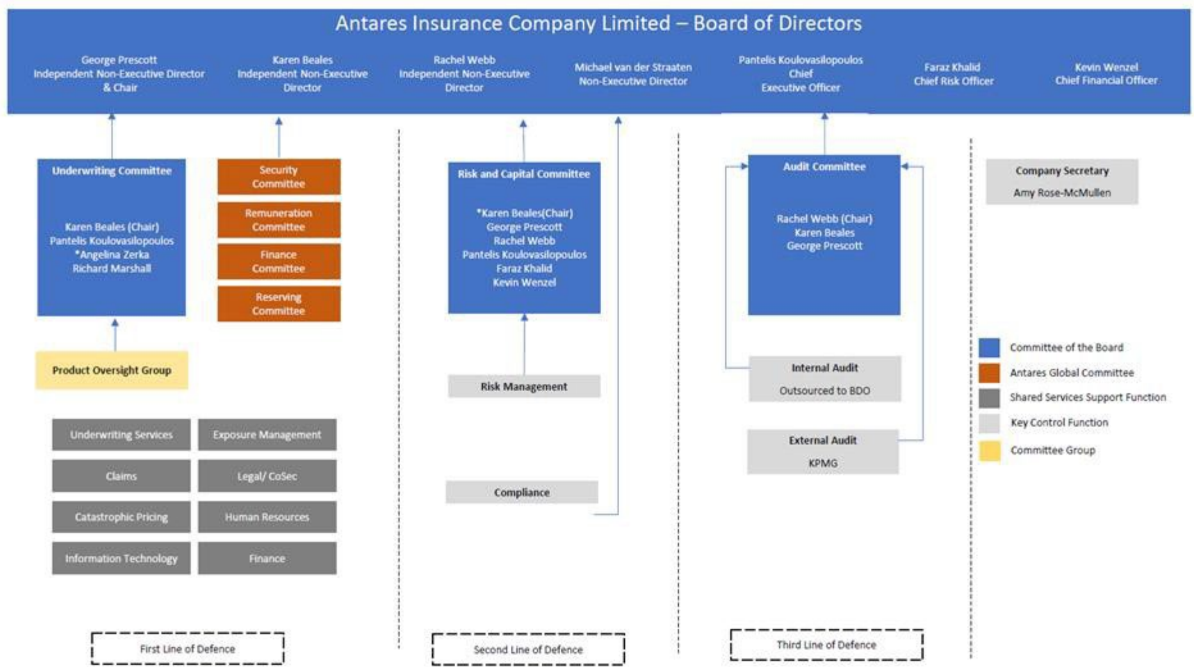
B.1 General Information on the system of governance

AICL has established a sound and effective corporate governance framework, which is appropriate to the size, nature, complexity and risk profile of the Company. This enables sound and prudent management of the Company's activities so that the interests of policyholders and other stakeholders are appropriately protected.

The governance framework is administered by the Board and its Committees to provide robust oversight and clear accountability with specific focus on the delegated underwriting and claims management arrangements.

AICL has adopted a “Three Lines of Defence” model to ensure appropriate segregation of roles and responsibilities across the Company. The segregation of responsibilities applies across all business functions and various layers of review exist within each business function and between committees and the Board. These controls are audited on a regular basis by the Company’s internal and external auditors.

The current governance structure for AICL at the time of writing this report is presented below.



The key functions have defined responsibilities, which are documented in various policies and procedures. The Board and committees have approved terms of reference.

B.1.1 Responsibilities of the Board and Committees

The Board meets at least quarterly and, ad-hoc, when required, and carries out its duties within established terms of reference.

The Board has appointed a Risk and Capital Committee, an Underwriting Committee and an Audit Committee to assist in the effective discharge of its duties, although the Board retains ultimate responsibility.

A brief description of the responsibilities of the Board and Board Committees are provided in the table below.

Management Body	Key responsibilities

Board of Directors	• Approve strategy, annual business plan and any individual large or complex transactions and financial statements .
	• Oversee operating performance against the approved plan.
	• Ensure sufficient capital is held to maintain the Company's ongoing solvency.
	• Oversee the risk management system, including setting the Company's risk appetite and tolerances.
	• Set and oversee the effectiveness of the Company's Governance Structure and Internal Control System as detailed within this policy.
	• Set and oversee adherence to corporate policies.
	• Ensure AICL meets minimum regulatory requirements.
	• Have on-going regard as to whether any outsourced functions to third parties or affiliates:
	  ○ adversely affect AICL's governance and risk management structures;
	  ○ have an increased operational risk and
	  ○ be detrimental to policyholder interests

Risk and Capital Committee (RCC)	• Review and approve for recommendation to the Board the Risk Management Policy and ORSA Policy. Ensure the enterprise risk management system remains adequate and effective given the Company's risk profile. • Identify current and future potential risk exposures and monitor actual exposures against risk appetite and tolerances, including emerging risks. • Ensure maintenance of sufficient economic and regulatory capital. • Promote a risk aware culture and encourage risk-based decision making.

Audit Committee (AC)	• Investigate any activity within its Terms of Reference.
	• Seek any information that it requires from any employee, and all employees are directed to co-operate with any request made by the Audit Committee;
	• Review and approve for recommendation to the Board the Company's annual and interim financial statements.
	• Review all significant changes concerning the principles and practice of auditing and accounting used by the external auditor or the Company's
	• Review any internal audit or financial reports issued to management and any associated responses provided by management.
	• Annually review and report on the quality and effectiveness of the audit process, including assessing the external auditor's independence.
	• Evaluate the effectiveness of the Internal Audit function, including its purpose, activities, scope, adequacy and costs, and approve the three-year Internal Audit Plan and any subsequent material changes.
	• Provide assurance as to the integrity of:
	  ○ Risk Management and Internal Control System
	  ○ Compliance function
	  ○ Internal Audit Function

Management Body	Key responsibilities
Underwriting Committee (UC)	• Review and approve periodically AICL's underwriting guidelines and policies, including entering into any major line of insurance or reinsurance; • Review AICL's underwriting performance both in the aggregate as well as in each major business segment or class of business; • Advise the Risk Management Department and the RCC of any changes in the risk profile or relevant external events that could impact AICL's Standard Formula validation; • Review AICL's losses in the aggregate and by line of business in such manner and format as requested by the Board; • Review and recommend reinsurance programmes, practices and security; • Advise the Audit Committee in such matters as may be required; • Review and recommend the annual business plan for AICL's underwriting activities; • Monitor monthly reports from regarding the payment performance of material coverholders; • Undertake any other activities with respect to AICL's underwriting function consistent with these terms of reference; • Ensure an independent underwriting review of each MGA is conducted on an annual basis (the general methodology to be discussed and agreed with the CUO); • Provide Product oversight and monitoring of Conduct Risk issues in accordance with the Conduct Risk Policy; • Conduct Product Risk assessments covering all classes of business at least annually in accordance with the Conduct Risk Policy; • Monitoring and general oversight of Conduct / Product Risk assessments undertaken by the Product Oversight Group (POG) and providing further challenge. Approval/rejection of all High Conduct Risk business within AICL. • Monitor Conduct Risk management reporting and escalate matters, as appropriate, to the AICL Board. • Review reports received from the DA Group on the creditworthiness of potential new MGAs. • Review reports received from the DA Group on the recommendations of MGA audits and their current status. • Monitor monthly report outlining the DA Group's activity.

The Board also receives support and advice from the following Antares Global committees that provide services, advice and recommendations to the Antares Global companies, including:

- Reserving Committee;
- Remuneration Committee;
- Security Committee;
- Finance Committee;

This support is part of the successful initiative of integrating services through the intra-group Outsourcing Agreement to Antares Global Management Limited and by detailing the Service Level Agreement ("SLA") in respect of all functions, which is monitored by the Board and its Committees.

AICL is also supported by a Product Oversight Group ("POG"), which is set up for the governance and oversight of insurance products which it manufactures - or co-manufactures - and distributes, including where it outsources the manufacture and/or distribution of insurance products.The POG oversees AICL's various products and services to provide additional validation that the products are in compliance with the FCA's Insurance Conduct of Business Sourcebook ("ICOBS") rules, together with the enhanced requirements for UK retail customers of the FCA's Consumer Duty Principle 12 - to proactively act to deliver good customer outcomes from its insurance products and services, supporting the high level cross-cutting rules (to act in good faith, avoid foreseeable harm, and enable and support customers to pursue their financial objectives).

B.1.2 Material Changes in the System of Governance

The material changes in the system of governance during 2024 are noted as follows:
Appointment of the following Directors:

- Robert John Barritt, 17 January 2024
- Karen Anne Beales, 17 January 2024
- Faraz Khalid, 17 January 2024
- George Andrew Prescott, 17 January 2024
- Gaurav Sah, 17 January 2024
- Cheryl Lynn Sweeney, 17 January 2024
- Rachel Jayne Webb, 17 January 2024
- Kevin Peter Wenzel, 17 January 2024

Resignations of the following Directors:

- James Michael Linsao, Resigned on 17 January 2024
- Robert John Barritt, Resigned on 15 July 2024
- Cheryl Lynn Sweeney, Resigned on 25 September 2024
- Gaurav Sah, Resigned on 1 August 2024

Appointments of the following Senior Management Roles during 2024 are noted as follows:

- Approval of Meera Rajoo-Oakley as Chief Actuary, 14 February 2025
- Approval of Priyanka Dang as Compliance Officer, 17 December 2024
- Approval of Richard Marshall as Chief Underwriting Officer, 13 June 2024
- Approval of Kevin Wenzel as Chief Financial Officer, 13 May 2024
- Karen Beales as the Risk and Capital Committee Chair, Subject to Regulatory approval

Resignations of the following Senior Management Roles during 2024 and to date are noted as follows:

- Robert Barritt – Chief Actuary, 18 July 2024
- Gaurav Sah – Compliance Oversight, 1 August 2024
- Cristina Sanchez-Estrada – Chief Underwriting Officer, 4 March 2024

B.1.3 Remuneration Policy

Antares Global's remuneration policy sets out the principles and practice for the development, implementation and application of the employee remuneration framework for Antares Global and all its subsidiaries referred to as Antares Global Companies, including AICL.

Antares Global's remuneration philosophy is to have a remuneration framework that supports the business strategy, the risk management strategy and the long-term interests and performance of Antares Global. In particular, the philosophy is to provide total compensation that is in line with market rate and structured and calibrated to attract, retain, motivate and reward its employees to deliver enhanced performance in the eyes of customers and shareholders. The remuneration framework based upon this philosophy is an integral part of the offering to employees.

The remuneration framework is underpinned by a set of guiding principles:

- The remuneration framework should provide employees with total compensation that is competitive within insurance market.
- The remuneration framework should promote a high-performance culture by differentiating total compensation based on the performance of the business and the performance of individuals.
- The remuneration framework should consider the respective tasks and performance of the executives, senior management, holders of key functions and other categories of employees whose professional activities have a material impact on AICL risk profile and/or results.

- Variable compensation awards should be linked to relevant performance metrics, which can include the performance of Antares Global, specific business areas, and individual achievements.
- Expected individual performance should be clearly defined through a structured system of performance management, and performance against expectations should be factored into compensation decisions.
- The remuneration framework should promote sound and prudent management and not encourage risk-taking that exceeds the risk tolerance limits of the business.
- The remuneration framework should incorporate measures aimed at avoiding conflicts of interest.

Details on Board and employee remuneration over the reporting period can be found in section A.4.

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

Directors
The independent non-executive directors received remuneration from the Company for their services. There are no other material transactions to note with Director's or other controllers.

Shareholders
Antares Global Holdings Limited (AGHL) is the immediate parent of the entity.
No additional capital contribution was made in the Company from AGHL during 2024.

B.2 Fit and Proper requirements

The Company ensures that the Board members and key function holders are fit and proper to discharge their responsibilities in accordance with the following definitions:

- An assessment of whether an individual is 'fit' involves an evaluation of the person's professional qualifications, knowledge and experience to ensure they are appropriate to their role. It also demonstrates whether the person has exercised due skill, care, diligence, integrity and compliance with relevant standards that apply to the area or sector in which the individual has worked.
- An assessment of whether a person is 'proper' includes an evaluation of a person's honesty, reputation and financial soundness. This includes, if relevant, criminal convictions or disciplinary offences.

The Fit and Proper Policy applies to the following positions of responsibility:

- Board and committee members;
- Key Function Holders - Compliance, Risk Management, Actuarial and Internal Audit;
- Officers and managers of the Company;
- Third-party service providers, including insurance managers, auditors, actuaries and country representatives; and
- Any other approved roles (as required by the local regulator)

The following procedures are followed in assessing the Fit and Proper requirements:

- Ensure that a Personal Questionnaire ("PQ") and the relevant forms are filed with the regulator.
- The directors are requested to report any changes in their status in relation to Fit and Proper requirements or any potential conflict of interest.
- An internal questionnaire is completed by all roles within the company and reassessed on at least an annual basis.

When assessing the fitness of the Board of Directors, the Company ensures that collectively the Board possesses the appropriate qualifications, experience and knowledge in the following areas:

- Insurance and financial markets knowledge;
- Business strategy and business model knowledge;
- System of governance knowledge;

- Financial and actuarial analysis knowledge and;
- Regulatory framework and requirements knowledge.

B.3 Risk Management System including Own Risk and Solvency Assessment

B.3.1 Risk Management Function

- Develop, implement and maintain the Risk Management Framework and associated Risk Management policies.
- Assist the Board in developing the Risk Appetite Statements, facilitate the ongoing monitoring of the risk appetite and tolerances and escalate any breaches to the CEO, committees and the Board.
- Coordinate the ORSA processes and prepare the ORSA report.
- Support the business functions in identifying, assessing and managing their risks. Facilitate the identification, documentation and assessment of the key controls. Communicate regularly with the business functions to understand, challenge and monitor their risks and controls.
- Investigate reported incidents of control failings or weaknesses and document them.
- Update and maintain the Risk Register.
- Identify, document and assess the impact of emerging risks.
- Facilitate the stress, scenario and reverse stress testing.
- Provide advice, consultation and training to business functions on risk and control-related matters.
- Coordinate assurance activities with the Actuarial, Compliance and Internal Audit functions.
- Provide quarterly risk reports to the Risk and Compliance Committee and the Board.
- Liaise with external parties, including regulators, as appropriate.

B.3.2 Compliance Function

The Compliance function is responsible for directing and overseeing the management and monitoring of the Company's adherence to applicable regulatory requirements, and to the Company's internal policies, procedures and controls to ensure the effective mitigation of compliance risk. The Compliance function also acts in an advisory capacity to the Board and wider Company regarding the impact of a range of regulatory requirements.

The Compliance function fulfils its obligations by carrying out the following key activities:

- Act in an advisory, oversight and assurance capacity to ensure that the Company has the necessary systems and controls to enable it to adhere, on an ongoing basis, to regulatory requirements.
- On a pro-active basis, identify and assess the compliance risks associated with the business operations.
- Develop and monitor the Company-wide compliance policies and procedures, as well as undertake regular and ad-hoc compliance activities.
- Provide training to staff around key compliance and regulatory requirements and track training completion.
- Develop an annual compliance plan setting out the key objectives and activities of the Compliance function in the year ahead and ensure adequate resources are in place.
- Provide guidance and support on regulatory and legislative requirements. Ensure that staff receive adequate training on various compliance matters.
- Advise Senior management and Board about the key developments, changes in the applicable laws, regulatory requirements and relevant changes to be made in internal policies. Compliance function is required to self-attest the timely submission of all regulatory returns on a monthly basis.
- Ensure that business is written in accordance with applicable licensing requirements of all the jurisdictions, where the business is transacted.

- Ensure that all Outsourcing activities are compliant with the Company's policies and procedures. Compliance function is responsible for having oversight over all outsourcing activities.
- Liaise with AICL's regulator(s) to develop and maintain open and cooperative relationships and ensure that appropriate disclosures are made to the regulator(s) of anything relating to AICL that the regulator(s) would reasonably expect notice of. Ensure that all regulatory returns are submitted to the regulator(s) within the prescribed timescales.
- Promote and embed a strong customer centric and compliance culture throughout the Company.

B.3.3 Risk Management System

The Risk Management Framework defines the process of identification, assessment and reporting on the material risks and the mitigating controls. The process is documented in the Risk Management policy.
AICL's overall risk strategy is designed to ensure:

- Alignment of the Risk Management System with the business objectives;
- Clear ownership and accountability for risk management;
- Complete coverage of all material risks;
- Risk and control assessment, implementation of actions to reduce risks to acceptable level;
- Risk and control monitoring and reporting, including escalation of material issues to committees and the Board;
- Link to the capital assessment to demonstrate that the company is adequately capitalised for the risks assumed
- Compliance with all relevant regulatory requirements; and
- Risk Management outputs inform the ORSA process.

The Risk Management Framework comprises a set of key policies and procedures and is implemented and integrated through the various committees, processes and procedures. These processes contribute towards AICL's solvency self-assessment, and identify and measure all material risks to which the Company is exposed, informing the decision-making process.

Risk governance is a major component of the overall risk framework and provides for clear roles and responsibilities in the oversight and management of risks. It also provides a framework for the reporting and escalation of risk and control issues across the Company.

AICL's governance framework is built using a 'three lines of defence' model. The current governance structure at the time of writing this report is presented in section B.1.

The key functions have defined responsibilities, which are documented in various policies and procedures. The Board and Committees have approved terms of reference.

The key responsibilities of the Board, committees and functions are summarised in sections B.1.1.

This section provides an overview of key aspects in the overall risk management framework.

Risk Appetite & Risk Tolerance

AICL has a defined a set of Risk Appetite and Risk Tolerance statements that lay down the parameters within which the Company will manage risk. These statements are reviewed at least annually, and, if necessary, updated.

The Risk Appetite is monitored on an ongoing basis. Quarterly monitoring reports are prepared by the Risk Management function and provided to the committees and the Board.

Risk Register

The Risk Register summarises the overall risk profile of AICL. The business functions are responsible for identifying material risks associated with their activity. The risk identification and assessment process are facilitated by the Risk Management function.

Risk owners are required to assess the inherent and residual risk position using standardised assessment ratings. As part of the control self-assessment, the control owners have the responsibility to assess the design and performance of the risk register controls. The material risks and key controls are discussed with the business functions quarterly and documented in the Risk Register by the Risk Management function, which challenges the risks and controls ratings.

Output from the Risk Register and key changes to the risk profile are reported to the RCC with escalation to the Board as appropriate.

Exposure management

Exposure management at AICL is supported by the Antares Global Exposure Management team. Their responsibilities include producing exposure management reports, recommendations or remedial actions (as applicable) and contribution to the ORSA report. The Company's largest exposures are monitored quarterly, ensuring that AICL's exposure remains within its approved risk appetite.

Emerging risks

Emerging risks are risks that have not yet been fully understood or classified. The Risk Management function, with input from the wider management team, identifies and prioritises emerging risks for assessment. Emerging Risks are documented and reviewed by the RCC and also reported to the Board.

Risk reporting

The Risk Management function provides quarterly written reports to the RCC and the Board that cover the following core risk information:

- Exposures against risk appetite and tolerances;
- Results of quarterly self-assessment on risk register control activities;
- Material operational risk events (and near misses); and
- Any proposed changes to the risk management framework.

The Risk Management function also ensures that the results from the SCR calculations are reported to the RCC and the Board.

Capital assessment

AICL's SCR is calculated using the UK Solvency II standard formula. The Board is responsible for ensuring that the Company continuously holds sufficient eligible own funds to cover the SCR and MCR.

AICL has a target to maintain eligible capital above the SCR as defined in the Risk Appetite Statements of maintaining an internally targeted 160% solvency coverage ratio.

Material changes to the risk profile over the course of the year could trigger ad-hoc recalculation of the SCR and potentially an update of the ORSA.

A Capital Management plan is in place which provides formal guidance on how AICL maintains the required regulatory and economic capital to support its business plan over a three-year period.

Stress testing and scenario testing

Stress testing and scenario testing include consideration of single stresses and multi-faceted scenarios across all material risk categories to assess AICL's ability to meet the capital requirements under stressed conditions.

B.3.4 Own Risk and Solvency Assessment

Own Risk and Solvency Assessment is defined as *the entirety of the processes and procedures employed to identify, assess, monitor, manage, and report the current and long term risks an insurance undertaking faces or may face and to determine the own funds necessary to ensure that the undertaking's overall solvency needs are met at all times.*

ORSA process

The risk management framework is implemented and integrated through the various committees, processes and procedures described in section B.1, B.1.1 and B.3.3. These processes contribute towards AICL's solvency self- assessment, which seeks to identify and measure all material risks to which the Company is exposed, informing the decision-making process. AICL's ORSA covers all material risk, including the quantifiable risks which are within the scope of the SCR, the material risks outside of the scope of the SCR and the emerging risks.

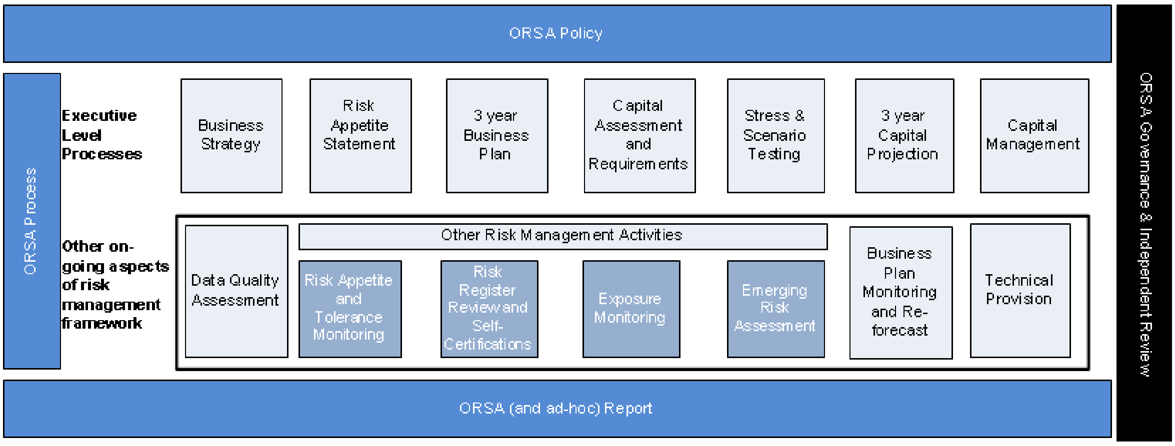
The purpose of the ORSA report is to:

- Inform the Board annually of the capital requirements in line with the business plan and strategy;

- Summarise the current and future/emerging material risks (quantifiable and non-quantifiable);
- Present the current regulatory SCR and MCR and own view of capital;
- Project the future capital requirements, including a comparison with the expected own funds over the planning horizon;
- Summarise the capital management plan; and
- Present the results of the stress and scenario testing, as well as reverse stress testing.

The ORSA report is addressed to AICL's Board. It will also be submitted to PRA as part of the Company's annual filing requirements.

The processes which comprise the ORSA operate throughout the year, and the ORSA report summarises the outcome of these processes for the Board on an annual basis. The ORSA processes are summarised in the following figure:



The responsibilities and frequency of the ORSA processes/reports are documented in the ORSA Policy.

The ORSA report is prepared by the Risk Management function with contributions from the relevant business functions throughout the Company.

Should there be significant changes to the business strategy or the risk profile, an ad-hoc ORSA update will be produced and submitted to the Board and shared with the PRA. The trigger events for such ad-hoc ORSA are documented in the ORSA Policy.

ORSA Risk Coverage

The ORSA includes all identified risks that AICL is exposed to because of its activities.
UK Solvency II regulation requires AICL to quantify the SCR relating to the following risks:

- Insurance Risk - Underwriting Risk (including Catastrophe Risk)
- Insurance Risk - Reserving Risk
- Market Risk (including foreign exchange risk)
- Credit risk
- Operational Risk

The Standard Formula SCR computation excludes the risk categories listed below. They are assessed and managed as part of the wider Risk Management System and qualitatively assessed as part of the ORSA:

- Group Risk
- Strategic Risk
- Reputational Risk (including Conduct Risk)
- Liquidity Risk
- Regulatory Risk
- Emerging Risk

Use of the ORSA report

The ORSA report summarises the outcome from the ORSA processes for the Board and management on an annual basis. The ORSA report is used by the Board to assess the solvency capital needed to execute the business plan.

The ORSA outputs are also put to the following uses:

- Business planning process and strategy: ORSA Report notifies the Board of any strategic changes, emerging risks and the stressed conditions that may impact on the business plan.
- Risk appetite and tolerance setting, including using the ORSA results to explore strategies for mitigating risks that exceed the risk appetite.
- Risk Management Framework improvements, including Risk Register updates, risk policy updates and internal control improvements.
- The results from the capital projections are used for capital planning, including alternatives to ensure the continued solvency is maintained under normal and adverse conditions.
- Reinsurance and investment strategies may be changed because of the ORSA.
- ORSA supports senior management in defining future management actions to transfer or accept the risk position taken by the AICL. These potential risks and the related courses of action inform the stress tests, reverse stress tests and emerging risks of the ORSA process.

B.3.5 Stress and Scenario tests

AICL's risk management process includes a range of stress and scenario tests, analysing and reporting on the outputs as part of the ORSA processes. The stress and scenario testing is used to identify possible events and future changes in economic conditions that could have unfavourable effects on the business plan and financial standing.

The stress and scenario testing approach, process, governance and reporting requirements are described in the AICL Risk and ORSA policies that are approved by the Board.

Reverse stress tests

Reverse stress tests identify individual and combined scenarios that would place significant stress upon the business and threaten the financial viability of the Company. These scenarios are considered as part of the Own Risk and Solvency Assessment process and include those scenarios which could cause a loss of market confidence, which could render the business model unviable, albeit not necessarily to the point where the business runs out of capital. Potential scenarios considered include group risk and investment illiquidity.

As part of this process, potential scenario drivers are identified, the likelihood of their occurrence is assessed, and their materiality defined, management actions are then identified that could prevent and/or mitigate the scenarios.

Business model failure due to adverse outcomes of the reverse stress tests over the planning horizon is unlikely.

B.4 Internal Control System

AICL has established a sound and effective corporate governance framework that is appropriate to the size, nature, complexity and risk profile of the Company and that allows for the sound and prudent management of its activities.

The internal control framework seeks to mitigate risks and limit the probability of losses (or other adverse outcomes) as well as providing a framework for the overall management and oversight of the business.

AICL's internal control framework is based on the following elements:

- A Three Lines of Defence model that ensures appropriate segregation of risk ownership (as documented in section B.1 and B.3).
- Adequate and transparent organisational structure with clear allocation and segregation of responsibilities, ensuring decisions are made and information is transmitted appropriately at the right levels.

- Corporate policies defining key principles and rules for operation; operating procedures detailing the activities and controls individuals are expected to perform. The policies and procedures are documented for all significant operations across the Company and are reviewed at least once a year.
- Specific focus on outsourcing procedures and controls.
- Appropriate management information framework that allows for the monitoring of key areas (i.e. achievement of strategic objectives, business performance, investment performance and liquidity, concentration exposures, reserving adequacy, capital requirements, material risks faced by the business, risk appetite and tolerance, effectiveness of the control environment, material outsourced functions, compliance with laws and regulations).
- Promoting a risk responsible culture and training staff to ensure that they understand their responsibilities relating to internal controls, ensuring that their actions are in compliance with AICL's policies, procedures and relevant laws and regulations.

The key controls mitigating material risks are documented in the risk register and assessed as part of the quarterly risk and control assessment process.

Internal and external auditors play a key role in the oversight and assessment of the overall control environment. Findings from audit reviews are shared with and discussed by the Audit Committee and also feed into the risk and solvency assessment processes.

B.5 Internal Audit Function

The Internal Audit function is segregated from all operational functions and provides independent assurance on the effectiveness of the risk management, internal controls and governance frameworks.

Internal Audit has unrestricted access to all areas of the organisation to effectively conduct internal audit reviews. The Internal Audit function was outsourced to BDO LLP in 2024.

The main responsibilities of the function are to:

- Provide independent assurance on the effectiveness of the risk management, internal control and governance frameworks.
- Conduct internal audit reviews, discuss the findings and agree action points with the relevant business areas, prior to reporting to the Audit Committee.
- Develop a rolling three-year Internal Audit Plan and provide the Audit Committee with quarterly updates against the plan.

In each audit location, Internal Audit fulfils its responsibilities in compliance with local legal and regulatory requirements (such as the PRA Insurance Code of Conduct), and in accordance with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors ("IIA") as well as further guidelines of the IIA.

B.6 Actuarial Function

AICL's Actuarial function support was provided via outsourcing agreements with an external consultant and through an intra-group Outsourcing Agreement with Antares Global Management Limited company (AGML), enabling segregation of duties within the actuarial team. The services provided to AICL, as they relate to actuarial work are overseen by the actuarial key function holder ("KFH").

The Actuarial function's responsibilities are as follows:

- Ongoing development of reserving systems for AICL; performing quarterly reserve reviews and preparing the necessary reserving reports for AICL's financial statements and external reporting including regulatory filings.
- Oversight of the calculation of the technical provisions which are calculated externally
- Communication of reserve calculations to management within AICL.
- Preparing financial projections for the purposes of assessing potential future SCRs and AICL's ability to meet these.
- Ongoing review of AICL's recording of contract data that is used for the preparation of financial statements with the goal of improving accuracy.
- Supporting the Risk Management function in the calculation of the SCR.
- Providing support to ensure the achievement and maintenance of UK Solvency II compliance.
- Providing actuarial opinion on the UW policy and reinsurance strategy.

- Close communication with pricing function to discuss the ongoing monitoring of performance of key MGAs.
- Preparation of risk appetite statements to ensure any risks and uncertainties are well communicated.

AGML provides the following actuarial and modelling services to AICL:
- Advising AICL underwriters on technical price, profitability, product design, portfolio impact, data quality, applicability of modelling, uncertainties and third-party reliance.
- Assisting with business planning, researching new classes and territories of business, assisting with portfolio optimisation and improving return on capital

B.7 Outsourcing

B.7.1 Outsourcing Policy

Antares Global's outsourcing policy applies to all internal and external outsourcing arrangements and describes how all outsourcing agreements are arranged, overseen, monitored and managed.

Outsourcing is used to complement AICL's overall business strategy, objectives and risk appetite. Arrangements are only considered and entered where they offer improved business performance, both operationally and financially. AICL generally only seeks to enter into outsourcing arrangements when doing so provides resources or skill-sets which are not available within the business. AICL does not seek to enter any outsourcing arrangements that will result in reduced standards or an increased level of risk exposure that breaches the Firm's risk appetite.

AICL understands that, in accordance with regulatory requirements, where it outsources any of its activities either to an external third-party service provider or an intra-group entity, it will continue to be responsible and held accountable for the performance and output of those activities. Assurance is sought from the third-party service provider that they continue to provide services in compliance with the outsourcing contract/agreement and their risk management and internal control environment is appropriate and operating effectively. To ensure adequate oversight and monitoring of the services provided, the Business Owner / Sponsor of the third-party arrangement is responsible for completing the Outsourced Services Attestations on a quarterly basis. This attestation captures any actual or expected changes to the level of service being provided and any other disclosable notifications by the outsourced service provider. The Compliance Team reviews all responses and maintains a register for the Outsourced Services Attestations.

Each outsourcing arrangement is subject to robust processes:
- The business function owner is responsible for demonstrating the rationale for selecting and shortlisting the potential provider.
- Each service provider is subject to due diligence.
- A formal approval process is in place (including review of contracts by legal experts).
- The FCA and PRA is notified of any new material outsourcing arrangements or changes to existing material outsourcing arrangements.
- Service provider assessments are performed.
- Validation may be sought through an independent audit.

The business function owners are responsible for identifying and assessing the risks associated with an outsourcing arrangement and ensuring that the service providers have adequate internal control systems in place.

The Company's outsourcing policy requires AICL to notify the competent authority of its intention to outsource any critical or important outsourcing functions and activities prior to the outsourcing of critical or important functions.

The table below outlines the outsourced functions that are considered critical or important:

Function / Work performed as at 31 December 2024	Jurisdiction of the Function	Name of Provider
Insurance Management	London	Antares Global Management Limited
Internal Audit (Critical Function)	London	BDO
Company Secretarial	London	Antares Global Management Limited
Compliance (Critical Function)	London	Antares Global Management Limited
Payroll	London	Antares Global Management Limited
Investment Advisors	Doha	Epicure Investment Management LLC
Finance	London	Antares Global Management Limited
HR Support	London	Antares Global Management Limited
IT Services	London	Antares Global Management Limited
Reinsurance services	London	Antares Global Management Limited
Risk Management	London	Antares Global Management Limited
Actuarial	London	Antares Global Management Limited

The Board maintains oversight and control of all outsourced functions.

B.7.2 Delegated Underwriting and Claims Management

AICL focuses on delegated underwriting through MGA partnerships across the UK. AICL's business model is designed to provide insurance capacity to MGA's underwriting niche and specialised products for both existing portfolios and entrepreneurial start-up ventures. Either the MGA or an appointed Third-Party Administrator ("TPA") is responsible for claims management with AICL's Claims team providing performance oversight in accordance with the Delegated Claims Handling Agreement and service level arrangements.

AICL operates a comprehensive and robust due diligence process for selecting and contracting with new MGA's and TPA's, administered via the AICL Delegated Authority and Compliance teams. Due diligence applies to both new and renewal arrangement and covers a wide range of criteria including financial integrity, systems and processes, data management, performance, skills and experience and alignment with AICL strategy.

Each arrangement is governed by a contractual agreement of delegation, a Binding Authority Agreement for Underwriting and a Delegated Claims Handling Agreement for claims administration. These agreements detail all aspects of the delegated authority. Contracts of delegation are drafted and agreed via AICL legal team working in tandem with underwriting, claims, compliance, finance and delegated authority teams.

Post bind arrangements are monitored through regular face-to-face engagement, pre-agreed data transfers and MI reporting. Monthly KPI's include, underwriting loss ratio measures, rate adequacy, exposure profiles, claim development patterns, complaints analysis, Consumer Duty measures and service standards. This constant monitoring and oversight is augmented by audits, both through claims and underwriting technical file reviews and external specialist auditors. AICL maintains an approved panel of auditors and uses a mix of market standard and enhanced requirements for the scope of audit work undertaken. AICL may require specific audit focus on certain areas depending on the nature of the transaction and the performance of the MGA or TPA. A log is maintained for tracking the completion of audit recommendations.

An appropriate internal governance structure is in place overseen by the AICL Board and delegated via the AICL CEO for administration through various committees such as the Underwriting Committee, Risk and Capital Committee and Audit Committee together with individual authority levels for underwriting and claims staff. AICL operates clear lines of responsibility and accountability for the management and operation of all delegated arrangements.

B.8 Any other Information

There is no other material information regarding the system of governance.

C. Risk Profile

The view of material risks at AICL is a combination of the most material risks from the Risk Register (based on their residual rating) and the SCR risk ranking (based on the capital impact).

The most material risk categories based on their capital impact are outlined below. Underwriting risk non-life is currently the most significant driver of AICL's required capital followed by market risk and credit risk.

The ranking by risk category based on standard formula SCR is set out below:

AICL – SCR impact assessment (GBP'000)	2024 YE	% of undiversified SCR	Rank
Underwriting Risk Non-Life	**14,302**	73%	1
Market Risk	**3,920**	20%	2
Credit Risk	**1,493**	8%	3
Undiversified SCR	19,715		
Diversification	-3,148		
Basic SCR	**16,567**		
Operational Risk Charge	**919**	Premium-based risk component	
Adjustment for Deferred Tax	-		
Solvency Capital Requirement (SCR)	**17,485**		

The total SCR has increased significantly compared to last year. This is due to an increase in business being written by AICL.

The key risk drivers, the rationale for the ranking of each type of risk, and the approach to managing the risks are documented in this section.

C.1 Underwriting Risk

C.1.1 Insurance Risk Management

Insurance risk includes underwriting and reserve risk.

AICL manages insurance risk through:

- Selection and implementation of the underwriting strategy and guidelines;
- Adequate reinsurance arrangements;
- Exposure management;
- Adequate reserves and claims management processes.

Underwriting risk is defined as *the risk that the frequency and/or severity of insured events exceeds the expectations at the time of underwriting.*

AICL manages underwriting risk using defined limits, pricing models, peer review processes and oversight from the Underwriting Management Committee and the Board. AICL's underwriters ensure that:

- Inward business written, or authority delegated to cover holders is matched by suitable reinsurance;
- The net retained position of AICL remains within the risk appetite; and
- AICL has appropriate licenses and regulatory approval for any business written.

The pricing adequacy of the underlying business is assessed as part of the evaluation of cover holder business propositions at inception and renewal through the use of various pricing models and analyses, rating tools and related monitoring reports. AICL benefits from underwriting advice and assistance from affiliated companies.

Reserve risk is defined as *the risk of loss due to the previously established reserves for claims reported on previously exposed business turning out to be incorrect in terms of quantum or timing.*

Reserve risk arises from the inherent uncertainty (fluctuations in the timing and amount of claim settlements) surrounding the adequacy of the reserves or technical provisions set aside to cover insurance liabilities.

Robust controls are in place to ensure that reserving processes are adequate and reserving data is complete and appropriate.

Reserve risk exposure is managed within the actuarial function and through defined reserving practices, which are overseen by the Reserving Committee and the Board.

C.1.2 Insurance Risk Measurement and Exposure

The SCR using the standard formula provides an appropriate method for AICL to quantify its exposure to insurance risk, given the risk profile, size and complexity of the company. Material changes to the underwriting risk profile would trigger a recalculation of the SCR and a reassessment of the suitability of the standard formula for quantifying the risks to which the company is exposed.

Solvency Capital Requirement – Non-Life

The diversified SCR for insurance risk at the end of the reporting period and at the end of last year is composed as follows:

AICL - Capital Requirement (GBP'000)	2024 YE
Underwriting Risk Non-Life	**14,302**
Diversification within UW Risk NL	*(743)*
Premium and Reserve Risk	14,096
Lapse Risk	203
CAT Risk	746

The underwriting risk non-life is most material as premium and reserve volumes increase with AICL writing more business.

Solvency Capital Requirement – Life

AICL does not hold any life risk in respect of the longevity stress on PPO annuities.

C.1.3 Insurance Risk Sensitivity analysis

AICL has only just started writing business in 2024 and thus, have low level of reserves. In ORSA, no insurance risk scenarios were run against the base position as reserve sensitivities would have minimal impact due to the low level of reserves and any premium sensitivities would effectively be testing business plan rather than the capital position as is.

C.2 Market Risk

C.2.1 Market Risk Management

Market risk is defined as *the risk of loss, or of adverse change in the financial situation, resulting directly or indirectly from fluctuations in the volatility of market prices of assets, liabilities and financial instruments*. It is the risk that the value of basic own funds changes unfavourably, due to economic factors such as variations in interest rates.

Investment Strategy

The AICL Investment Strategy is to return an acceptable yield, whilst safeguarding the principal and meeting liquidity requirements. AICL has identified three key objectives for the investment of assets, consistent with its Risk Appetite. AICL recognises that the objectives can, at times, be conflicting, and therefore prioritises the achievement of each objective in the order listed below. These objectives are set out below:

Objective 1 – Preservation of capital

AICL recognises that losses can arise from the movement in market price of financial assets. AICL has some appetite for loss from this risk, however this is not significant. Accordingly, the investment portfolio should be comprised of well diversified, predominantly high quality (investment grade) assets with a duration not exceeding that of its liabilities.

The desire for capital preservation is the main objective of the investment strategy and should take priority over the other objectives. Importantly, this does not mean that capital preservation must be achieved to the exclusion of the other objectives, but rather, that when taking investment decisions, capital preservation is priority.

Objective 2 – Appropriate return relative to risk

The second objective is to ensure, that the return achieved from the financial assets is appropriate for the risk taken. To achieve this objective, AICL may set benchmark returns for the portfolio of financial assets that it holds and monitors performance against that benchmark. AICL recognises that actual performance may deviate from benchmark for any individual monitoring period. However, it does not expect the actual performance to be consistently worse or better than the benchmark as this implies that return is not appropriate for the risk. Achievement of appropriate return is subordinate to preservation of capital.

Objective 3 – Liquidity requirements met

The third objective is to ensure that AICL has financial assets of sufficient liquidity to meet its cash-flow requirements, for the reasonably foreseeable future.

This objective does not mean simply, that assets must be readily realisable, but rather that assets should be capable of being liquidated swiftly and without significant loss of value.

Achievement of the liquidity objective beyond the minimum requirement is subordinate to the preservation of capital and appropriate return.

Portfolio Execution

Epicure Investment Management LLC, the wholly owned investment advisory services subsidiary of QIC Group, is appointed as Investment Advisors for AICL. Epicure provides a range of investment advisory and investment management services to the Company under an Investment Management Agreement. Epicure is responsible for managing day-to-day portfolio activities under their management and providing a quarterly investment report to the investment committee. Investment Mandates are approved by the Investment Committee and the Board and include details of permitted investments (including limits), minimum credit ratings, maximum concentrations and duration limits (with due regard to liability duration)

Investment of assets in accordance with the Prudent Person Principle

The investment strategy is heavily weighted towards fixed income and cash deposits and ensures that the Company only invests in instruments that any reasonable individual aiming for capital preservation and return on investment would own, in the best interests of its policyholders. Investment mandates include details of permitted investments (including limits), minimum credit ratings and maximum concentrations. The guidelines allow the monitoring of investment risk so that it can be properly identified, measured, responded to, controlled and reported. AICL's investment guidelines are approved by the Board which provides oversight of AICL's investment strategy and performance.

Political, economic and social environment

AICL monitors the wider external risk environment, which includes emerging risks identified through the emerging risk process.

C.2.2 Market Risk Measurement and Exposure

Market risk is measured against the company's risk appetite and tolerance statements, which define the investment allocation limits by investment type, region and credit rating.

The highest contributor to market risk is interest rate risk. This arises from the change in value of assets and liabilities to a change in the term structure of interest rates or interest rate volatility. The PRA risk-free interest rate term structure is applied.

Concentration risk can arise when the investment portfolio is not appropriately diversified across counterparties, geographical regions and industries. Concentration risk is measured with reference to the company's risk appetite and tolerance statements, which limit the concentration of asset holdings.

Spread risk, which arises because of AICL's investment in fixed income bonds, represents the second largest contribution to market risk related to the change in credit spread over the risk-free interest rate term structure. The investment portfolio is well diversified and actively monitored so that early action can be taken in the event of a perceived and long-term increase in spread risk.

AICL's exposure to currency risk is limited, given most assets are GBP denominated, or USD denominated but fully hedged to GBP on a rolling quarterly basis, providing a suitable match for AICL's GBP denominated liabilities.

Solvency Capital Requirement

The diversified SCR for market risk as follows:

AICL - Capital Requirement (GBP'000)	2024 YE
Market Risk	**3,920**
Diversification within Market Risk	*(2,578)*
Spread Risk	2,046
Interest Rate Risk	2,828
Currency Risk	761
Concentration Risk	862
Equity Risk	-
Property Risk	-

Market risk is expected to grow as AICL holds more financial instruments as its business grows.

Liquidity risk arises when the company is unable to meet its payment obligations as and when they fall due.

C.2.3 Market Risk Sensitivity analysis

During the annual ORSA process, a range of sensitivity and scenario testing against material risks is performed. During the 2024 ORSA process, three scenarios were run, the outcomes were articulated as an impact to the SCR ratio.

C.3 Credit Risk

C.3.1 Credit Risk Management

Credit Risk is defined as *the risk of loss due to counterparty default or failure to fulfil their obligations*. It arises from both underwriting and investment activities.

Failure of a reinsurer to settle claims in full, failure of a cover holder or a bank are the most material credit risks for AICL.

The Board is ultimately responsible for ensuring that credit risk exposures are appropriately managed and monitored. The Finance Director is responsible for the identification and management of credit risk with the support of the finance function, business functions and the Investment Managers.

The key mitigating controls for credit risk include:

- Approval procedures for accepting new counterparties;
- Monitoring of the security rating of all banking and reinsurance counterparties;
- Aged debt monitoring and reporting;
- Investment Guidelines that include details of permitted securities, minimum credit ratings and maximum concentrations;
- Monitoring of the concentrations of credit risk arising from similar geographic regions and activities;
- Assessing the financial stability of the coverholders and third-party administrators during the due-diligence process and before renewal.

C.3.2 Credit Risk Measurement and Exposure

Credit risk is measured through monitoring exposure in accordance with the risk appetite and tolerance statements.

At the end of the reporting period, the company's exposure to credit risk relates mainly to cash balances and reinsurance recoverables. All reinsurance exposure is via AICL's ultimate parent, QIC. QIC is rated A- by S&P Global Ratings and A- by A.M. Best. This exposure is classified as type 1 in the SCR standard formula.

The security rating of all banking and custodian counterparties is considered an appropriate metric for measuring credit risk arising because of AICL's need to hold cash at bank. Deposits with banks and custodians are classified as type 1 exposures in the SCR standard formula.

AICL makes use of both external and internal reinsurance to mitigate volatility and protect capital. Internal reinsurance is arranged via Group reinsurance operation Antares Re. Internal quota share reinsurance ceding is set at 30%. All external reinsurers will be security assessed via Group Security Committee.

Solvency Capital Requirement

Credit risk is a significant contributor to the company's capital requirements due to its extensive reinsurance programme with QIC. The following table provides a summary of the credit risk position:

AICL - Capital Requirement (GBP'000)	2024 YE
Credit Risk	**1,493**
Diversification within Credit Risk	*(103)*
Type 1	850
Type 2	746

- Type 1 credit risk – This is expected to grow as AICL holds more cash and cash equivalents and is exposed to more reinsurance recoverables as the business grows.

- Type 2 credit risk – This is expected to grow with increased debtors as the business grows.

C.3.3 Credit Risk Sensitivity analysis

Two credit risk scenarios were run during the annual ORSA process, resulting in moderate decreases in the SCR ratio. In both instances the SCR ratio remained above solvency ratio appetite of 160%.

C.4 Liquidity Risk

C.4.1 Liquidity Risk Management

Liquidity risk refers to the risk *that a company or financial institution will not be able to meet its short-term financial obligations due to an inability to convert assets into cash quickly or without significant loss*. This can occur for various reasons, such as market disruptions or a lack of market depth.

There are two main types of liquidity risk:

Market Liquidity Risk: This occurs when an entity cannot execute transactions at current market prices due to market disruptions. Essentially, it becomes difficult to buy or sell assets without affecting their market price.

Funding Liquidity Risk: This happens when an entity cannot obtain sufficient funding to meet its financial obligations. This could be due to a sudden withdrawal of deposits, an inability to roll over debt, or other funding challenges.

Effective liquidity risk management involves ensuring that there are sufficient liquid assets and accessible borrowing lines to meet both expected and unexpected liquidity needs.

AICL holds cash and invest in liquid assets as part of its investment strategy.

The Board has ultimate responsibility for the management of liquidity risks and its delegated oversight and ownership of liquidity management is with the Key Function Holder for Finance. Day-to-day management of liquidity is the responsibility of the Finance function. Near term shock event, such as catastrophe risk, is relatively limited, making AICL less prone to short-term loss driven shocks.

The approach to Liquidity Risk Management is set out in the Investment & Liquidity Policy. Liquidity risk limits is defined in the risk appetite and in the Investment Guidelines.

Liquidity monitoring controls currently in place that are extended to AICL will include:

- Cash balance monitoring
- Cashflow forecasting & projections
- Regular liquidity reporting to Investment Committee

C.4.2 Liquidity Risk Measurement and Exposure

The company continues monitoring its liquidity via a range of metrics including through a series of risk appetites. Based upon the liquid nature of AICL's investment portfolio, there is no significant concern from a liquidity risk perspective.

C.4.3 Expected Profit Included in Future Premiums

The amount of expected profit included in future premiums (EPIFP) was calculated in accordance with the UK Solvency II regulation.

The EPIFP net of reinsurance (AICL's profits are driven by net results) is £1.0m at the end of the 2024 reporting period. Gross of reinsurance, the 2024 EPIFP is £1.4m.

C.5 Operational Risk

C.5.1 Operational Risk Management

Operational risk is defined as *the risk of loss arising from inadequate or failed internal processes, people, systems or from external events impacting the organisation's ability to operate*. This risk encompasses all functions rendered while conducting business. This includes legal and regulatory risk but excludes risks arising from strategic and reputational risk.

The function heads at AICL have responsibility for the oversight of operational risks in their respective areas.

Operational risk is managed through a broad range of controls including:

- A strong internal control culture
- Effective corporate governance, including segregation of duties, avoidance of conflicts of interest, clear lines of management responsibility, adequate management information reporting.
- Staff training/awareness of the control responsibilities relating to their roles.
- IT systems, Business Continuity and Disaster Recovery plans.
- Compliance with laws and regulations.
- Recruiting/retaining adequately skilled staff, adequate performance assessment system.
- Procedures to minimise internal/external fraud.
- Ensuring accurate and timely financial (and other external) reporting.
- Assessment of the impact of outsourcing material functions on operational risks and procedures for due diligence, monitoring and reporting of outsourced service providers.
- Operational loss monitoring process.

AICL monitors operational risk exposures through its Risk Register and the operational loss monitoring (risk event reporting) process, which are overseen by the Risk and Compliance Committee.

C.5.2 Operational Risk Measurement and Exposure

The operational risk capital charge calculations within the SCR standard formula are based on the volume of business, and do not take into account the quality of the operational risk management system or the internal control framework. The calculation considers in the company's gross earned premiums and gross technical provisions, and is capped at 30% of the basic SCR.

Solvency Capital Requirement

The SCR for operational risk is as follows:

AICL - Capital Requirement (GBP'000)	2024 YE
Operational Risk	919

The Operational Risk capital requirement above is driven by the premium-based risk component.

C.5.3 Operational Risk Sensitivity analysis

No sensitivity analysis was conducted on operational risk in ORSA 2024.

C.6 Other material risks

C.6.1 Strategic and reputational risk

Strategic risk is defined as a function of the incompatibility between two or more of the following components: the strategic goals, the business strategies, the resources deployed to achieve these goals, the quality of implementation and the economic situation of the markets in which the insurer operates.

Strategic and reputational risks are monitored through the risk appetite, risk management oversight and stress/reverse stress testing process. Other specific mitigants of strategic risk include:

- Effective business planning and performance monitoring.
- Aligning the business strategy, risk appetite, business plan, underwriting guidelines and capital requirements.
- Periodic review of the emerging risks and assessment of the potential impact on the business.
- Capital management planning.
- Ensure Board members are fit and proper to discharge their responsibilities, which includes providing the necessary strategic direction.

Business plan stresses and sensitivities have been undertaken. Strategic risks are to be monitored through the risk appetite, risk management oversight and stress/reverse stress testing process. Other specific mitigants of strategic risk include:

- Effective business planning and performance monitoring.
- Aligning the business strategy, risk appetite, business plan, underwriting guidelines and capital requirements.
- Periodic review of the emerging risks and assessment of the potential impact on the business.
- Capital management planning.
- Board members are fit and proper to discharge their responsibilities, which includes providing the necessary strategic direction.

Strategic risks are challenging to quantify, with their manifestation impacting for example:

- Plan volumes differing from expectations
- Volatility in results

This is managed through ongoing performance monitoring.

Reputational risk is a by-product of inappropriate/inadequate management and mitigation of all other risk categories. The identification of the reputational risk is the combined responsibility of all Risk Owners. Reputational risk is a direct function of the management of other risk categories and is therefore challenging to quantify in terms of likelihood and precise impact. Adverse reputational impacts will most likely impact our ability to write our business plan, (covered by business plan sensitivities). This could come about for example from clients being unwilling to place business with us.

The internal controls framework includes specific appetites for reputational risk. Effective compliance and risk management functions, monitoring of operations by the Board and the committees and the due diligence/audit procedures for coverholders contribute to minimising reputational risk.

C.6.2 Group risk

AICL may be subject to the following types of Group Risk:

- Capital Availability (e.g. parent unwilling or unable to ensure entity remains sufficiently capitalised)
- Parental Credit Rating
- Contagion risk
- Shared resource clash between entities

Change in Group Strategy or Undue Group influence on Strategy: This is mitigated through alignment of strategy and risk appetite with that of the overall QIC Group through business planning activities and approval of the business plan. Entity governance also ensures independence of the AICL Board, and which is also subject to an annual effectiveness review. The latter is managed through entity level business plans that are reviewed and approved at the Group level, to minimise any instances of competing objectives. The residual group risk relating to this area is not considered to be material.

Allocation of Group (Capital) Resources elsewhere: The principal source of AICL capital is currently 100% Tier 1 capital provided by the ultimate parent, with limited Tier 2 capital planned over the planning horizon. The risk in this respect relates to unavailability of additional capital to support the long-term business plan and/or address capital shortage which may arise due a significantly adverse event. This is mitigated through maintaining a strong solvency ratio in line with the approved risk appetite of 160% and robust capital management framework which includes regular capital assessment, capital forecasting and a formal Capital Management Action Plan (CMAP) which provides details in respect of alternative capital sources.

Internal Reinsurance: There is a potential credit risk from AICL’s internal reinsurances with Antares Re. QIC Group (and Antares Re) are strongly capitalised, and benefits from an “A-” rating from both S&P and AM Best. AICL’s reinsurance arrangements are captured within the standard formula.

Financial Pressure from elsewhere within the group: Financial difficulties within the Antares Group of companies (including sister company Antares Re) would also put at risk additional capital sources required for growth, and in extreme circumstances reinsurance with Antares Re at risk (with potential for default). This is mitigated through funds withheld arrangement in respect of material internal reinsurance arrangement. Furthermore, CMAP provides detailed guidance in respect of alternative capital resources. It should be noted that Antares Group and Antares Re operate in a UK Solvency II equivalent jurisdiction with a strong capital base and this reduces the probability of any such risk.

Parent company downgrade: Antares Re’s credit rating is tied to QIC’s credit rating. A downgrade scenario for the financial impact on AICL has been undertaken. The results of this scenario illustrate that there will be no significant impact on our ability to underwrite the planned portfolio..

Shared Resources: AICL shares services with its other Antares Global operations. Whilst there are many advantages to this integration including the achievement of operational synergies, enhanced risk management and aligned business strategies, this initiative has increased the operational reliance of AICL on a service company which services each company within Antares Global. This leads to the potential risk that activities within other Antares Global entities would distract resource from the activities at AICL. This risk is mitigated through monitoring and reporting on performance of centralised critical functions.

Reputational risk: There is a risk that activities of other Antares Group entities or people associated with these entities could negatively impact the AICL reputation. The risk is mitigated through a strong governance culture which is in place across Antares Global. Furthermore, AICL is run by an independent Board which governs all aspects of the company and is able to put remediation in respect of any adverse impact on reputation arising from any group entities. Any other Information

There is no other material information regarding the risk profile.

D. Valuation for Solvency Purposes

The assessment of available and required regulatory capital is made by taking an economic view of the Company's assets and liabilities, in accordance with the UK Solvency II valuation principles. The UK Solvency II balance sheet is produced on an economic basis and is presented in Appendix 1.

D.1 Assets

The following table sets out a comparison of assets resulting from unwinding of UK GAAP measurement principles in the Financial Statements with assets on UK Solvency II balance sheet. The difference column compares Financial Statement figures with UK Solvency II valuations

As at 31 December 2024 All figures shown in GBP'000	UK GAAP	Reclassification	Valuation	UK Solvency II
Cash & Cash Equivalents				
Cash & Cash Equivalents:	9,894	(5,000)	-	4,894
Deposits Other than Cash	-	5,007	-	5,007
Financial Investments:				
Corporate Bonds	28,629	-	-	28,629
Insurance & Other Receivables:				
Deferred Acquisition Costs	3,659	(1,072)	(2,587)	-
Insurance & Intermediary receivables	16,498	(14,856)	-	1,642
Reinsurance Receivables	798	-	-	798
Receivables, Trade, not insurance	2,539	(7)	-	2,532
Reinsurance Recoverable				
Unearned Premium	7,574	(7,574)	-	-
Claims Outstanding	2,350	-	1,689	4,039
Total Assets	**71,941**	**(23,502)**	**(898)**	**47,541**

The Company values assets in accordance with the requirements with outlined with the PRA This states that the basis of valuation under UK Solvency II is the amount in which they could be exchanged between informed parties on an arm's length basis.

D.1.1 Valuation bases, methods and main assumptions

<u>Cash & Cash Equivalents</u>

Cash and cash equivalents, fixed income securities and all other assets on the UK Solvency II balance sheet are recorded at fair value in line with UK GAAP, with changes in fair value of available-for-sale investments being included in the statement of other comprehensive income, with the total comprehensive income (or loss) increasing (or decreasing) the own funds.

<u>Financial Investments</u>

The Company's bond portfolio is invested in high quality and liquid securities. These bond securities are publicly listed and traded over the counter ("OTC") in active markets rather than on an exchange (like equities). The Fair value of the securities is based on the observable price within the market. We consider a market to be active in the context of market liquidity, considering factors such as trading volumes, bid-ask spreads, and market quotes (under normal market conditions).

The Company does not use any alternative methods for valuation of investments, in accordance with Chapter 11A: Alternative Methods for Valuation of the Conditions Governing Business Section in the PRA Rulebook Article.

Insurance & Other Receivables

Deferred acquisition costs ("DAC") are valued at nil in the UK Solvency II balance sheet as the company does not expect future cashflows to arise from this asset.

Premium receivables, amounting to £16.5m in the table above which are not yet due are reclassified under UK Solvency II to be presented under the best estimate as it pertains to expected future cash flows.

Reinsurance Receivables are amounts due from reinsurance companies not taken into the best estimate provisioning. There is no valuation difference between UK GAAP and Solvency II for these items.

Reinsurance recoverable is explained further under section D.2.5.

D.2 Technical Provisions

The main liabilities on the UK Solvency II balance sheet are the technical provisions, gross of reinsurance recoverables, which consist of liabilities for claims outstanding and premium provisions.

As at 31 December 2024, AICL held technical provisions (TP) for non-life business as defined within UK Solvency II.

The following table sets out the net technical provisions as at 31 December 2024 on a UK Solvency II basis.

Non-Life & Health Technical Provisions on UK Solvency II Basis (GBP'000)	**As at 2024 YE**		
	Liabilities - TP	**Assets - Recoverable TP**	**Net TP**
Best Estimate	10,426	4,039	6,387
Workers' Compensation	0	0	0
Motor Vehicle Liability	378	561	-183
Other Motor	107	158	-52
Marine, Aviation & Transport	0	0	0
Fire & Other Damage to Property	0	0	0
General Liability	58	20	37
Miscellaneous Financial Loss	9,884	3,299	6,584
Credit & Suretyship	0	0	0
Risk Margin			771
Workers' Compensation			0
Motor Vehicle Liability			55
Other Motor			15
Marine, Aviation & Transport			0
Fire & Other Damage to Property			0
General Liability Insurance			5
Miscellaneous Financial Loss			696
Credit and Suretyship			0
Gross TP – Non-Life (Including Health)	**10,426**	**4,039**	**7,158**

D.2.1 Valuation Methods, Basis and Assumptions

UK Solvency II requires insurers to place an economic value on their assets and liabilities for solvency purposes. More specifically, the value of the technical provisions should be the amount that the insurer would be required to pay in order to transfer its obligations relating to its insurance contracts to a willing third party in an arm's-length transaction.

Insurance liabilities are difficult to value due to uncertainty of both the amounts and timing of future payments. Therefore, alongside the net present value of the expected future cashflows relating to claims liabilities, a risk margin is required to cover the cost of capital that the receiving party is subject to, having taken on the obligations. The risk margin can be thought of as the mechanism that moves the valuation of the insurance liabilities to a mark-to-market basis.

The best estimate liability aims to represent the probability-weighted average of future cash flows required to settle the insurance obligations attributable to the lifetime of AICL's policies. The best estimate cash flows include future best estimate premium payments, claim payments, expenses expected to be incurred in servicing the Company's policies over their lifetime, investment costs and any payments to and from reinsurers. The best estimate liability is discounted using the currency-specific risk-free yield curves as published by the PRA.

The method and assumptions used within the estimation of the technical provisions are equivalent to those used within the estimation as at the previous reporting period.

In determining the technical provisions on a UK Solvency II basis, AICL's starting point is the technical provisions under the previous accounting basis.

The reserves are estimated using the following reserving classes:

- Agriculture, including pet and equine business;
- Motor: UK business.

The reserves on a UK GAAP basis are split between earned reserves, relating to periods of past exposure, and the unearned premium reserve, relating to periods of future exposure on already incepted policies.

The main differences between the value of the technical provisions for solvency purposes and the UK GAAP valuation are as follows:

- Expected losses on the unearned business are taken into account in the calculation of premium provisions, removing any portion of the unearned premium reserve (UPR) that is in excess of this amount (i.e. allowing for the expected profits or losses in case of unprofitable business).
- The premium receivables from premiums not yet paid by the policyholder, but whose potential claims have been considered in the future claims reserve.
- The premium provisions and claims provisions include an amount relating to all future expenses to run off the insurance liabilities and for events not in the data set.
- Elimination of Deferred acquisition cost (DAC) is applied.
- The consideration of potential non-collection of reinsurance recoveries due to reinsurer default.
- The discounting impact on future cashflows.

The Company did not make use of any of the following:

- Matching adjustment referred to in Chapter 2: Eligibility to Apply a Matching Adjustment of the Matching Adjustment Section in the PRA Rulebook.
- Volatility adjustment referred to in Chapter 8: Volatility Adjustment of the Technical Provisions Section in the PRA Rulebook.
- Transitional risk-free interest term structure referred to in Chapter 10: Risk-Free Interest Rates of the Transitional Measures Section in the PRA Rulebook;
- Transitional deduction (also known as TMTP) referred to in the Transitional Measure on Technical Provisions Section in the PRA Rulebook.

The best estimate of the amounts recoverable from reinsurance contracts and other risk transfer mechanisms is calculated separately from the gross best estimate. The calculation is based on principles consistent with those underlying the gross best estimate, projecting all cash flows associated with the recoverables and discounting using the risk-free rate yield curve.

Further, under UK GAAP, technical provisions are split into an earned portion, relating to periods of risk exposure that have already expired, and an unearned portion, relating to periods of risk exposure that are yet to expire.

On the UK Solvency II basis, this distinction is also made, however profit within the yet-to-expire period of risk is recognised immediately within the premium provisions. Similarly, any loss relating to the cession of assumed business due to the reinsurer's profit margin etc. is recognised immediately. An adjustment is made to reflect the expected losses on reinsurance recoverables due to counterparty default. The adjustment is based on an assessment of the probability of default of the counterparty and the average loss resulting from the default.

D.2.2 Risk Margin

The risk margin is added to the best estimate to reflect the uncertainty associated with the probability-weighted cash flows. It is calculated using a cost of capital approach, which calculates the cost of providing eligible own funds for the duration of the run-off of the obligations to cover the insurance risk, counterparty credit risk and operational risk components of the SCR. The rate used in the determination of the cost of providing the own funds is called cost-of-capital rate. A cost-of-capital rate of 5.44% is applied to the capital to cover the full period needed to run off the insurance liabilities. The cost of capital in each future year is discounted using the risk-free discount curve.

The risk margin reflects the cost of the regulatory capital that any third party would have to provide in assuming the liabilities until settlement. The calculation is based on the UK Solvency II Standard Formula.

D.2.3 Uncertainty

There are several material assumptions, involved in the calculation of technical provisions under UK GAAP which are also relevant in the context of the UK Solvency II Technical Provisions. The actuarial valuation of loss reserves incorporates a degree of uncertainty, emerging from the fact that the actual payment dates of the future cash flows as well as the actual eventual loss settlement amount are unknown. Additionally expected recoveries may not be realised as counterparties might default.

SII Technical Provisions

The uncertainties outlined above would also affect the UK Solvency II technical provisions. There are also additional inherent uncertainties in the UK Solvency II valuation basis. It should however be noted that:

- The Methodologies and assumptions used in the Technical Provision valuation are appropriate for the specific classes of business of AICL and the way the business is managed, having regard to the available data.
- The calculations are performed in line with guidance issued by the PRA

Lastly, in addition to the internal reserving quality assurance process, the reserve estimates are based on expert judgement, benchmarks and other available relevant market data. They are also subject to a full review from an Audit firm. These reviews provide an extra layer of assurance that the best estimate reserves are within a reasonable range.

D.2.4 Material differences between UK Solvency II and financial statement basis

The changes in bases, method and assumptions used in the valuation of technical provisions under UK Solvency II and the financial statements are set out in the table below:

UK GAAP to UK Solvency II Bridge 2024	2024 YE (GBP'000)
Gross UK GAAP Reserves	28,106
UK GAAP Reinsurance	**(9,924)**
Net UK GAAP Reserves	**18,182**
DAC	(2,587)
UK GAAP TP (net of DAC)	15,595
Eliminate DAC & Other Non-UK Solvency II Items	2,587
Future Premium Receivables/Payables	(10,814)
Profit in UPR	(1,004)
Profit from BBNI	(428)
ENIDS	592
Difference to UK GAAP Expenses	241
RBD & Other	**1**
Discounting	(383)
UK Solvency II TP ex-Risk Margin	**6,387**
Risk Margin	771
UK Solvency II TP Including Risk Margin	**7,158**

In determining the technical provisions on a UK Solvency II basis, AICL's starting point is the technical provisions under the previous accounting basis.

The reserves under the previous accounting basis are split between earned reserves, relating to periods of past exposure, and the unearned premium reserve, relating to periods of future exposure on already incepted policies.

The main differences between the value of the technical provisions for solvency purposes and the UK GAAP valuation are as follows:

- The premium provisions and claims provisions include an amount relating to all future expenses to run off the insurance liabilities and for events not in the data set.
- Elimination of Deferred acquisition cost (DAC) is applied.

The best estimate of the amounts recoverable from reinsurance contracts and other risk transfer mechanisms is calculated separately from the gross best estimate. The calculation is based on principles consistent with those underlying the gross best estimate, projecting all cash flows associated with the recoverables and discounting using the risk-free rate yield curve.

Further, under UK GAAP, technical provisions are split into an earned portion, relating to periods of risk exposure that have already expired, and an unearned portion, relating to periods of risk exposure that are yet to expire.

On the UK Solvency II basis, this distinction is also made, however profit within the yet-to-expire period of risk is recognised immediately within the premium provisions.

Similarly, any loss relating to the cession of assumed business due to the reinsurer's profit margin etc. is recognised immediately. An adjustment is made to reflect the expected losses on reinsurance recoverables due to counterparty default. The adjustment is based on an assessment of the probability of default of the counterparty and the average loss resulting from the default.

D.2.5 Reinsurance Recoverables

The following table shows the reinsurance recoverables as at 31 December 2024, valued under UK Solvency II, split by line of business.

Reinsurers' share of technical provisions by line of business is as follows:

Non-Life Reinsurance Recoverables By Line of Business on a UK Solvency II (Best Estimate) Basis	2024 YE (GBP'000)
Motor Vehicle Liability	561
Other Motor	158
Marine, Aviation & Transport	0
Fire & Other Damage to Property	0
General Liability	20
Legal Expenses	0
Miscellaneous Financial Loss	3,299
Credit & Suretyship	0
Total Reinsurance Recoverable (Non-life – Excluding Health)	**4,039**

The estimation of the reinsurance recoverable is analogous to that of the gross technical provisions with the exception that the estimate of the reinsurers' share of technical provisions is adjusted to allow for the potential default of a reinsurer.

To estimate an appropriate adjustment for the potential default of a reinsurer, the best estimate of the reinsurance recoverable is multiplied by the counterparty recovery rate (which is set at 50%), multiplied by the modified duration of the receivables and again multiplied by the probability of default over a one-year time horizon which is set depending on their rating (e.g. 0.05% for an A rated reinsurer).

D.3 Other Liabilities

The following table sets out the liabilities held on the Company's audited balance sheet, under UK GAAP, as at 31 December 2024 compared to UK Solvency II, excluding Technical Provisions;

As at 31 December 2024 All figures shown in GBP'000	UK GAAP	Reclassification	Valuation	UK Solvency II
Insurance & Other Payables:				
Deferred Acquisition Costs	1,072	(1,072)	-	-
Insurance & Reinsurance Payables	8,092	(4,041)	-	4,051
Payables (trade, not insurance)	4,478	-	-	4,478
Technical Provisions				
Unearned Premium	20,273	(20,273)	-	-
Claims Outstanding	7,833	-	3,364	11,197
Total Liabilities	**41,748**	**(25,386)**	**3,364**	**19,726**

The Company values liabilities in accordance with the requirements outlined by the PRA. This states that the basis of valuation under UK Solvency II is the amount in which they could be exchanged between informed parties on an arm's length.

Insurance & Other Payables

Deferred acquisition costs (DAC) are valued at nil in the UK Solvency II balance sheet as the company does not expect future cashflows to arise from this asset. This is reclassified to be taken net with gross deferred acquisition costs.

Reinsurance Payables, amounting to £7.2m in the table above which are not yet due are reclassified under UK Solvency II to be presented under the best estimate as it pertains to expected future cash flows. £0.8m has been reclassified as a reinsurance recovery.

Technical Provisions

Valuation differences for Technical Provisions are noted under section D.2.1.

D.4 Alternative Methods of Valuation

No alternative methods of valuation have been used during the reporting period

D.5 Any other Information

There is no other material information regarding the valuation of assets and liabilities for solvency purposes.

E. Capital Management

The company is required to hold available own funds of an amount that is equal to or exceeds the MCR and SCR in accordance with the UK Solvency II Directive. The SCR is calculated using the UK Solvency II standard formula.

E.1 Own Funds

E.1.1 Management of Own Funds

Capital adequacy is maintained with reference to AICL's risk appetite. At any given time, the company aims to maintain a strong capital base to enable AICL to support the business plan based on its own view of the capital required, and meeting regulatory capital requirements on an ongoing basis.

The ORSA process enables AICL to identify, assess, monitor, manage and report on the current and emerging risks that it faces, and to determine the capital necessary to ensure that overall solvency needs are always met.

The Capital Management Action Plan ("CMAP") identifies the various thresholds below which available capital may be depleted and the actions AICL will adopt to maintain capital adequacy. AICL can manage its capital position by either increasing the amount of available capital or by taking action to reduce the required capital. The approach taken is dependent on the specific circumstances of the event giving rise to the depletion of available capital.

E.1.2 Tiers of Own Funds

UK Solvency II legislation has introduced a three-tiered capital system designed to assess the quality of insurers' capital resources eligible to satisfy their regulatory capital requirement levels. The tiered capital system (Tiers 1, 2 and 3) classifies capital instruments into a given tier based on their loss absorbency characteristics. The highest quality capital is eligible for Tier 1, which is able to absorb losses under all circumstances, including as a going concern, during run-off, wind-up or insolvency. Tier 2, while providing full protection to policyholders in a wind-up or insolvency scenario, has moderate loss absorbency on a going-concern basis. Tier 3 meets, on a limited basis, some of the characteristics exhibited in Tiers 1 and 2.

Eligibility limits are applied to each tier in determining the amounts eligible to cover regulatory capital requirement levels.

The following table shows the available and eligible capital to cover the SCR:

AICL - Eligible Capital to cover SCR (GBP'000)	2024 YE
Tier 1 - Available Capital	27,816
Tier 2 - Available Capital	-
Tier 3 - Available Capital	-
Available Capital	**27,816**
Tier 1 - Eligible Capital	27,816
Tier 2 - Eligible Capital	-
Tier 3 - Eligible Capital	-
Eligible Capital for SCR	**27,816**
Ineligible Capital for SCR	-
Solvency Capital Requirement (SCR)	**17,485**
SCR ratio	**159%**

The following table shows the eligible capital to cover the MCR:

AICL - Eligible Capital to cover MCR (GBP'000)	2024 YE
Tier 1 - Eligible Capital	27,816
Tier 2 - Eligible Capital	-
Eligible Capital for MCR	**27,816**
Ineligible Capital for MCR	-
Minimum Capital Requirement (MCR)	**4,371**
MCR ratio	**636%**

AICL does not currently make use of Tier 2 or Tier 3 capital.

E.1.3 Own Funds subject to Transitional Arrangements

At the end of the 2024 reporting period, AICL does not hold any own funds which are subject to transitional arrangements.

E.1.4 Ancillary Own Funds

At the end of the 2024 reporting period, AICL does not hold any Tier 2 or Tier 3 capital.

E.1.5 Factors Affecting the Availability and Transferability of Own Funds

There are no factors affecting the availability and transferability of own funds. In 2024, the company did not deduct items from the Own Funds.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

E.2.1 Calculation of the SCR

The SCR and MCR have been determined using the standard formula. AICL does not use undertaking-specific parameters. No internal or partial model was used in the calculation of the SCR.

AICL is not subject to any capital add-on at the end of the reporting period.

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

E.2.2 Calculation of the MCR

AICL - Capital Requirement (GBP'000)	2024 YE
Linear MCR	3,954
SCR	17,485
MCR cap	7,868
MCR floor	4,371
Combined MCR	4,371
Absolute floor of MCR	3,500
Minimum Capital Requirement	**4,371**

The MCR is determined by the standard formula as follows:

- The Linear MCR is calculated based on the net best estimates and net written premiums by UK Solvency II lines of business. The company's Linear MCR equated to £4.0m as at 31st December 2024.
- The Combined MCR is based on the Linear MCR and this should fall within a range between 25% (MCR floor) and 45% (MCR cap) of the SCR, being £4.4m and £7.9m respectively.
- The MCR is equal to the Combined MCR and greater than the Absolute floor of the MCR (AMCR). The AMCR is equivalent to GBP 3.5m for (re)insurers authorised for liability business.
- The company's MCR is therefore £4.4m

E.2.3 SCR by risk module

The following table shows the SCR by risk module:

AICL - Capital Requirement (GBP'000)	2024 YE
Underwriting Risk Non-Life	**14,302**
Diversification within UW Risk NL	*(743)*
Premium and Reserve Risk	14,096
Lapse Risk	203
CAT Risk	746
Underwriting Risk Life	**-**
Underwriting Risk Health	**-**
Market Risk	**3,920**
Diversification within Market Risk	*(2,578)*
Spread Risk	2,046
Interest Rate Risk	2,828
Currency Risk	761
Concentration Risk	862
Equity Risk	-
Property Risk	-
Credit Risk	**1,493**
Diversification within Credit Risk	*(103)*
Type 1	850
Type 2	746
BSCR post diversification	**16,567**
Diversification btw risk types	*(3,148)*
Operational Risk	**919**
SCR Adjustment	**0**
Solvency Capital Requirement (SCR)	**17,485**

E.2.4 Solvency Position

The following tables show the SCR and MCR ratio of the Company:

AICL - Eligible Capital to cover SCR (GBP'000)	2024 YE
Eligible Capital for SCR	**27,816**
Solvency Capital Requirement (SCR)	**17,485**
SCR ratio	**159%**

AICL - Eligible Capital to cover MCR (GBP'000)	2024 YE
Eligible Capital for MCR	**27,816**
Minimum Capital Requirement (MCR)	**4,371**
MCR ratio	**636%**

AICL is required to develop, implement, and action a robust and effective stress and scenario testing programme which assesses its ability to meet capital and liquidity requirements in stressed conditions.

A full suite of stress and scenario tests is conducted regularly including Reverse Stress Tests.

E.2.5 Other solvency matters

- The company does not make used of the duration-based equity risk sub-module of the SCR.
- The company does not use an internal capital model.

E.3 Difference between the standard formula and any internal model used

AICL does not make use of any internal model and the standard formula is appropriate.

E.4 Non-compliance with the MCR and non-compliance with the SCR

AICL maintains compliance with both the Minimum Capital Requirement and Solvency Capital Requirement.

E.5 Any other information

There is no other material information regarding the capital management.

F. Subsequent Events

F.1 Changes in the System of Governance

Between the reporting period and the signing date of this report, a proposal has been made for an entity specific Reserving Committee to be put in place.

F.2 Changes in the System of Governance Corporate Structure

There have been no changes to the corporate structure after the reporting period and up to the signing date of this report.

Appendix 1: Annual Reporting Templates (ARTs) for Public Disclosure

All monetary amounts are in GBP thousands.

General information

Entity name	Antares Insurance Company Limited
Entity identification code and type of code	LEI/984500DC50D2F96FFS88
Type of undertaking	Non-life undertakings
Country of incorporation	GB
Language of reporting	en
Reporting reference date	31 December 2024
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

IR.02.01.02 - Balance sheet

IR.05.02.01 - Premiums, claims and expenses by country: Non-life insurance and reinsurance obligations

IR.05.04.02 - Non-life income and expenditure : reporting period

IR.17.01.02 - Non-Life Technical Provisions

IR.19.01.21 - Non-Life insurance claims

IR.23.01.01 - Own Funds

IR.25.04.21 - Solvency Capital Requirement

IR.28.01.01 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

IR.02.01.02
Balance Sheet

		Solvency II value
	Assets	C0010
R0030	Intangible assets	
R0040	Deferred tax assets	
R0050	Pension benefit surplus	
R0060	Property, plant & equipment held for own use	0
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	33,636
R0080	*Property (other than for own use)*	0
R0090	*Holdings in related undertakings, including participations*	0
R0100	*Equities*	0
R0110	*Equities - listed*	
R0120	*Equities - unlisted*	
R0130	*Bonds*	28,629
R0140	*Government Bonds*	0
R0150	*Corporate Bonds*	28,629
R0160	*Structured notes*	0
R0170	*Collateralised securities*	0
R0180	*Collective Investments Undertakings*	0
R0190	*Derivatives*	
R0200	*Deposits other than cash equivalents*	5,007
R0210	*Other investments*	0
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	0
R0240	*Loans on policies*	0
R0250	*Loans and mortgages to individuals*	
R0260	*Other loans and mortgages*	
R0270	Reinsurance recoverables from:	4,039
R0280	*Non-life and health similar to non-life*	4,039
R0315	*Life and health similar to life, excluding index-linked and unit-linked*	
R0340	*Life index-linked and unit-linked*	
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	1,642
R0370	Reinsurance receivables	798
R0380	Receivables (trade, not insurance)	2,532
R0390	Own shares (held directly)	
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	4,894
R0420	Any other assets, not elsewhere shown	
R0500	**Total assets**	47,541

		Solvency II value
	Liabilities	C0010
R0505	Technical provisions - total	11,197
R0510	*Technical provisions - non-life*	11,197
R0515	*Technical provisions - life*	0
R0542	Best estimate - total	10,426
R0544	*Best estimate - non-life*	10,426
R0546	*Best estimate - life*	
R0552	Risk margin - total	771
R0554	*Risk margin - non-life*	771
R0556	*Risk margin - life*	
R0565	Transitional (TMTP) - life	
R0740	Contingent liabilities	
R0750	Provisions other than technical provisions	
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	
R0780	Deferred tax liabilities	
R0790	Derivatives	
R0800	Debts owed to credit institutions	
R0810	Financial liabilities other than debts owed to credit institutions	
R0820	Insurance & intermediaries payables	
R0830	Reinsurance payables	4,051
R0840	Payables (trade, not insurance)	4,478
R0850	Subordinated liabilities	0
R0860	*Subordinated liabilities not in Basic Own Funds*	
R0870	*Subordinated liabilities in Basic Own Funds*	0
R0880	Any other liabilities, not elsewhere shown	
R0900	**Total liabilities**	19,726
R1000	**Excess of assets over liabilities**	27,815

IR.05.02.01
Premiums, claims and expenses by country: Non-life insurance and reinsurance obligations

IR.05.02.01

Premiums, claims and expenses by country: Non-life insurance and reinsurance obligations

		C0010	C0020	C0030	C0040	C0050	C0060	C0070
		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
R0010								
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	Gross - Direct Business	35,587						35,587
R0120	Gross - Proportional reinsurance accepted							0
R0130	Gross - Non-proportional reinsurance accepted							0
R0140	Reinsurers' share	12,386						12,386
R0200	Net	23,202						23,202
	Premiums earned							
R0210	Gross - Direct Business	15,314						15,314
R0220	Gross - Proportional reinsurance accepted							0
R0230	Gross - Non-proportional reinsurance accepted							0
R0240	Reinsurers' share	4,811						4,811
R0300	Net	10,503						10,503
	Claims incurred							
R0310	Gross - Direct Business	10,415						10,415
R0320	Gross - Proportional reinsurance accepted							0
R0330	Gross - Non-proportional reinsurance accepted							0
R0340	Reinsurers' share	3,124						3,124
R0400	Net	7,290						7,290
R0550	**Net expenses incurred**	8,060						8,060

IR.05.04.02
Non-life income and expenditure: reporting period

IR.05.04.02
Non-life income and expenditure: reporting period

	All business (including annuities stemming from accepted non-life insurance and reinsurance contracts)	All non-life business (ie excluding annuities stemming from accepted insurance and reinsurance contracts)	Non-life insurance and accepted proportional reinsurance obligations										Non-life insurance and accepted proportional reinsurance obligations								Accepted non-proportional reinsurance				Annuities stemming from non-life insurance contracts	Annuities stemming from non-life accepted reinsurance contracts
			Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance - personal lines	Motor vehicle liability insurance - non-personal lines	Motor vehicle other motor insurance - personal lines	Motor vehicle other motor insurance - non-personal lines	Marine, aviation and transport insurance	Fire and other damage to property insurance - personal lines	Fire and other damage to property insurance - non-personal lines	General liability insurance				Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation and transport	Property		
													Employers Liability	Public & products Liability	Professional Indemnity	Other general liability										
	C0010	C0015	C0110	C0120	C0130	C0140	C0141	C0150	C0151	C0160	C0170	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0310	C0320	C0330	C0340	C0525	C0545
Income																										
Premiums written																										
R0110 Gross written premiums		35,587				0	5,528	0	1,559		0	0	0	220						28,28						
R0111 Gross written premiums - insurance (direct)		35,587				0	5,528	0	1,559		0	0	0	220						28,28						
R0113 Gross written premiums - accepted reinsurance		0				0	0	0	0		0	0	0	0												
R0160 Net written premiums		23,202				0	2,587	0	730		0	0	0	153						19,73						
Premiums earned and provision for unearned																										
R0210 Gross earned premiums		15,314				0	856	0	241		0	0	0	110						14,10						
R0220 Net earned premiums		10,503				0	455	0	128		0	0	0	76						9,84						
Expenditure																										
Claims incurred																										
R0610 Gross (undiscounted) claims incurred		10,415				0	583	0	164		0	0	0	73						9,59						
R0611 Gross (undiscounted) direct business		10,415				0	583	0	164		0	0	0	73						9,59						
R0612 Gross (undiscounted) reinsurance accepted		0				0	0	0	0		0	0	0	0												
R0690 Net (undiscounted) claims incurred		7,290				0	408	0	115		0	0	0	51						6,71						
R0730 Net (discounted) claims incurred	7,290	7,290																								
Analysis of expenses incurred																										
R0910 Technical expenses incurred net of reinsurance ceded	8,060																									
R0985 Acquisition costs, commissions, claims management costs	2,444	0				0	35	0	10		0	0	0	19						2,37						
Other expenditure																										
R1140 Other expenses	0																									
R1310 Total expenditure	14,589																									

IR.17.01.02
Non-Life Technical Provisions

IR.17.01.02

Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				Total non-life obligation
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
	Best estimate																	
	Premium provisions																	
R0060	Gross				-165	-47		0	6				2,991					2,785
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default				398	112			5				1,232					1,747
R0150	**Net Best Estimate of Premium Provisions**				-563	-159		0	1				1,760					1,038
	Claims provisions																	
R0160	Gross				543	153		0	52				6,892					7,641
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default				163	46			16				2,068					2,292
R0250	**Net Best Estimate of Claims Provisions**				380	107		0	37				4,825					5,349
R0260	**Total best estimate - gross**				378	107			58				9,884					10,426
R0270	**Total best estimate - net**				-183	-52		0	37				6,584					6,387
R0280	**Risk margin**				55	15			5				696					771
R0320	**Technical provisions - total**				433	122		0	63				10,579					11,197
R0330	**Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total**				561	158		0	20				3,299					4,039
R0340	**Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total**				-128	-36		0	43				7,280					7,158

IR 19.01.21
Non-Life Insurance Claims

Total non-life business

Z0020 **Accident year / underwriting year** Underwriting year

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

		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
	Year	Development year											In Current	Sum of years
		0	1	2	3	4	5	6	7	8	9	10 & +	year	(cumulative)
R0100	Prior											0	0	0
R0160	-9	0	0	0	0	0	0	0	0	0	0		0	0
R0170	-8	0	0	0	0	0	0	0	0	0			0	0
R0180	-7	0	0	0	0	0	0	0	0				0	0
R0190	-6	0	0	0	0	0	0	0					0	0
R0200	-5	0	0	0	0	0	0						0	0
R0210	-4	0	0	0	0	0							0	0
R0220	-3	0	0	0	0								0	0
R0230	-2	0	0	0									0	0
R0240	-1	0	0										0	0
R0250	0	2,659											2,659	2,659
R0260												Total	2,659	2,659

Gross Undiscounted Best Estimate Claims Provisions
(absolute amount)

		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
	Year	Development year											Year end (discounted data)
		0	1	2	3	4	5	6	7	8	9	10 & +	
R0100	Prior											0	0
R0160	-9	0	0	0	0	0	0	0	0	0	0		0
R0170	-8	0	0	0	0	0	0	0	0	0			0
R0180	-7	0	0	0	0	0	0	0	0				0
R0190	-6	0	0	0	0	0	0	0					0
R0200	-5	0	0	0	0	0	0						0
R0210	-4	0	0	0	0	0							0
R0220	-3	0	0	0	0								0
R0230	-2	0	0	0									0
R0240	-1	0	0										0
R0250	0	7,755											7,515
R0260												Total	7,515

IR.19.01.21.22
Gross premium

		C0570	C0580
		Gross earned premium at reporting reference date	Estimate of future gross earned premium
R0160	N-9	0	0
R0170	N-8	0	0
R0180	N-7	0	0
R0190	N-6	0	0
R0200	N-5	0	0
R0210	N-4	0	0
R0220	N-3	0	0
R0230	N-2	0	0
R0240	N-1	0	0
R0250	N	15,314	20,273

IR.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	Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
R0010	Ordinary share capital (gross of own shares)	32,500	32,500		0	
R0030	Share premium account related to ordinary share capital	0	0		0	
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	0	0		0	
R0050	Subordinated mutual member accounts	0		0	0	0
R0070	Surplus funds	0	0			
R0090	Preference shares	0		0	0	0
R0110	Share premium account related to preference shares	0		0	0	0
R0130	Reconciliation reserve	-4,685	-4,685			
R0140	Subordinated liabilities	0		0	0	0
R0160	An amount equal to the value of net deferred tax assets	0				0
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above	0	0	0	0	0
R0220	**Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds**	0				
R0290	**Total basic own funds after deductions**	27,815	27,815	0	0	0
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	0				
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0				
R0320	Unpaid and uncalled preference shares callable on demand	0				
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0				
R0340	Letters of credit and guarantees	0				
R0350	Letters of credit and guarantees other	0				
R0360	Supplementary members calls	0				
R0370	Supplementary members calls - other	0				
R0390	Other ancillary own funds	0				
R0400	**Total ancillary own funds**	0			0	0
	Available and eligible own funds					
R0500	Total available own funds to meet the SCR	27,815	27,815	0	0	0
R0510	Total available own funds to meet the MCR	27,815	27,815	0	0	
R0540	Total eligible own funds to meet the SCR	27,815	27,815	0	0	0
R0550	Total eligible own funds to meet the MCR	27,815	27,815	0	0	
R0580	**SCR**	17,485				
R0600	**MCR**	4,371				
R0620	**Ratio of Eligible own funds to SCR**	159.08%				
R0640	**Ratio of Eligible own funds to MCR**	636.31%				

	Reconcilliation reserve	C0060
R0700	Excess of assets over liabilities	27,815
R0710	Own shares (held directly and indirectly)	0
R0720	Foreseeable dividends, distributions and charges	
R0725	Deductions for participations in financial and credit institutions	
R0730	Other basic own fund items	32,500
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0
R0760	**Reconciliation reserve**	-4,685

IR.25.04.21
Solvency Capital Requirement

	Net of loss absorbing capacity of technical provisions	
	Market risk	C0010
R0070	Interest rate risk	2,828
R0080	Equity risk	0
R0090	Property risk	0
R0100	Spread risk	2,046
R0110	Concentration risk	862
R0120	Currency risk	761
R0125	Other market risk	
R0130	Diversification within market risk	-2,578
R0140	**Total Market risk**	3,920
	Counterparty default risk	
R0150	Type 1 exposures	850
R0160	Type 2 exposures	746
R0165	Other counterparty risk	
R0170	Diversification within counterparty default risk	-103
R0180	**Total Counterparty default risk**	1,493
	Life underwriting risk	
R0190	Mortality risk	
R0200	Longevity risk	
R0210	Disability-Morbidity risk	
R0220	Life-expense risk	
R0230	Revision risk	
R0240	Lapse risk	
R0250	Life catastrophe risk	
R0255	Other life underwriting risk	
R0260	Diversification within life underwriting risk	
R0270	**Total Life underwriting risk**	0
	Health underwriting risk	
R0280	Health SLT risk	
R0290	Health non SLT risk	
R0300	Health catastrophe risk	
R0305	Other health underwriting risk	
R0310	Diversification within health underwriting risk	
R0320	**Total Health underwriting risk**	0
	Non-life underwriting risk	
R0330	Non-life premium and reserve risk (ex catastrophe risk)	14,096
R0340	Non-life catastrophe risk	746
R0350	Lapse risk	203

R0355	Other non-life underwriting risk	
R0360	Diversification within non-life underwriting risk	-743
R0370	**Non-life underwriting risk**	14,302
R0400	**Intangible asset risk**	
	Operational and other risks	
R0422	Operational risk	919
R0424	Other risks	
R0430	**Total Operational and other risks**	919
R0432	**Total before all diversification**	24,058
R0434	Total before diversification between risk modules	20,634
R0436	Diversification between risk modules	-3,148
R0438	**Total after diversification**	17,485
R0440	Loss absorbing capacity of technical provisions	
R0450	Loss absorbing capacity of deferred tax	
R0455	Other adjustments	
R0460	**Solvency capital requirement including undisclosed capital add-on**	17,485
R0472	Disclosed capital add-on - excluding residual model limitation	
R0474	Disclosed capital add-on - residual model limitation	
R0480	**Solvency capital requirement including capital add-on**	17,485
R0490	Biting interest rate scenario	
R0495	Biting life lapse scenario	

IR.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	C0010			
R0010	MCR_{NL} Result	3,954			
				Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
				C0020	C0030
R0020	Medical expense insurance and proportional reinsurance			0	0
R0030	Income protection insurance and proportional reinsurance			0	0
R0040	Workers' compensation insurance and proportional reinsurance			0	0
R0050	Motor vehicle liability insurance and proportional reinsurance			0	2,587
R0060	Other motor insurance and proportional reinsurance			0	730
R0070	Marine, aviation and transport insurance and proportional reinsurance			0	0
R0080	Fire and other damage to property insurance and proportional reinsurance			0	0
R0090	General liability insurance and proportional reinsurance			37	153
R0100	Credit and suretyship insurance and proportional reinsurance			0	0
R0110	Legal expenses insurance and proportional reinsurance			0	0
R0120	Assistance and proportional reinsurance			0	0
R0130	Miscellaneous financial loss insurance and proportional reinsurance			6,584	19,731
R0140	Non-proportional health reinsurance			0	0
R0150	Non-proportional casualty reinsurance			0	0
R0160	Non-proportional marine, aviation and transport reinsurance			0	0
R0170	Non-proportional property reinsurance			0	0
	Linear formula component for life insurance and reinsurance obligations	C0040			
R0200	MCR_{L} Result	0			
				Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
				C0050	C0060
R0210	Obligations with profit participation - guaranteed benefits				
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	3,954			
R0310	SCR	17,485			
R0320	MCR cap	7,868			
R0330	MCR floor	4,371			
R0340	Combined MCR	4,371			
R0350	Absolute floor of the MCR	3,500			
R0400	**Minimum Capital Requirement**	4,371			