PREMIER UNDERWRITING HOLDINGS (GIBRALTAR) LIMITED

PREMIER INSURANCE COMPANY LIMITED

GROUP AND SOLO SOLVENCY AND FINANCIAL CONDITION REPORT

As at 31 December 2018

Contents

Glossary

EIOPA	European Insurance and Occupational Pensions Authority
ENIDs	Events not in Data
GAAP	Generally Accepted Accounting Principles
MCR	Minimum Capital Requirement
ORSA	Own Risk and Solvency Assessment
PACSL	Premier Advisory and Consulting Services Limited
PICL	Premier Insurance Company Limited
PPO	Periodic Payment Order
PUDEL	Premier Underwriting Developments (Europe) Limited
PUHGL	Premier Underwriting Holdings (Gibraltar) Limited
PUL	Premier Underwriting Limited
QRT	Quarterly Reporting Template
RSR	Regular Supervisory Report
SCR	Solvency Capital Requirement
SFCR	Solvency and Financial Condition Report

Summary

Introduction

Premier Underwriting Holdings (Gibraltar) Limited ("PUHGL" or "the Holding Company") is an insurance holding company. Together with its subsidiaries, Premier Insurance Company Limited ("PICL" or "the Company"), Premier Underwriting Developments (Europe) Limited ("PUDEL") and Premier Advisory and Consulting Services Limited ("PACSL"), PUHGL comprises an insurance group ("Premier Group" or "the Group"). PICL is an insurance company licensed by the Gibraltar Financial Services Commission. PUDEL is an insurance intermediary licensed by the Gibraltar Financial Services Commission. PACSL is an unlicensed company providing consultancy services. This report has been prepared to reflect both PICL's and the Premier Group's position.

Business and Performance

PICL is the only insurance company within the group and during the year to 31 December 2018 PICL underwrote £18.2 million of premium (2017 – £25.9 million) and achieved a profit before tax of £0.7 million (2017 – £0.8 million).

In line with the business model, premium written has reduced during the year due to adverse market conditions. The Company's business model continues to be to underwrite for profit and therefore to allow premium to shrink to a certain extent when the market is less profitable. The continuing profitability demonstrates the success of the business model and the tight control over underwriting. All business written was motor business in the United Kingdom.

On a consolidated basis, the Group achieved a profit before tax of £1.3 million (2017 – £1.5 million), which is largely a reflection of the profitable underwriting result achieved by PICL during the year. In addition to the underwriting carried out by PICL, PUDEL generates further commission income for the Group, amounting to £0.3 million (2017 – £0.5 million) during the year.

Investment income resulted in a loss of some £0.1 million for the year (2017 – profit of £0.2 million).

PICL purchases both Excess of Loss and Quota Share reinsurance to protect the business against the impact of both large and attritional losses and to assist with the effective management of capital. Excess of Loss retention is limited to £500,000.

Systems of Governance

During the year, PICL and the Group operated a largely outsourced business model, with outsourced providers both within the wider group and externally. In particular, day-to-day operational management is outsourced to PICL's insurance manager, Artex Risk Solutions (Gibraltar) Limited and the Group's company manager, Artex Corporate Services (Gibraltar) Limited. This encompasses in particular financial accounting, assistance with risk management, Solvency II reporting, company secretarial and compliance services. Other key outsourced services comprise policy administration and the provision of management information, which is outsourced to Premier Underwriting Limited ("PUL") – a company under common ownership but not part of the insurance group, and claims handling, which is outsourced to Motorcare Services Limited.

During 2019 PICL and the Group have begun to take certain functions fully in-house, in particular finance and risk management. However, other services continue to be outsourced.

PICL and the Group both have strong systems of governance, proportionate to the size and complexity of the operation, with the processes and procedures and the overall systems of governance being constantly reviewed and improved where necessary.

Over-arching responsibility for governance of the Group rests with the PUHGL Board. The two PUHGL Directors also being Directors of PICL ensures appropriate communication between the insurance company subsidiary and its parent.

During the year, PICL's Board was comprised of two Executive and two Non-Executive Directors and the Company operates via two sub-committees: Claims and Underwriting Committee and Investment Committee, with audit oversight and risk management being retained by the Board. The Board is responsible for overseeing the business of PICL, for providing strategic direction and for supervising management. While the Board delegates certain functions to its sub-committees, this does not absolve the Directors of their responsibility to the Company.

The Company complies with all requirements with regard to key functions and fitness and propriety, with further detail on this provided in section B. There were no material changes to the Company's or the Group's systems of governance during the period.

Risk Profile

PICL and the Group have a strong risk management system, which categorises risk into strategic risk, insurance risk, investment risk, liquidity risk, credit risk, concentration risk, operational risk and reputational risk.

The risk management policy is intended to

- identify all material risks
- assess their overall likelihood and impact
- put in place appropriate mitigations and controls to minimise and manage risks
- monitor risks on an ongoing basis and
- report risks to the appropriate forums.

The key risks currently identified by management are:

- Higher than expected future claims frequency
- Higher than expected future average cost per claim
- UK exiting the EU
- Increasing requirements from brokers for rated paper

Valuation for Solvency Purposes

Section D of this report sets out in detail the inputs, bases and methods for recognition and valuation of assets and liabilities, including a comparison between Solvency II and GAAP valuation. The main valuation differences arise from reclassifications and from differences in the valuation of technical provisions.

Capital Management

PICL and the Group maintain a strong capital base, enabling both to meet their regulatory and their internal capital requirements at all times. The intention is to continue to build the capital base to allow for careful growth in the future business. The Company and the Group do not make use of any transitional measures.

As at 31 December 2018, the Company's and the Group's solvency position were as set out below:

	PICL – Solo	Premier Group
Eligible Own Funds (Tier 1)	15,940	22,201
SCR	9,533	9,825
SCR Coverage	167%	226%
MCR	3,288	3,288
MCR Coverage	485%	675%

Both PICL and the Group have continuously complied with the capital requirements over the reporting period.

A Business and Performance

A.1 Business Information

A.1.1 Company Details

The following Companies are included in this SFCR:

- Premier Insurance Company Limited (“PICL”), incorporated in Gibraltar and a Company limited by shares, registered number 100875
- Premier Underwriting Holdings (Gibraltar) Limited (“PUHGL”), incorporated in Gibraltar and a Company limited by shares, registered number 100876
- Premier Underwriting Developments (Europe) Limited (“PUDEL”), incorporated in Gibraltar and a Company limited by shares, registered number 102244
- Premier Advisory and Consulting Services Limited (“PACSL”), incorporated in Gibraltar and a Company limited by shares, registered number 108125

The Registered office for all companies is:

P.O. Box 1338
First Floor
Grand Ocean Plaza
Ocean Village
Gibraltar

This Solvency and Financial Condition Report covers PUHGL and its subsidiaries on a group basis and PICL on a solo basis.

A.1.2 Supervisory Authority

PICL and PUDEL are regulated by:

Gibraltar Financial Services Commission
P.O. Box 940
Suite 3, Ground Floor
Atlantic Suites
Europort Avenue
Gibraltar

The Gibraltar Financial Services Commission is also the Group supervisory authority

A.1.3 Auditor

PUHGL’s and the Group’s auditors are:

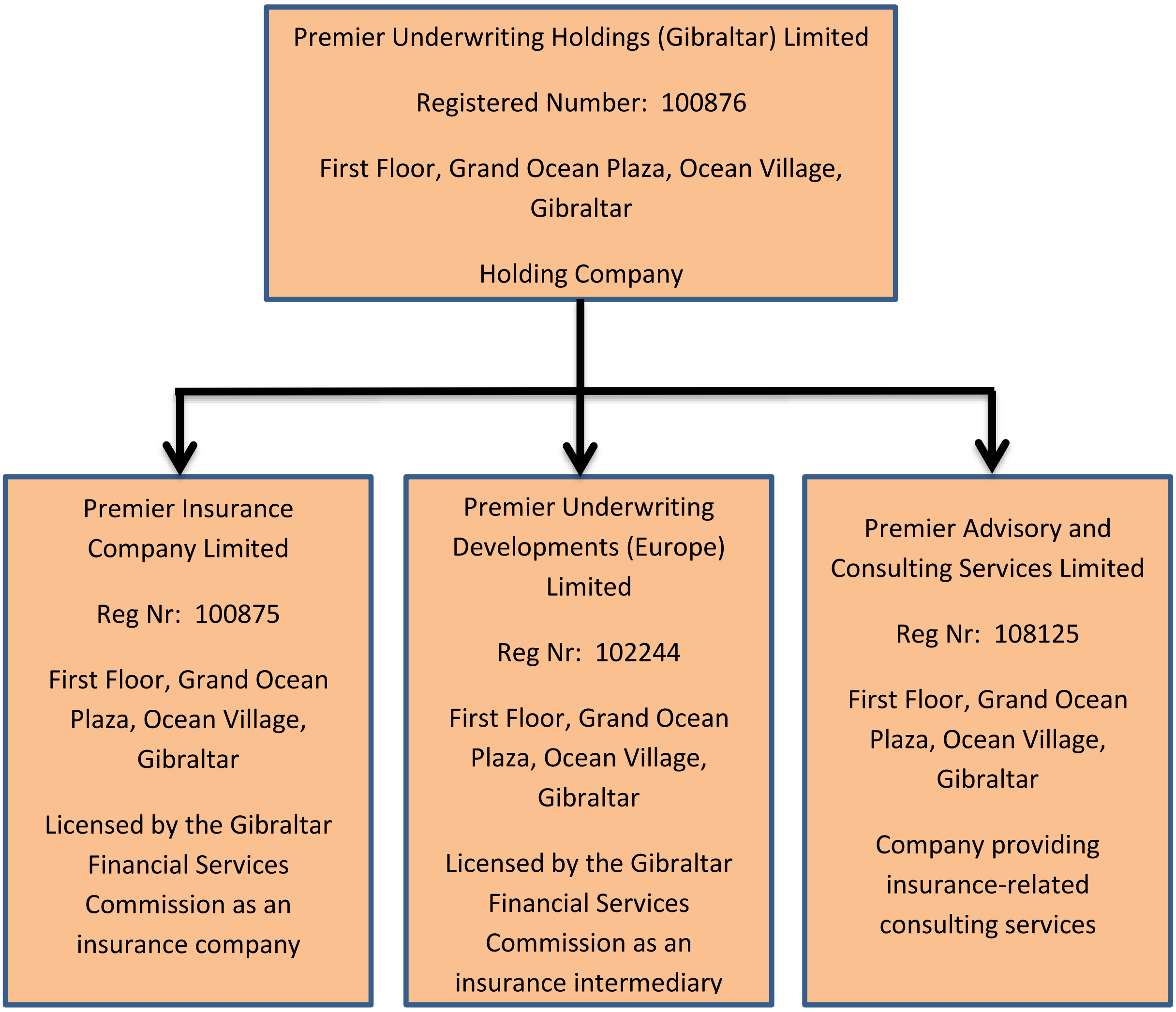
RSM Audit (Gibraltar) Limited
21 Engineer Lane
Gibraltar

A.1.4 Ultimate Shareholders

All subsidiaries are 100% owned by PUHGL. PUHGL is 100% owned by Paul Christopher Gray.

A.1.5 Group Structure

The Group consists of the following entities:



In addition to the above companies, PICL outsources services to Premier Underwriting Limited ("PUL"), a UK company licensed by the Financial Conduct Authority as an insurance intermediary. PUL is under common ownership, but is not owned by PUHGL.

A.1.6 Material Lines of Business and Geographical Areas

PICL is the only insurance company in the group and the Company's only business is UK motor insurance. Gross written premium during the year amounted to £18.2 million (2017 - £25.9 million). Net (of reinsurance) written premium amounted to £11.4 million (2017 - £15.6 million). All business has been conducted in the UK.

A.1.7 Significant Business or Other Events

On 27th February 2017 the Lord Chancellor announced a reduction in the Ogden discount rate from 2.5% to -0.75%. The impact of this change had a significant impact on the gross cost of certain high-value personal injury claims.

Whilst the discount rate will be reviewed during 2019, and expectations are that it will increase from the current rate of -0.75%, the Company has continued to reserve affected claims at the current rate, due to uncertainty both with regard to the timing and the magnitude of any change.

A.2 Underwriting Performance

PICL is the only insurance company in the Group and underwrote solely UK motor business during the year.

The Company mitigates its risk through a mixture of Quota Share and Excess of Loss reinsurance. This provides protection both against adverse performance from attritional losses and from large claims.

All companies in the Group prepare their financial statements in accordance with Generally Accepted Accounting Principles in Gibraltar ("GAAP") and the underwriting performance information given in this section is therefore on a GAAP basis.

The following tables summarise the technical account performance for the year ended 31 December 2018 for both PICL and the Group, together with comparatives for the year ended 31 December 2017.

Year ended 31 December 2018 – PICL

Solo	As at 31 December 2018			
	Motor Liability	Other Motor	Annuities	Total
	£'000	£'000	£'000	£'000
Gross written premiums	16,436	1,760		18,197
Outward reinsurance premiums	(6,340)	(440)		(6,780)
Net written premiums	10,096	1,320		11,416
				0
Change in the gross provision of unearned premiums	1,971	201		2,171
Change in the provision for unearned premiums - reinsurers' share	(843)	(50)		(894)
Change in the net provision for unearned permiums	1,127	150		1,278
Earned premiums, net of reinsurance	11,223	1,471	0	12,694
Claims paid - gross amount	13,459	2,366	291	16,116
Claims paid - reinsurers' share	(4,816)	(590)	(291)	(5,698)
Net claims paid	8,643	1,775	0	10,418
Change in provision for claims - gross amount	(3,453)	(1,250)	(292)	(4,995)
Change in provision for claims - reinsurers' share	2,643	312	292	3,246
Change in net provision for claims	(810)	(938)	0	(1,749)
Claims incurred, net of reinsurance	7,833	837	0	8,669
Net operating expenses	3,129	337		3,466
Balance on the technical account	262	297	0	559

Note that this information is based on the filed Annual Reporting Templates, which were completed prior to finalisation of the 2018 Financial Statements. As a result of late adjustments, the final result for the year for PICL is an increase in the technical account balance of £0.1 million.

Year ended 31 December 2018 – Group

Group	As at 31 December 2018			
	Motor Liability	**Other Motor**	**Annuities**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Gross written premiums	16,436	1,760		18,197
Outward reinsurance premiums	(6,340)	(440)		(6,780)
Net written premiums	10,096	1,320		11,416
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Change in provision for claims - reinsurers' share	2,643	312	292	3,246
Change in net provision for claims	(810)	(938)	0	(1,749)
Claims incurred, net of reinsurance	7,833	837	0	8,669
Net operating expenses	2,607	281		2,888
Balance on the technical account	783	353	0	1,137

Year ended 31 December 2017 – PICL

Solo	As at 31 December 2017			
	Motor Liability	Other Motor	Annuities	Total
	£'000	£'000	£'000	£'000
Gross written premiums	23,349	2,541		25,890
Outward reinsurance premiums	(9,278)	(1,016)		(10,294)
Net written premiums	14,071	1,524		15,596
				0
Change in the gross provision of unearned premiums	(972)	(64)		(1,037)
Change in the provision for unearned premiums - reinsurers' share	1,502	26		1,528
Change in the net provision for unearned permiums	529	(39)		491
Earned premiums, net of reinsurance	13,542	1,563	0	15,105
Claims paid - gross amount	14,921	3,399	250	18,571
Claims paid - reinsurers' share	(7,334)	(1,234)	(221)	(8,788)
Net claims paid	7,588	2,166	30	9,783
Change in provision for claims - gross amount	23,476	(1,743)	(226)	21,506
Change in provision for claims - reinsurers' share	(20,946)	571	211	(20,164)
Change in net provision for claims	2,530	(1,172)	(15)	1,343
Claims incurred, net of reinsurance	10,117	994	15	11,126
Net operating expenses	3,256	315		3,571
Balance on the technical account	169	254	(15)	408

Year ended 31 December 2017 - Group

Group	As at 31 December 2017			
	Motor Liability	Other Motor	Annuities	Total
	£'000	£'000	£'000	£'000
Gross written premiums	23,349	2,541		25,890
Outward reinsurance premiums	(9,278)	(1,016)		(10,294)
Net written premiums	14,071	1,524		15,596
				0
Change in the gross provision of unearned premiums	(972)	(64)		(1,037)
Change in the provision for unearned premiums - reinsurers' share	1,502	26		1,528
Change in the net provision for unearned permiums	529	(39)		491
Earned premiums, net of reinsurance	13,542	1,563	0	15,105
Claims paid - gross amount	14,921	3,399	250	18,571
Claims paid - reinsurers' share	(7,334)	(1,234)	(221)	(8,788)
Net claims paid	7,588	2,166	30	9,783
Change in provision for claims - gross amount	23,476	(1,743)	(226)	21,506
Change in provision for claims - reinsurers' share	(20,946)	571	211	(20,164)
Change in net provision for claims	2,530	(1,172)	(15)	1,343
Claims incurred, net of reinsurance	10,117	994	15	11,126
Net operating expenses	2,275	221		2,497
Balance on the technical account	1,149	348	(15)	1,482

Policy volumes fell during the year on the back of adverse market conditions, with competitors reducing rates in order to maintain volumes. PICL continued pursuing its strategy of writing for profit not volume and this is demonstrated in the result that was achieved in a challenging environment.

A similar reduction in volume impactecd the commission earned by PUDEL and hence the overall result for the Group. However, in spite of these conditions, the Group managed to achieve a profit in excess of £1 million.

A.3 Investment Performance

PICL invests in a diversified portfolio comprising corporate and government bonds, together with some investment in collective investment schemes. In addition, the Company and the Group have deposits with banks (to ensure appropriate diversification and liquidity) and investments in fixed property.

The Group's investment portfolio comprises:

Group	**As at 31 December 2018**		**As at 31 December 2017**	
	Amount	**% of Total**	**Amount**	**% of Total**
	£'000	**%**	**£'000**	**%**
Investible Assets				
Corporate bonds	20,263	56%	19,471	51%
Government bonds	1,540	4%	4,267	11%
Funds	3,206	9%	2,378	6%
Derivatives	(862)	-2%	(195)	-1%
Property	4,336	12%	4,810	13%
Cash and Cash Equivalents	7,763	21%	7,578	20%
Total	36,247	100%	38,310	100%

The Company's investment portfolio comprises:

Solo	**As at 31 December 2018**		**As at 31 December 2017**	
	Amount	**% of Total**	**Amount**	**% of Total**
	£'000	**%**	**£'000**	**%**
Investible Assets				
Corporate bonds	19,629	64%	19,471	59%
Government bonds	1,540	5%	4,267	13%
Funds	3,206	10%	2,378	7%
Derivatives	(862)	-3%	(195)	-1%
Property	2,250	7%	2,225	7%
Cash and Cash Equivalents	4,849	16%	4,671	14%
Total	30,613	100%	32,818	100%

The Group's investment returns and expenses were:

Group	As at 31 December 2018		As at 31 December 2017	
	Amount	**% of Total**	**Amount**	**% of Total**
	£'000	**%**	**£'000**	**%**
Investment Income				
Corporate bonds	(136)	576%	252	77%
Government bonds	(5)	21%	68	21%
Funds	19	-82%	18	6%
Derivatives	185	-783%	23	7%
Property	76	-323%	(36)	-11%
Cash and Cash Equivalents	(4)	17%	2	1%
Investment Management Fees	(160)	675%		0%
Total	(24)	100%	327	100%

The Company's investment returns and expenses were:

Solo	As at 31 December 2018		As at 31 December 2017	
	Amount	**% of Total**	**Amount**	**% of Total**
	£'000	**%**	**£'000**	**%**
Investment Income				
Corporate bonds	136	-47%	252	108%
Government bonds	5	-2%	68	29%
Funds	(19)	7%	18	8%
Derivatives	(184)	63%	23	10%
Property	(76)	26%	(34)	-15%
Cash and Cash Equivalents	4	-1%	2	1%
Investment Management Fees	(157)	54%	(96)	-41%
Total	(291)	100%	233	100%

The investment portfolios are actively managed, with assets not necessarily held until maturity. PICL utilises the services of experienced investment managers to manage its investment portfolios.

PICL and the Group do not invest in securitisations and have not recognised any gains or losses directly to equity.

A.4 Performance of other Activities

PICL receives reinsurance commission from its Quota Share partner as a contribution to costs, which is a flat commission and does not vary with the performance of the business. In addition, the Company receives a profit commission from its Quota Share partner depending on performance, which is only recognised when it becomes due. PICL also pays profit commission to PUL depending on the performance of the business.

PUDEL received a flat commission from its capacity providers together with a performance-based profit commission.

The table below shows the amounts accounted for by the Group 2018.

Group	**31/12/2018**	**31/12/2017**
	£'000	**£'000**
Earned Commission		
Reinsurance Commission - PICL	122	267
Net Profit Commission - PICL	(14)	(223)
Net Commission Income - PUDEL	281	397
Net Profit Commission - PUDEL	0	106
Total	389	546

The table below shows the amounts accounted for by the Company.

Solo	31/12/2018	31/12/2017
	£'000	£'000
Earned Commission		
Reinsurance Commission - PICL	122	267
Profit Commission - Receivable	194	261
Profit Commission - Payable	(208)	(485)
Total	108	43

Note that the profit commission receivable was not included in the Annual Reporting Templates, as it was not known at the time of filing.

A.5 Any other Information

There are no other material matters with regard to the Company's performance.

B Systems of Governance

B.1 General Information on Systems of Governance

B.1.1 Structure of the Board and Committees

During the year, the following companies in the Group operated as set out below:

PUHGL – Board of Directors comprising:

- Paul Gray
- Stephen Quinn

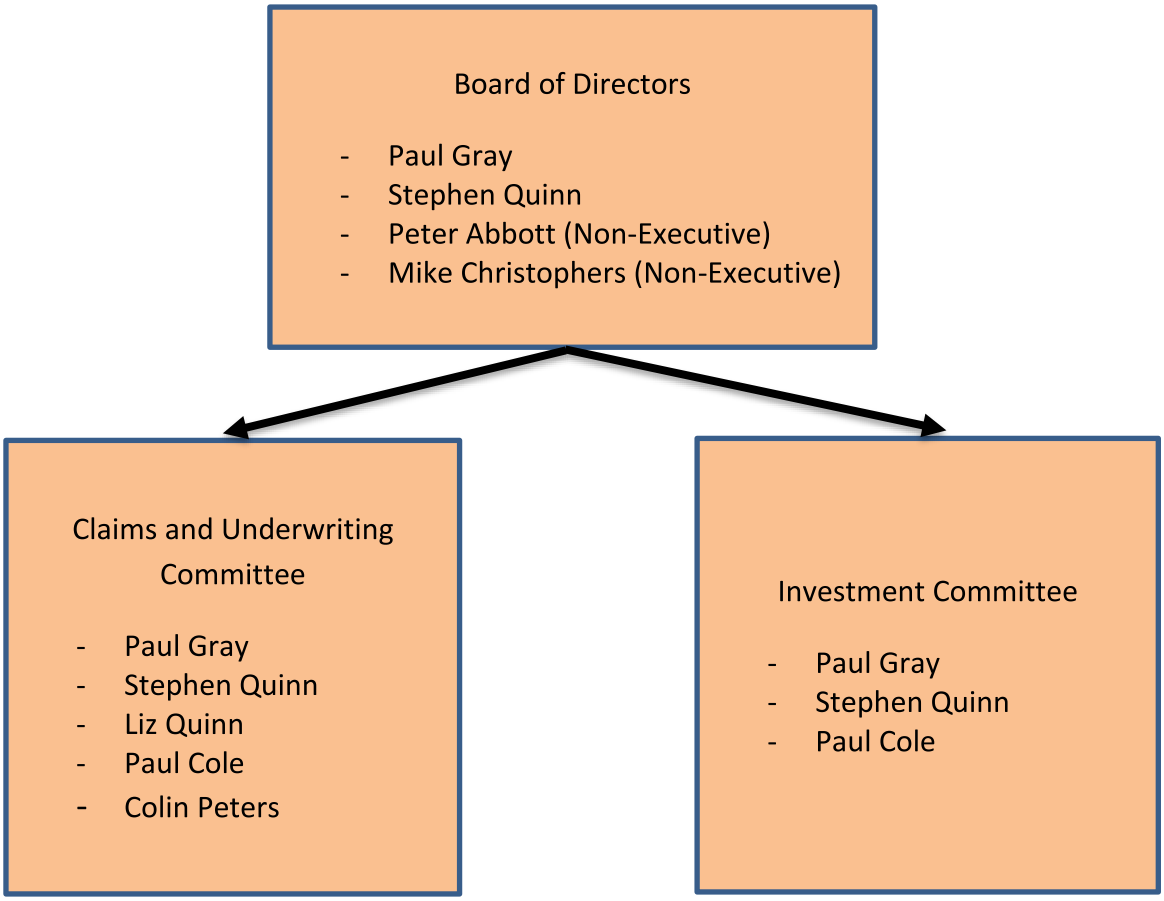
PUDEL – Board of Directors comprising:

- Paul Gray
- Peter Abbott (Non-Executive)
- Liz Quinn (Non-Executive)
- Mike Christophers (Non-Executive)

PACSL – Board of Directors comprising:

- Paul Gray
- Stephen Quinn

PICL operates through a main Board and two Sub-Committees, with the directors and members as at 31 December 2018 as set out below:



The Company Secretary for all companies in the Group is Raphael Jacob Abergel.

On 1 March 2019 Liz Quinn was appointed to the Board of PICL.

PUHGL retains over-arching responsibility for the governance of the Group, adopting a risk-based approach to the implementation of appropriate processes and procedures. The Group has common directors between PUHGL and its various subsidiaries, thus ensuring appropriate communication and oversight.

PICL and the wider Group have decided not to establish Audit and Risk Committees, with responsibility for these functions being retained by the respective Boards. However, on behalf of the Group, PICL has day-to-day responsibility for risk management. Accordingly the processes set out below also apply to the wider group where relevant.

The Company's Board is responsible for overseeing the business of PICL, for providing strategic direction and for supervising management. While the Board delegates certain functions to Sub-Committees, this does not absolve the Directors of their responsibility to the Company.

The PICL Board operates under agreed Terms of Reference which set out the following key responsibilities:

- Setting the strategic direction and objectives of the Company
- Ensuring the integrity and reliability of the Company's finances, including
    - Business planning

  - Capital and Solvency position
  - Directors' remuneration
  - Dividend policy
  - Accounting policies
  - Approval of public documents
- Approving, managing and monitoring the internal and external audit strategy and the performance and effectiveness of the external and internal auditors
- Establishing an appropriate internal control system and monitoring its effectiveness
- Approving the underwriting strategy and policy and monitoring its implementation
- Establishing an effective risk management framework including risk management strategies and policies and risk appetite and tolerance limits
- Overseeing the calculation of the SCR and technical provisions
- Overseeing, guiding and challenging the ORSA and approving the ORSA report
- Overseeing the completion of quarterly and annual QRTs, the SFCR and the RSR

The Company has in place a Claims and Underwriting Committee, which operates under agreed Terms of Reference approved by the Board. The key responsibilities of the Committee include:

- Implementing and overseeing the claims handling, reserving and settlement strategy and philosophy
- Overseeing the performance of all product lines and intermediaries/distributors
- Receiving, considering, reviewing, challenging and agreeing recommendations and proposals for changes to the underwriting and/or rating
- Considering business opportunities and underwriting proposals presented by management
- Assisting with the negotiation, placement, performance and monitoring of the reinsurance arrangements
- Providing input into the calculation of the SCR and technical provisions
- Providing input into the ORSA process
- Considering and advising on insurance risk management, including risk identification, controls, appetite and mitigation
- Monitoring and reporting on market trends and legislative or regulatory changes
- Reporting on all relevant matters to the Board

The Company has in place an Investment Committee, which operates under agreed Terms of Reference approved by the Board. The key responsibilities of the Committee include:

- Providing guidance on, managing and monitoring the investment and cash flow strategy
- Overseeing the performance of investments and investment managers
- Advising on investment risk strategy and policy and risk appetites and limits
- Providing input into the calculation of the SCR
- Providing input into the ORSA process
- Ensuring appropriate information is provided for regulatory reporting purposes
- Reporting on all relevant matters to the Board

B.1.2 Key Functions

PICL has in place the four key functions as required by the Solvency II Directive. These are:

- Risk Management
- Compliance
- Actuarial
- Internal Audit

These functions are responsible for providing oversight of the relevant area and providing assurance to the Board on the operation of the Company's risk management framework. All functions are overseen by Directors of the business, thus ensuring they have the appropriate authority to carry out their roles. The PICL key functions are also responsible for these areas on the Group basis.

B.1.2.1 Risk Function

The Board of PICL retains full responsibility for the risk function. During the year, the function was overseen by Stephen Quinn. From March 2019, responsibility for this function now rests with Liz Quinn.

The function holder is supported in his/her role by the outsourced service providers, including the Company's insurance manager and the third party administrator, who provide input into and assistance with risk management and provide regular risk reporting.

The Board has retained responsibility for risk management and the function therefore has the required authority to fill its role.

B.1.2.2 Compliance Function

PICL outsources compliance services to its insurance manager, with the function overseen by Paul Gray for the year to 31 December 2018. From March 2019, responsibility for this area has been taken over by Stephen Quinn. The compliance team works closely with the wider group in providing compliance services to the Company.

The Board has approved a compliance monitoring programme, which is updated on an annual basis, and is intended to ensure that PICL complies at all times with all relevant rules, regulations, legislation and guidance to which the Company is subject, both in Gibraltar and, where applicable, in the UK.

Being outsourced, the function is operationally independent from the other areas of the business and, while it reports to the Board, the Board is not able to influence the function or to exert other inappropriate pressures. The Compliance function is authorised to access all areas of the business and is therefore entitled to full and unrestricted access to all information, records, property, personnel and activities, including those residing with outsourced service providers.

The Compliance function formally reports to the Board on a quarterly basis.

B.1.2.3 Actuarial Function

The Actuarial Function has specific duties and responsibilities under Solvency II. PICL outsources the services of this function to an independent provider, with Paul Gray acting as the Actuarial Function Holder. In addition, PICL retains an external actuary, Milliman LLP, to carry out at least annual reserve reviews and provide an element of operational independence.

Specific duties of the Actuarial Function include, but are not limited to:

- Coordinating the calculation of the firm's technical provisions
- Assessing the sufficiency and quality of the data used in the calculation of technical provisions against the data quality standards as set in Solvency II
- Informing the Board of the reliability and adequacy of the calculation of technical provisions
- Expressing an opinion on the overall underwriting policy
- Expressing an opinion on the adequacy of reinsurance arrangements
- Contributing to the effective implementation of the risk management system
- Preparing the Actuarial Function Report for the Board at least annually

Although the function is overseen by an Executive Director, the fact that it is outsourced provides a high degree of independence from the day-to-day operations of the business.

B.1.2.4 Internal Audit

During the year to 31 December 2018, PICL's Internal Audit function was overseen by one of the Company's Non-Executive Director, Peter Abbott. Post March 2019, Mike Christophers has taken on this role. Internal Audit is responsible for evaluating the approach to risk management and governance, with particular emphasis on the internal control system.

PICL outsources the Internal Audit function to PwC, who have the skills, knowledge and expertise to provide the services and are entirely independent from operational aspects of the business.

B.1.3 Changes during the Period

No changes in Directors took place during the year for any companies in the Group. However, as outlined above, Liz Quinn was appointed to the Board post year end on 1 March 2019.

B.1.4 Remuneration Policy

PUGHL/PUDEL/PACSL

These Companies do not have any employees other than the Directors. Only the Non-Executive Directors of PUDEL receive remuneration in the form of fees.

PICL

During the year, PICL did not have any employees other than the Directors of the Company. During the year ended 31 December 2018 only the two Non-Executive Directors received remuneration from the Company. The other Directors are remunerated elsewhere, although the Chief Executive Officer receives a benefit in kind in the form of the UK property held by PICL being available for his private use.

Since March 2019 PICL has directly employed two Directors and since May 2019 a Finance Manager. These individuals are now remunerated by the Company, with an appropriate remuneration policy having been put in place. However, due to the Company's size and the simplicity of the remuneration arrangements, the Directors are of the view that it is appropriate for the Board of PICL to retain responsibility for the remuneration policy.

Employees/Directors receive remuneration commensurate with their skill, knowledge and experience, qualifications and role within the company. The remunerated directors received a fixed salary or fee, with contract terms agreed by the Board. Directors may receive bonuses from time to time, but any bonuses which are granted are purely discretionary and are based on the overall performance of the Company and the Group during the relevant period.

Directors are not entitled to share options or shares in the Company.

B.1.5 Material Transactions

During the year, PICL paid a fee of £300,000 (2017 - £267,640) to its insurance manager for services provided. One of PICL's Directors was also a Director of the insurance manager during the year. At 31 December 2018, the balance owed by PICL was £25,000 (2016 - £25,000).

During the year, PICL made a property available for private use by its Chief Executive Officer, Paul Gray.

During the year, PICL incurred intellectual property charges of £440,000 (2017 - £440,000) due to its parent. No payments were made during the year and at 31 December 2018 the balance owed by PICL was £511,425 (2017 - £80,146).

B.2 Fit and Proper Requirements

Fit and Proper requirements are applied on a consistent basis across all entities within the Group.

B.2.1 Requirements for Skills, Knowledge and Expertise

The Group requires that members of all Boards and Committees and those individuals carrying out other significant functions are fit to carry out their roles through the possession of the necessary skills, knowledge and experience and that all such individuals are of good repute and integrity. This ensures an appropriate spread of skills for managing the business.

The fitness requirements set out that collectively the relevant Boards and Committees cover at least the following areas:

- Knowledge of insurance and financial markets
- Understanding of the business strategy and the business model
- Understanding of the systems of governance
- Knowledge of financial matters, actuarial analysis and management information
- Understanding of the regulatory framework and requirements

B.2.2 Policies and Processes with regard to Fit Requirements

The relevant Boards will consider the skills, knowledge and experience required prior to any new appointment and assess whether the individual meets the requirements. On an ongoing basis, all individuals are required to ensure that their skills and knowledge are kept up-to-date and to confirm this annually. The fitness of key individuals is monitored and reported on by the compliance function.

B.2.3 Policies and Processes with regard to Proper Requirements

All individuals carrying out key or significant functions for the Group are required to demonstrate that they meet the Group's proper requirements with regard to their reputation and character. In order to assess whether this requirement is met, the following factors will be considered:

- the individual's character;
- the individual's personal behaviour;
- the individual's business conduct;
- any criminal aspects;
- any financial aspects;
- any regulatory aspects.

The compliance function ensures that appropriate Notification Documents are prepared for all individuals carrying out notifiable functions and submitted for regulatory approval. The compliance function is responsible for checking propriety on an ongoing basis and to report to the relevant Board at least annually.

B.3 Risk Management System including ORSA

B.3.1 Risk Management System

Group Risk Management

PUHGL is responsible for ensuring there is appropriate risk management on a Group basis, encompassing all subsidiaries. The PICL risk management framework, which is described below, drives the Group's risk management and PICL has operational responsibility for risk management. All regulated companies have a risk register and group risks and solvency requirements are considered as part of the Group ORSA process. PICL carries out the Group solvency calculations and prepares the ORSA report which is combined for the solo entity and the Group.

B.3.1.1 Overview

Taking risk is inherent in insurance business. However, such risks must be carefully managed and controlled, and accordingly PICL has put in place a risk-management framework to ensure that the business is managed at all times in a risk-focussed manner. The Company has in place policies, processes and procedures for each category of risk and currently categorises its risks as follows:

- Strategic Risk

- Insurance Risk
- Investment Risk
- Liquidity Risk
- Credit Risk
- Concentration Risk
- Operational Risk
- Reputational Risk

During 2019, the Company is developing its Social and Environmental Risk Management approach, with particular focus on risks arising from Climate Change.

Risk management responsibility has been retained by the Board as a whole. However, due to the size of the Company, it depends on assistance from individuals within its outsourced service providers, in particular its insurance manager and third party administrator.

The system of governance is based on the principle of proportionality, such that systems are proportionate to the nature, scale and complexity of PICL's operations.

B.3.1.2 Risk Management Strategies, Objectives, Processes and Reporting

PICL's risk management policy is intended to identify all material risks, minimise risks wherever possible and manage and control all significant risks within acceptable limits. The ultimate goal is to ensure policyholder protection, both now and in the future and for the Company to achieve its overall strategic objectives.

The Company sets risk appetite and tolerance limits for each category of risk and monitors performance against these on at least a six-monthly basis. This is in addition to the ongoing monitoring of the underwriting performance.

B.3.1.3 Identification, Measurement, Monitoring, Management and Reporting of Risks

PICL's Board regularly discusses and considers actual or potential risks and utilises a risk register to do so. All risks identified are recorded and assessed as to their impact and the likelihood of their occurrence, both on an inherent basis (before controls and mitigations) and on a residual basis (after taking account of appropriate controls and mitigations).

The highest rated risks are reported to the Board on a regular basis by the compliance function. In addition, at each Board meeting consideration is given to whether the Company's risk profile or risk exposure has changed due to decisions taken.

Risk events are reported to the Board when they occur and are recorded in the risk register, including their impact and resolution. Where further investigation is required, the Board will delegate responsibility for doing so and for reporting back to the appropriate service provider.

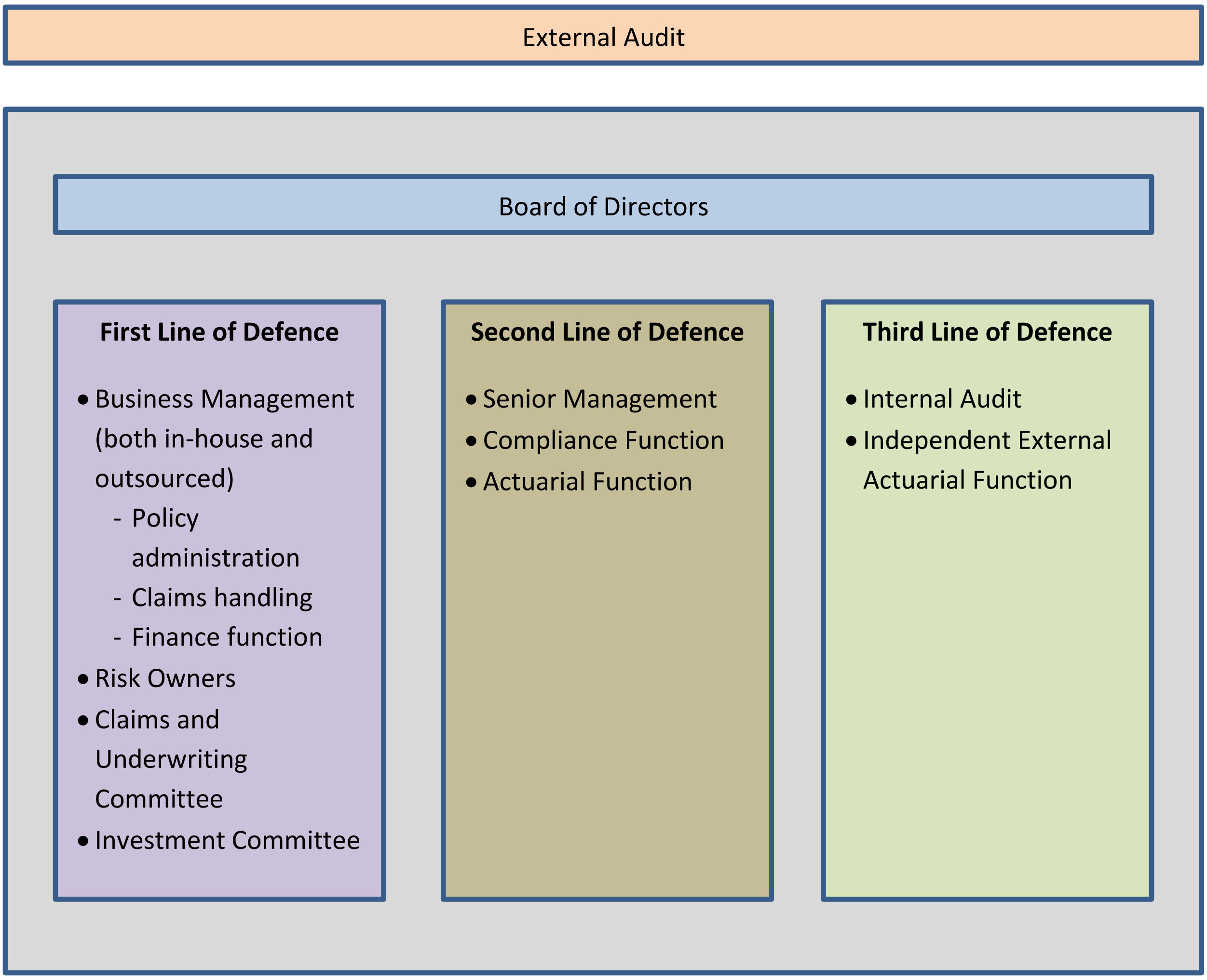
Risk management involves the Board as well as key outsourced providers. All forums and individuals involved in risk management have a duty to inform the Compliance, Internal Audit or Actuarial functions of any facts that may be relevant to these functions in performing their duties.

In addition, the Board receives regular reports from the Internal Audit function as to the adequacy, effectiveness and efficiency of the internal controls. The findings of such reports will be taken into account by the Board in assessing risks and fed directly into the company's ORSA process.

B.3.1.4 Implementation of Risk Management Function

The Board of PICL has retained responsibility for the risk management function. While the Company relies on its outsourced service providers for elements of the day-to-day operation of risk management, oversight and control remains with the Board. This ensures that risk management is fully integrated into PICL's business and its decision-making processes.

PICL and the Group operate a three-lines of defence model as set out below:



First line of defence: Responsible for the day-to-day management and control of risk and the establishment and operation of appropriate internal control measures.

Second line of defence: Responsible for operation of the risk management framework and oversight of risk control and management. Has a level of independence from the day-to-day management and provides the Board with some assurance over the effectiveness of the risk management system.

Third line of defence: Responsible for providing independent assurance on the effectiveness of the first and second lines of defence and over the risk management framework and system of internal controls.

B.3.2 Own Risk and Solvency Assessment

B.3.2.1 ORSA Process and Integration

PICL has established a policy setting out the requirement to carry out an Own Risk and Solvency Assessment ("ORSA") which applies both to the Company on a solo basis and to the Group. The purpose of the policy is to ensure that all material risks faced by PICL and the Group are appropriately assessed and the level of capital required to manage these risks or other risk mitigation measures are determined and put in place. The ORSA should provide the Board and management with a thorough understanding of the Company's and the Group's risk profile and provide the information needed to make appropriate decisions.

The ORSA takes account of historic performance and future forecasts/budgets over the business planning horizon, which is a period of three years. Various members of the management team and relevant outsourced providers will carry out the ORSA. The PICL Board maintains oversight and control at all times, both on a solo and a group basis, steering how the assessment is performed and challenging the results to ensure they properly take account of the Company's material risks.

PICL conducts at least an annual ORSA covering both the Company and the Group, after which a formal report is prepared. This will take place during the final month of the company's financial year, thus ensuring that the timing is aligned with the business planning process.

As part of the ORSA process, management assesses the risks to which the Company and the Group are exposed and their potential impact on the capital requirement together with any other relevant mitigating factors. This consists of both a quantitative assessment through appropriate stress and scenario tests, as well as a qualitative assessment of risks which may not be covered by capital. The outcome from the ORSA process is to determine the level of capital which the Board consider appropriate for the business.

In addition to the formal annual ORSA, the Company has set thresholds triggering an additional assessment as follows:

- Business volumes increasing more than 33% above budget
- Ultimate loss ratio for any underwriting year deteriorating by more than 5 points compared to existing projections
- Non-motor business lines being entered into
- A fall in the SCR buffer below risk appetite limits
- A severe market shock leading to investable assets dropping by 5% or more in value

Furthermore, the ORSA process is continuous throughout the year, with consideration being given as to whether any decisions, events, issues, market factors or similar are likely to impact the Company's risk profile, appetite, free reserves, or other relevant matters. In such a case, the impact on the Company's own assessment of its capital needs will be considered and, if required, a further ORSA together with an SCR calculation will be carried out. This ensures that the existing and forecast capital position and risk profile are properly taken into account in any strategic decisions.

The ORSA is conducted by management, including Directors, of PICL and the draft report produced is provided to the full Board for discussion, challenge and approval. This is applicable for each ORSA, whether annual or ad-hoc due to changes in the business.

B.3.2.2 Relationship between Solvency Needs, Risk Profile, Capital Management and Risk Management

The ORSA enables the Board to assess the Company's and the Group's capital needs over the planning horizon, which is three years. The ORSA is carried out taking due account of PICL's and the Group's specific risk profile and includes both risks explicitly captured in the Standard Formula, as well as risks which are either not captured or not able to be mitigated through capital. All risks are taken into account in the ORSA process.

The capital management policy has been established to ensure that the Company and the Group have in place the appropriate levels and quality of capital both as required by the SCR calculation and as determined by the ORSA. The policy aims to ensure that appropriate plans are in place to enable the Company and the Group to meet their respective capital requirements both in the immediate and the medium-term future and that all items of own funds comply with the relevant rules, regulations and legislation.

The risk management function takes due account of the available capital, the Company's and the Group's risk profile, future business plans and the outcome of the ORSA in an iterative cycle.

B.4 Internal Control System

B.4.1 Internal Control System

The Group is committed to managing its business in a risk-focused manner. In order to achieve this, appropriate controls have been put in place to reduce risks where possible. Risk management and the adherence to the internal controls are an integral part of the business culture.

Responsibility for establishing an appropriate internal control environment rests with the Board of each company as a whole and its Directors individually and is under the ultimate oversight of PUHGL. All companies in the Group have established internal control systems which take due account of the nature of their respective business. Responsibility for adherence to internal controls rests with all individuals involved in the management of the business.

The internal control policy is targeted at ensuring that:

- Processes and procedures exist for the identification and assessment of risks
- Appropriate processes and procedures are in place to control identified risks
- Individuals involved in the business are trained and aware of their role with regard to internal controls
- Appropriate monitoring and review processes are in place

Key controls that operate to mitigate risks are recorded in the appropriate risk register. The internal control framework for PICL is subject to review by PICL's internal audit function.

B.4.2 Compliance Function

B.4.2.1 Implementation of Compliance Function

As regulated entities, both PICL and PUDEL have established a compliance function. While compliance is focussed on the regulated entities within the Group, any relevant matters with regard to other group companies will also be considered and discussed at the appropriate Board meetings and will be reported as required.

The compliance function is an integral and significant element of the business, responsible for ensuring that each company complies with all relevant rules, regulations, guidance and legislation with regard to both Gibraltar and UK requirements. The compliance function also reports to the Board on any relevant changes in the legal environment in which each company operates.

The Group outsources its Compliance function to PICL's insurance manager. The compliance function has established a Compliance Monitoring Programme which is approved by the Board on an annual basis. Compliance formally reports to the Board on a regular basis with regard to the tasks carried out.

While the provision of compliance services has been outsourced, this remains under the oversight of the relevant Board, in particular the function holder for PICL, and the Board retains full responsibility.

B.4.2.2 Independence and Authority of Compliance Function

Due to the outsourced nature of the compliance function, the function is operationally independent from the other areas of the business.

The compliance function is authorised to access all areas of the business and is therefore entitled to full and unrestricted access to all information, records, property, personnel and activities, including those residing with outsourced service providers.

The Board considers and approves the compliance monitoring programme on an annual basis to ensure that all relevant areas are captured and receives the quarterly compliance reports, but does not otherwise seek to instruct or influence the Compliance function.

B.5 Internal Audit Function

B.5.1 Implementation of the Internal Audit Function

Internal Audit is an objective and independent activity, whose role is to help management achieve the Company's objectives by constantly improving the effectiveness of the Company's operations. It is responsible for evaluating management's approach to risk management and governance, with particular emphasis on systems of internal control. It investigates the manner in which the Company's processes and controls operate in order to assess their effectiveness in ensuring compliance with strategy and policies.

PICL is the only entity within the Group which has formally implemented an Internal Audit function in line with Solvency II requirements.

PICL's Internal Audit function covers all aspects of the Company's business. In particular, it considers:

- Underwriting
- Claims
- Finance
- Compliance
- Reinsurance
- Solvency II
- Corporate Governance
- Investments

Internal Audit produces a three-year plan to ensure that all relevant areas are covered within an appropriately determined timeframe, taking into account the relevant risks, and uses this plan as the basis for the detailed annual plan. Internal Audit carries out its examination at least once per annum and as requested on an ad hoc basis on any additional areas.

PICL outsources the Internal Audit function to an external accountancy firm.

A number of internal processes and procedures will be taken into account by the outsourced provider in discharging their duties:

- The Board, with the assistance of its insurance manager, carries out an internal review of the governance, risk management and business planning systems and processes, including its own procedures, on an annual basis
- PUL carries out periodic audits of the claims handler and key brokers
- Internal Audit will liaise with and leverage the work of the external auditors

After each audit, appropriate reports are produced.

- An initial report is produced for discussion with management in the relevant area. The draft report should be produced within no later than six weeks of the audit work finishing.
- Management's responses and proposed actions will be noted and an agreed final report will be issued. The final report should be issued within no later than four weeks of the draft report being agreed.
- The final report will be submitted to the Board for review at the next meeting.

B.5.2 Independence and Objectivity of the Internal Audit Function

Internal Audit is outsourced to an external accountancy firm with the required skill set and experience and is not involved in any operational aspects of the business. This ensures that the function is independent, objective, impartial and not subject to influence from the Board or management.

Internal Audit is authorised to review all areas of the Company and its business and is therefore entitled to have full and unrestricted access to all information, records, property, personnel and activities. Staff and management (even if not staff of the Company) have a duty to make all requested information available promptly and to assist with any enquiries.

The Board will approve the audit plan and is free to request additional areas to be reviewed by internal audit. In addition the Board receives and reviews the reports produced by the function. However, the Board does not otherwise seek to instruct or influence the Internal Audit team.

B.6 Actuarial Function

B.6.1 Implementation of Actuarial Function

The role of the Actuarial Function is to provide the Board with an independent perspective on key insurance aspects of the Company's operations. This will ensure that the Board is fully informed of matters that may impact the business.

PICL is the only insurance company in the Group and therefore the only entity to have established an Actuarial Function.

PICL's Actuarial Function covers all aspects of the business with regard to insurance risks. This encompasses:

- Considering the Company's underwriting policy
- Considering the Company's Reinsurance arrangements
- Other risk mitigations
- Reserving
- Capital
- Data

PICL outsources the actuarial function services to a third party actuarial firm. In addition, reserve reviews are carried out at least annually by an independent, external actuary.

The Actuarial Function is responsible for the following areas:

- Oversight and validation of the calculation of technical provisions
- Assessment of the appropriateness of methodologies and assumptions used and consistency with Articles 76 to 83
- Explanation of any material changes in data, methodologies or assumptions
- Assessment of the sufficiency and quality of the data and consistency with data quality standards
- Recommendations to improve data quality where required
- Back-testing of best estimates against actual experience, reporting of material deviations and proposals to improve calculation
- Opinion on overall underwriting policy
- Opinion on adequacy of reinsurance arrangements

The Actuarial Function reports its findings to the Board at least annually, covering all areas for which it is responsible. The report should be appropriate to assist the Board in its decision-making process and to identify to the Board areas where improvements are required. The report should also identify any material uncertainty about data accuracy and explain the approach taken in light of this uncertainty.

B.7 Outsourcing

B.7.1 Outsourcing Policy

Outsourcing is defined as the contracting out of all or part of an internal process or internal activities to a third party provider on a continuous basis. The Group has established an outsourcing policy which ensures that all outsourcing will:

- Support the Group's business strategy and key objectives
- Provide customers with an experience at least as good as – or better than – an in-house alternative

- Enable the Group to deliver a service experience to customers at a cost consistent with the Group's cost objectives/budget/business plan
- Enable the Group to exercise control over outsourced service providers to ensure that any risks are properly identified, understood and appropriately mitigated
- Enable the Group to demonstrate that its responsibilities in respect of outsourced activities are being effectively discharged

While the Group outsources certain key activities, each company retains all decision-making powers and ultimate responsibility for the outsourced services.

The Group's outsourcing policy sets out detailed requirements to include the following:

- Responsibility for implementation and operation of the policy and consequent controls and processes
- The criteria for outsourcing
- Due diligence on potential providers
- Establishment of appropriate contractual arrangements which clearly define responsibilities and allow adequate supervision and control
- Establishment of appropriate contingency planning, including terminating or exiting the arrangement
- Periodic audit requirements
- Records of outsourced arrangements
- The approval process
- Contract and legal requirements
- Risk assessment and risk mitigation measures
- Monitoring and on-going requirements

B.7.2 Outsourced Functions and Activities

The following table sets out the key functions which were outsourced during the year:

Function/Services	Jurisdiction
Policy administration and processing including provision of management information	United Kingdom
Claims handling, reserving and settlement	United Kingdom
Accounting and financial services	Gibraltar
Assistance with risk management	Gibraltar
Compliance services	Gibraltar United Kingdom
Company secretarial services	Gibraltar
Internal audit	Gibraltar
Actuarial function services	Gibraltar

B.8 Any other Information

B.8.1 Adequacy of Systems of Governance

The Premier Group is a small group with the directors of each company closely involved in all key aspects of the business. The Group is not complex, focussing entirely on a single line of business, with known and fully understood risks. The systems of governance have therefore been established taking due account of the principle of proportionality, being appropriate to the size, nature and scale of the operations.

The Board has in place a process of regularly evaluating the effectiveness of the systems of governance. In addition, governance falls within the remit of both internal and external audit and the risk management function continuously assesses relevant legislation, guidance, advice and best practice to ensure that the systems of governance are updated and maintained at all times.

B.8.2 Any other Material Information

There is no other material information to report as at 31 December 2018.

C. Risk Profile

PICL's governance framework sets out the type and level of risk which the Company is willing to accept in the achievement of its strategic goals and is also the over-arching risk framework for the Premier Group. This framework provides both qualitative and quantitative measures and limits, which are taken into account in making key business decisions.

PICL's current appetite is for the business to focus solely on motor risks in the UK. The Company does not write any ancillary business or generate similar income from other sources.

With regard to investments, the Company pursues a strategy which is focussed on capital preservation, thus adopting a careful and conservative investment policy.

PICL's and the Group's risk profiles at 31 December 2018 and 31 December 2017 are set out in the tables below.

Group risk profile:

Group	**2018**		**2017**
SCR Risk Category	**£**		**£**
Non-Life Underwriting Risk	6,989		6,975
Life Underwriting Risk	52		57
Market Risk	1,788		1,882
Counterparty Risk	1,392		1,857
Diversification	(1,778)		(1,995)
Basic Solvency Capital Requirement	**8,443**		**8,775**
Operational Risk	1,381		1,568
Solvency Capital Requirement	**9,825**		**10,343**

Company risk profile:

Solo	**2018**		**2017**
SCR Risk Category	**£**		**£**
Non-Life Underwriting Risk	6,989		6,975
Life Underwriting Risk	52		57
Market Risk	1,325		1,343
Counterparty Risk	1,252		1,571
Diversification	(1,466)		(1,597)
Basic Solvency Capital Requirement	**8,152**		**8,349**
Operational Risk	1,381		1,568
Solvency Capital Requirement	**9,533**		**9,916**

C.1 Underwriting Risk

C.1.1 Material Risks

Underwriting risk arises from the risk of loss from changes in insurance liabilities. This can arise from inadequate pricing or risk selection, inappropriate reserving, or other fluctuations in the timing, frequency and severity of insured events.

PICL distributes the majority of its business via intermediaries, with an additional element being sourced through a direct product. The industry in which the Company operates is highly competitive. Furthermore, the motor market has been subject to numerous regulatory and legislative changes in recent years and is highly sensitive to the economic environment, the behaviour of policyholders and actions of other service providers to the industry, such as claimant lawyers and claims management companies.

The Company manages underwriting risks through regular review of performance information, encompassing loss ratios, frequency, and cost of claims by products, heads of damage, risk factors and distribution channels.

The following are the key underwriting risks identified by management:

- Loss of non-capitalised reinsurance offering in the market
- Higher than expected future claims frequency
- Higher than expected future average cost per claims
- Delay in handling/settlement of claims
- Over-reserving

C.1.2 Material Risk Concentrations

All of PICL's business comprises motor insurance, therefore leading to some risk concentration due to exposure to market factors. However, within this class of business, PICL writes a variety of different categories of risks, including private cars comprehensive, private cars non-comprehensive, and commercial vehicles. In addition, distribution is through a number of intermediaries. The Directors therefore do not consider there to be any material underwriting risk concentration.

C.1.3 Risk Mitigations

PICL mitigates underwriting risk through the purchase of reinsurance protection and the implementation of appropriate controls.

PICL purchases Excess of Loss reinsurance to protect against the impact of large claims. In addition, the Company has in place a Quota Share reinsurance arrangement to mitigate the impact of lower value, attritional losses.

PICL further mitigates underwriting risk through the following:

- Checking and review of rates
- Review of monthly management information
- Fraud checks
- Review of claims performance

- Oversight and management of the claims handler
- Regular audits of intermediaries
- Regular audits of the claims handler
- In-house oversight of large claims
- Regular updates of the risk register, including reporting of any risk events
- Stress testing of loss ratios as part of the ORSA process

C.1.4 Stress and Sensitivity Testing

PICL carries out stress and sensitivity testing as part of the ORSA process, which is carried out at least annually. This considers stresses on a number of factors including business volumes, future loss ratios and the run-off of existing reserves. This showed that the greatest sensitivity arises from changes in the performance of future business or a material increase in premium volumes.

However, all scenarios show that, while there would be a reduction in the buffer for any adverse scenario, the strain would only become severe and result in the breach of the SCR in the most extreme and therefore highly unlikely scenarios. Additionally, on a group basis, the capital position remains significantly stronger.

This is consistent with the strong capital base maintained by both the Company and the Group.

C.2 Market Risk

C.2.1 Material Risks

Market risk arises from changes in the income generated by investments or from changes in the value of such investments and includes:

- Interest rate risk
- Spread risk
- Equity risk
- Currency risk
- Property risk
- Concentration risk

The Group pursues a conservative investment policy, focused on the preservation of capital. PICL has a diversified investment portfolio, while other companies in the group hold assets in similar portfolios, in cash or in property. As a result, the Company and the Group do not invest in equities, only have relatively limited investment in property and aim to fully hedge any currency risk which may arise. Property investments are limited to a single property owned by the Company for use by one of the Directors and other properties owned by the Group for use by Directors and other group employees.

PICL outsources the management of its investment portfolios to carefully selected and experienced investment managers who operate under an approved investment policy and within agreed guidelines. As well as setting limits with regard to the type of investments and the rating of counterparties, the policy sets a benchmark return and imposes limits on exposure to single counterparties. PICL's Investment Committee meets on a regular basis to assess the performance of the portfolio and recommend any changes which may need to be made.

The main market risks to which the Company and the Group are exposed are:

- Collapse of banking counterparty
- Collapse in value of bonds

C.2.2 Material Risk Concentrations

PICL and the Group have in place a diversified investment portfolio, maintain more than one banking relationship, and ensure that bank balances do not reach a level where they result in undue risk.

However, the property investments represent a single property in the UK, several residential apartments in a single block in Gibraltar and office space in Gibraltar. This results in some risk concentration, but the Directors believe that this is adequately reflected in the property risk capital charge.

C.2.3 Risk Mitigations

The Group mitigates market risk through the following mechanisms:

- Regular review of investment performance
- Use of more than one investment manager
- Use of more than one banking counterparty
- Portfolio diversification

C.2.4 Prudent Person Principle

Both PICL and the Group are obliged to comply with the Prudent Person Principle in their investment decisions. This principle sets out how investments should be managed by having due regard to prudence and the interests of policyholders. It includes various aspects such as asset-liability management, investment in derivatives, liquidity risk and concentration risk management; appropriate due diligence and process, taking account of the purposes for which the funds are managed; care, skill and delegation requiring an adequate understanding of the risks; and the protection of policyholders' interests, in particular to ensure solvency is not impaired.

The Group pursues a conservative investment policy, which ensures investments are limited to relatively standard and easily understood products, the performance of which the company is able to readily monitor and manage. The investment policy balances capital preservation with investment return and sets limits with regard to rating and other measures, taking into account the nature and duration of the Group's liabilities. In addition, the policy requires appropriate diversification of exposure within the portfolio.

PICL only utilises derivatives for hedging purposes and these are fully taken into account in the ongoing performance of the portfolio. With the exception of property and derivatives used for hedging purposes, the company's policy is to hold investments that are traded regularly and therefore have a ready market value and are highly liquid.

Occasionally, the Group may choose to invest in funds which themselves invest in more unusual or complex instruments, potentially including derivatives and securitised investments or other instruments. In such a case, the relevant company will carry out appropriate diligence on the investment or fund manager to ensure that they have the required skill, knowledge, understanding and experience to manage any additional risk which may arise from such investments.

The Group does not directly undertake any unusual or non-routine investment activities. However, should any such investments be proposed, PICL's Investment Committee will:

- Assess the impact on the Company's and the Group's risk profile, consider whether a revised ORSA is required as a result and make the necessary recommendation to the Board;
- Ensure that appropriate skills are in place to manage and monitor the investment activity – either internally or within the investment manager;
- Demonstrate to the Board how the proposed investment activity will improve the portfolio as a whole.

C.2.5 Stress and Sensitivity Testing

PICL includes stress testing of market risk in its ORSA process, in particular with regard to a shock to the risk free interest rate used to discount cash flows under Solvency II and a shock to the bond market resulting in a fall in value of the investments coupled with a credit down-grade.

Due to the nature of the investments held, being largely in a diversified portfolio of bonds, a major shock to the bond market (10% drop in market value) would adversely impact the Company by reducing the solvency buffer. The additional capital held at Group further mitigates this risk.

C.3 Credit Risk

C.3.1 Material Risks

Credit risk arises from the risk that parties who owe money to companies in the Group are unwilling or unable to pay the amounts due. Credit risk arises from a number of sources:

- Banking counterparties
- Reinsurance counterparties
- Issuers of fixed income securities
- Premiums due from intermediaries

The Group aims to minimise the credit risk arising from its operations through the careful section of counterparties and close management and control of amounts due to the Group companies.

C.3.2 Material Risk Concentrations

The Group's credit risk exposures during the year were diversified as set out below:

- Funds were held with more than one banking counterparty
- Reinsurance exposure is diversified between more than one counterparty
- PICL's bond portfolio is diversified between counterparties
- PICL uses a number of different intermediaries in distributing its products

C.3.3 Risk Mitigations

The Group mitigates credit risk through a number of mechanisms:

- Distribution through multiple brokers and distribution channels
- Carrying out periodic audits of brokers
- Using an experienced reinsurance broker
- Ensuring reinsurance counterparties are appropriately rated
- Monitoring reinsurance recoveries
- Ensuring banking counterparties are appropriately rated

C.3.4 Stress and Sensitivity Testing

PICL depends on its reinsurance programme to mitigate insurance risk, in particular with regard to large risks covered by Excess of Loss reinsurance. Hence the credit risk arising from these arrangements needs to be appropriately managed. The risk of reinsurers suffering a credit downgrade is therefore one of the stresses considered as part of the ORSA process. This demonstrates that the largest exposure is to PICL's Quota Share reinsurer. However, due to the overall diversification of reinsurers and the decreased level of Quota Share reinsurance in recent years, PICL is resilient to this risk, being able to withstand a credit step downwards movement. The Group position is further protected by the higher level of solvency maintained.

C.4 Liquidity Risk

C.4.1 Material Risks

Liquidity risk is the risk of losses from an inability to pay liabilities as they fall due. The Company and Group have a low level of liquidity risk, due to the nature of the investment portfolio and the amount of funds held with banks, with only a manageable amount invested in property. The Company and Group therefore do not have any material liquidity risk exposure.

C.4.2 Material Risk Concentrations

There are no material liquidity risk concentrations due to the diversified and highly liquid nature of the majority of the investment portfolio.

C.4.3 Risk Mitigations

Liquidity risk is mitigated through the carefully structured and diversified investment portfolio and the funds held with banks.

C.4.4 Stress and Sensitivity Testing

Liquidity risk is not subject to separate stress and sensitivity testing as the risk is not considered to be material to the Company or the Group, but is indirectly covered in other stress and scenario tests.

C.4.5 Expected Profit in Future Premiums

The amount of expected profit in future premium as at December 2018 is £Nil (2017 – £310,173).

C.5 Operational Risk

C.5.1 Material Risks

Operational risk arises from failed internal processes, procedures or controls, from personnel or systems failures, from external events or from a failure to comply with legislation, regulations or other obligations. Reputational risks have also been considered in this category.

PICL and the Group have identified the following key operational risks:

- Loss of PUL or key individuals at PUL
- Loss of a key broker or distribution channel
- Adverse government policy
- Adverse publicity for the home jurisdiction
- The impact of the UK having decided to exit the EU
- Market-wide regulatory actions due to market issues
- Insolvent failure of a Gibraltar motor insurer
- Change in UK government leading to adverse policy with regard to Gibraltar
- Increasing requirement from brokers for capacity providers to be rated

Operational risks are identified, assessed and set out in PICL's risk register, along with appropriate controls. There is a process for regular reporting of risk events.

The risk register is discussed on a regular basis by the Board, with input from all relevant functions and activities within the business.

C.5.2 Material Risk Concentrations

There are no material risk concentrations.

C.5.3 Risk Mitigations

PICL has a strong internal control framework to mitigate operational risk. This encompasses the following key controls in managing operational risk:

- Four-eyes processes for production and analysis of management information
- Detailed analysis and review of monthly management information

- Four-eyes processes for financial information and payments
- Oversight, monitoring and control of outsourced providers
- Data integrity and other IT controls at service providers
- Appropriate Disaster Recovery and Business Continuity Plans
- Involvement of Directors in all key operational areas of the business
- Board discussion of all negative publicity
- Regular dialogue with all key stakeholders and counterparties
- Monitoring limits on complaints
- Monitoring and reporting by the Compliance function

C.5.4 Stress and Sensitivity Testing

Operational risk is included in the Standard Formula, with an appropriate risk charge calculated. In addition, a number of operational risks would directly impact underwriting risk and are therefore also captured. As part of the ORSA process, the Company also considers those risks which may not be fully captured in the Standard Formula, in particular a number of reputational risks. These risks are managed through appropriate controls and other mitigating actions, such as close involvement of the Board in all key operational decision.

C.6 Other Material Risks

The United Kingdom's decision to leave the EU continues to represent a risk to the business. The terms of any exit remain unclear and there remains a possibility that the UK will leave without any deal. The impact arising from Brexit has the potential to be wide-ranging, potentially impacting the costs of claims, causing disruption in the financial markets and adversely affecting the Company from an operational perspective. The Board continues to monitor developments as they occur to ensure that actions are taken to mitigate any potential adverse impact as far as possible.

D. Valuation for Solvency Purposes

D.1 Assets

The following bases, methods and assumptions have been used in valuing each material class of assets for Solvency II purposes.

The material classes of assets as at 31 December, except for reinsurance technical provisions, for the Company and Group are as set out in the tables below:

Group:

Group	As at 31 December 2018		As at 31 December 2017	
Description	**Solvency II Value**	**GAAP Value**	**Solvency II Value**	**GAAP Value**
	£'000	**£'000**	**£'000**	**£'000**
Property	4,336	4,344	4,810	4,818
Government Bonds	1,540		4,267	0
Corporate Bonds	20,263	25,983	19,471	25,921
Collateralised Securities	0		0	
Collective Investment Undertakings	3,206		2,378	
Derivatives	(862)		(2,854)	
Deposits other than cash equivalents			2,658	
Insurance and Intermediaries Receivables	0	2,604	0	3,152
Reinsurance Receivables	0	2,019	0	1,849
Receivables (trade, not insurance)	348	344	470	470
Cash and cash equivalents	7,763	5,927	7,578	7,579
Deferred Acquisition Costs		853		1,151
Any Other Assets		61		23

Company:

Solo	As at 31 December 2018		As at 31 December 2017	
Description	Solvency II Value	GAAP Value	Solvency II Value	GAAP Value
	£'000	£'000	£'000	£'000
Property	2,250	2,257	2,225	2,233
Government Bonds	1,540		4,267	0
Corporate Bonds	19,629	24,359	19,471	25,921
Collateralised Securities			0	0
Collective Investment Undertakings	3,206		2,378	0
Derivatives	(862)		(2,854)	0
Deposits other than cash equivalents			2,658	0
Insurance and Intermediaries Receivables		2,604	0	3,152
Reinsurance Receivables		2,019	0	1,849
Receivables (trade, not insurance)	186	182	142	142
Cash and cash equivalents	4,849	4,003	4,671	4,672
Deferred Acquisition Costs		853	0	1,151
Any Other Assets		61	0	23

D.1.1 Property

As at 31 December 2018, PICL held property valued at £2.25 million (2017 – £2.2 million). This property is in the UK and is held for use by the one of the Directors. As at 31 December 2018, the Group held property valued at £4.3 million (2017 - £4.8 million), representing commercial office space and other properties in Gibraltar owned for use by the Directors and/or other group employees. The reduction in values in 2018 reflects the sale of one property during 2018.

The properties are valued at open market value, the latest valuation for the UK property having been carried out in December 2018 and for the Gibraltar properties in October 2017, and the same value is used for Solvency II and GAAP purposes. The GAAP value additionally includes a small element of fixed assets, which have been ascribed no value under Solvency II. No significant estimates or judgements have been made in arriving at the valuation.

D.1.2 Bonds

At the year end, PICL had a total of £21.2 million (2017 – £23.7 million) invested in government and corporate bonds and the Group held £21.8 million (2017 - £Nil) in bonds. The Company's investment portfolios are managed by external investment managers with monthly reporting to PICL setting out the composition and the performance of the portfolio.

Investments are valued at fair value, being the market prices for identical assets in active markets, and the valuations are the same for GAAP and Solvency II purposes. No significant judgements or estimates are used, and there has been no change in the basis of recognition and valuation.

D.1.3 Collateralised Securities

At 31 December 2018 and 31 December 2017 PICL and the Group held no investment in collateralised securities.

D.1.4 Collective Investment Undertakings

At 31 December 2018 PICL held £3.2 million (2017 – £2.4 million) in collective investment schemes, this also representing the investments of the Group in these assets. These are funds which are actively traded and therefore have readily ascertainable market values and assets are valued at market value both for GAAP and for Solvency II, with no significant estimate or judgements being utilised. There has been no change in the valuation and recognition basis during the year.

D.1.5 Derivatives

The Derivatives balance has been shown as being the asset, net of the related liability and without allowing for the margin account, which is included in the cash balance. Comparatives have been restated on the same basis.

At 31 December 2018 the Company held a short position in UK Gilt Futures with a March 2019 expiry with a nominal value of £856,000 and a market value of £862,000. This position is used to hedge the interest rate risk arising from holding corporate bonds in the investment portfolio. These futures are actively traded and therefore have readily ascertainable market values and assets are valued at market value both for GAAP and for Solvency II, with no significant estimate or judgements being utilised. There has been no change in the valuation and recognition basis during the year.

At 31 December 2018, the Company had no open current forward. Currency forwards were used during the year to eliminate the currency exposure that arises as a result of the company having held an investment in a fund that is valued in Euro's.

These investments also represent the derivatives held by the Group.

The investment policy of the company is such that the currency forward positions are rolled forward prior to settlement date. The currency forward counterparty is a highly rated bank. The currency forward market is an active and liquid market and therefore the forward has a readily ascertainable market value for GAAP and for Solvency II, with no significant estimate or judgements being utilised. There has been no change in the valuation and recognition basis during the year.

For GAAP purposes, derivative assets and liabilities are shown gross, whereas for Solvency II purposes a net position has been reported, representing the Company's exposure.

D.1.6 Deposits, Cash and Cash Equivalents

At the year end, PICL held £4.8 million (2017 – £7.3 million) either in term deposits, or in cash and cash equivalents with banking counterparties. At year end, the Group held £7.8 million (2017 - £10.2 million). All amounts are held in GBP and either in the UK or in Gibraltar.

Deposits, cash and cash equivalents are valued at fair value, based on the actual balances held, and monthly statements are received.

The valuation of these assets is the same for GAAP and Solvency II and no estimates or judgements have been used, other than that for GAAP purposes the deposits and cash equivalents held with investment managers have been included in the investment balance. For Solvency II purposes the futures margin account is shown separately from the related derivative balance. There has been no change in the basis on which these items are valued and recognised.

D.1.7 Insurance and Intermediaries Receivables

Insurance and intermediaries receivable items represent premiums owed to PICL from its brokers, less commission and including IPT. At the year end, the Company was owed £2.6 million (2017 – £3.2 million). These also represent such balances due to the Group. Contracts with the brokers set out payment terms and at 31 December 2018 no amounts were overdue.

Premiums receivable are valued at fair value, being the amounts recoverable, and as no amounts are overdue, there have been no significant estimates or judgements made in arriving at the valuation. There has been no change in the valuation and recognition basis during the year.

While the assets are valued on a consistent basis both for GAAP and Solvency II, for Solvency II valuation purposes such assets are set against technical provisions to the extent that they are not overdue.

D.1.8 Reinsurance Receivables

At 31 December 2018 PICL had £2.0 million (2017 – £1.8 million) of reinsurance receivables, being premiums due to reinsurers less claims, cost and commission receivable. These also represent such balances due to the Group.

These amounts are valued at fair value, being the actual net amount receivable by PICL. There are no material judgements, as PICL does not have any sliding scale arrangements in place for its Quota Share arrangement.

There have been no changes in the valuation and recognition basis during the year, and there are no difference in the underlying valuation for GAAP and Solvency II. However, for Solvency II purposes these items, to the extent they are not considered overdue, are set against technical provisions reinsurance recoverables, whereas under GAAP they are shown separately on the balance sheet.

The figures exclude the late adjustment for profit commission receivable under the Quota Share agreement, which was not known at the time of the PICL Solo Annual filings. This amounts to some £0.2 million.

D.1.9 Receivables (trade, not insurance)

At 31 December 2018, PICL had other receivables of £0.1 million (2017 – £0.1 million), representing tax and inter-company debtors. The Group had total receivables of £0.3 million million (2017 - £0.5 million), representing interest due to PUDEL and tax. These items are valued at the amount recoverable and there is no difference between the Solvency II and the GAAP valuation basis. There has been no change in the basis during the year.

D.1.10 Deferred Acquisition and Processing Costs

Deferred acquisition costs represent commission and similar expenses directly related to the acquisition of policies, which are deferred over the period relating to the underlying unearned premiums. At 31 December 2018, PICL had

£0.9 million (2017 – £1.2 million) of deferred acquisition and processing costs, this also presenting such deferred costs of the Group.

The Solvency II balance sheet is prepared on the basis of best estimates of future cash flows. Deferred acquisition costs do not result in future cash flows and these amounts are therefore excluded from the Solvency II balance sheet. There has been no change in the recognition and valuation basis during the year.

D.1.11 Other Assets

On a GAAP basis, PICL had £0.06 million (2017 – £0.02 million) of other assets, representing accrued interest and prepayments. The Group had £0.02 million (2017 - £0.02 million) of other assets, representing accrued interest and prepayments. For Solvency II purposes, accrued interest is allocated to the underlying investment. Prepayments do not result in future cash flows and therefore are not ascribed a Solvency II value.

D.2 Technical Provisions

Technical Provisions represent the insurance liabilities as at the reporting date. PICL is the only group Company with Technical Provisions and PICL's gross and net Technical Provisions by business line are set out in the table below:

Solo	**As at 31 December 2018**			
	Motor Liability	**Other Motor**	**Annuities from Non-Life obligations**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Gross Best Estimate Technical Provisions	43,792	442	12,069	56,303
Risk Margin	1,380	14	24	1,417
Total Gross Technical Provisions	45,172	456	12,093	57,721
Reinsurance Recoverables	(31,483)	(320)	(11,858)	(43,661)
Net Technical Provisions	13,690	136	235	14,060

Solo	**As at 31 December 2017**			
	Motor Liability	**Other Motor**	**Annuities from Non-Life obligations**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Gross Best Estimate Technical Provisions	50,038	423	11,939	62,400
Risk Margin	1,596	12	22	1,631
Total Gross Technical Provisions	51,634	435	11,961	64,030
Reinsurance Recoverables	(33,466)	(295)	(11,710)	(45,471)
Net Technical Provisions	18,168	140	251	18,559

The Group's Technical Provisions are in line with the Company's except for the risk margin which takes account of the increased counterparty risk from group cash balances. The Group's Technical Provisions are set out in the tables below:

Group	As at 31 December 2018			
	Motor Liability	Other Motor	Annuities from Non-Life obligations	Total
	£'000	£'000	£'000	£'000
Gross Best Estimate Technical Provisions	43,792	442	12,069	56,303
Risk Margin	1,398	14	24	1,435
Total Gross Technical Provisions	45,190	456	12,093	57,739
Reinsurance Recoverables	(31,483)	(320)	(11,858)	(43,661)
Net Technical Provisions	13,707	136	235	14,078

Group	As at 31 December 2017			
	Motor Liability	Other Motor	Annuities from Non-Life obligations	Total
	£'000	£'000	£'000	£'000
Gross Best Estimate Technical Provisions	50,038	423	11,939	62,400
Risk Margin	1,633	13	23	1,668
Total Gross Technical Provisions	51,671	435	11,962	64,068
Reinsurance Recoverables	(33,466)	(295)	(11,710)	(45,471)
Net Technical Provisions	18,205	140	252	18,597

D.2.1 Bases, Methods and Assumptions

D.2.1.1 Best Estimate

The starting point for the valuation of technical provisions is the best estimate of claims costs, both on earned and on unearned exposure, for all business written at the valuation date. This assessment is carried out by the independent, external actuary.

Management then apply payment patterns to the actuarial best estimate, based on historical information and reasonable assumptions and judgements, to convert the best estimate to future cash flow.

D.2.1.2 Expenses

The cost of running off the existing insurance obligations is estimated, on the basis that the Company will continue to write other business. This is based on the current levels of expenditure and takes due account of decreasing activity in the existing business lines.

D.2.1.3 Events Not in Data

There may be possible future events which are not reflected in the historical data of the Company or the market. Such events are referred to as Events Not in Data ("ENIDs").

PICL considers a number of scenarios and events which could occur and assesses their potential impact. Where this assessment concludes that the negative impact of ENIDs (i.e. increasing reserves) is greater than the potential positive impact (i.e. decreasing reserves), the Company makes provision for such events.

At 31 December 2018, management reached the conclusion a net provision of £300,000 for ENIDs was required (2017 - £120,000). This reflects the potential uplift in the cost of claims settling as PPOs and the discount rate for large claims.

D.2.1.4 Bound but not Incepted

PICL may be contractually obligated to write certain business at the year end, although the risks will not incept until the following year. For example, renewal business for January 2019 will be invited prior to 31 December 2018. This may, however, be wholly or partially offset through future cancellations of existing business. These items are assessed based on actual data and appropriate provision is made.

D.2.1.5 Discounting

Cash flows are discounted using the risk free interest rate structure as provided on a monthly basis by EIOPA.

D.2.1.6 Risk Margin

The risk margin is calculated using simplification method 3. This assumes that future SCRs are proportional to the best estimate technical provisions over time and projects future SCRs at this rate. A cost of capital rate of 6% is applied to each SCR estimate and discounted back using EIOPA yield curves.

D.2.1.7 Allocation to Lines of Business

Best estimates and cash flows are calculated separately for each line of business. However, all of PICL's business comprises motor, which is required to be split for Solvency II purposes into motor liability and other motor. It is not normal practice in the UK market to rate motor business on this basis, and PICL therefore needs to apply a different methodology to calculate this split.

The Company uses claims heads of damage to split its motor business into the Solvency II classes. Bodily injury and third party property damage are allocated to motor liability, with accidental damage, windscreen, fire and theft being allocated to other motor.

PICL has two bodily injury claims which have settled as periodical payments orders ("PPOs"). Under the rules of Solvency II these claims are removed from the motor liability class and allocated to a separate class in order to calculate their technical provisions.

D.2.1.8 Reinsurance Recoverables

PICL has reinsurance recoverables arising from its Excess of Loss and Quota Share arrangements. Such items are calculated on a consistent basis with gross technical reserves, reflecting best estimates of both expired and unexpired risks, converted to cash flows and discounted at the appropriate risk free rate.

Amounts due from and payments due to reinsurers are included in the technical provision to the extent they are not overdue. The calculation also makes allowance for the possibility of insurer default, based on the counterparty's rating and the level of exposure.

D.2.1.9 Simplifications

Technical provisions are calculated using standard actuarial techniques. Simplifications are not used.

D.2.2 Uncertainty

Technical provisions require judgement and estimations and therefore contain an element of uncertainty. Key areas of uncertainty in PICL's technical provisions are:

- Outstanding reserves: Reserves on reported claims are based on reasonable estimates, reflecting information known at the balance sheet date. Ultimate settlement of these claims may differ from estimates.
- Future losses: Future losses arise on both expired and unexpired risks and the estimation of these losses is based on actuarial assumptions. Such assumptions will take account of past performance and known or anticipated future changes, and may ultimately prove to differ from actual experience.
- Other estimates: Technical provisions include assumptions as to expenses, events not in data and bound but not incepted risks. While these assumptions are prepared on a best estimate basis, reflecting historical experience where appropriate, they could ultimately prove to be inappropriate.
- Legislative and market factors: The UK motor market has been subject to material changes in the past, encompassing legislative, economic and behavioural changes. Similar changes will occur in 2019 and possibly into the future, but their effect is difficult to predict and could ultimately impact best estimates and future cash flow.

PICL seeks to minimise the level of uncertainty through a robust process involving external actuarial advice, ongoing discussion with the external actuaries and an internal process for projecting loss ratios. Claims performance is closely monitored to ensure that changes in trends are identified and appropriately reflected in future projections.

D.2.3 Differences between Solvency II and GAAP Valuation

The starting point for both Solvency II and GAAP valuation of technical provisions is the actuarial best estimate of reserves. Key difference between the valuation bases are:

- GAAP valuation of gross reserves may include a management load. Solvency II valuation is required to be at discounted best estimate and any management load is removed
- GAAP valuation includes unearned premium, being the premium which reflects the unexpired risk exposure. Under Solvency II, the unearned premium is replaced by future claims expected to arise on this unearned exposure
- GAAP reserves do not include run-off expenses

- GAAP reserves to not include events not in data
- GAAP reserves do not make allowance for bound but not incepted business
- GAAP reserves are calculated without a risk margin
- Insurance and intermediaries receivables are set against total gross technical provisions for Solvency II valuation purposes, to the extent that they are not overdue, while they are shown as a separate item on the balance sheet for GAAP reporting
- Reinsurance receivables and payables are set against technical provision reinsurance recoverables for Solvency II valuation purposes, to the extent that they are not overdue, while they are shown as a separate items on the balance sheet for GAAP reporting

The table below shows the movement from GAAP technical provisions to Solvency II technical provisions for the Company.

	As at 31 December 2018		
	Gross Technical Reserves	**Reinsurance Recoverables**	**Total**
	£'000	**£'000**	**£'000**
GAAP Reserves	61,250	43,906	17,344
Remove Unearned Premium	(9,377)	(2,346)	(7,031)
Claims on Unexpired Risks	5,622	1,406	4,216
Receivables/Payables	(2,604)	2,019	(4,622)
Removal of margins	(1,147)	(263)	(884)
Run-off expenses and Other Adjustments	3,119	(694)	3,813
Effect of Discounting	(560)	(367)	(193)
Risk Margin	1,417	0	1,417
Solvency II Technical Provisions	57,721	43,660	14,061

	As at 31 December 2017		
	Gross Technical Reserves	**Reinsurance Recoverables**	**Total**
	£'000	**£'000**	**£'000**
GAAP Reserves	68,417	47,869	20,548
Remove Unearned Premium	(11,549)	(4,388)	(7,161)
Claims on Unexpired Risks	6,500	1,715	4,785
Receivables/Payables	(503)	1,893	(2,397)
Removal of margins	(2,084)	(830)	(1,254)
Run-off expenses and Other Adjustments	2,811	189	2,622
Effect of Discounting	(1,192)	(978)	(214)
Risk Margin	1,631		1,631
Solvency II Technical Provisions	64,030	45,471	18,559

D.2.4 Transitional adjustments

PICL has not used any transitional arrangements with regard to the matching adjustment, volatility adjustment, transitional risk free interest rate term structure or transitional deduction.

D.2.5 Changes over the Period

There have been no changes in the assumptions made since the previous period.

D.3 Other Liabilities

The following bases, methods and assumptions have been used in valuing each material class of liabilities for Solvency II purposes.

The material classes of liabilities as at 31 December, except for gross technical provisions, for the Company are as set out in the table below:

Group:

Group	**As at 31 December 2018**		**As at 31 December 2017**	
Description	**Solvency II Value**	**GAAP Value**	**Solvency II Value**	**GAAP Value**
	£'000	**£'000**	**£'000**	**£'000**
Derivatives			0	0
Insurance & intermediaries payables	210	434	147	376
Reinsurance payables			0	174
Payables (trade, not insurance)	106	965	192	1,408
Deferred Reinsurance commisison			0	379
Other Liabilities		286	0	0

Company:

Solo	**As at 31 December 2018**		**As at 31 December 2017**	
Description	**Solvency II Value**	**GAAP Value**	**Solvency II Value**	**GAAP Value**
	£'000	**£'000**	**£'000**	**£'000**
Derivatives	0		0	0
Insurance & intermediaries payables	210	434	147	376
Reinsurance payables			0	174
Payables (trade, not insurance)	589	1,449	148	1,364
Deferred Reinsurance commisison			0	379
Other Liabilities		286	0	0

D.3.1 Derivatives

Derivative liabilities have been netted against the related asset and have been shown in the assets section.

D.3.2 Insurance and Intermediaries Payables

At 31 December 2018 PICL had £0.4 million (2017 – £0.4 million) of insurance and intermediaries payable, this also representing the Group payable. This represents recorded claims payments which have not yet been made, i.e. a timing difference, profit commission owed to PICL on the Quota Share arrangement, provision commission owed to PUL and provision for claims handling costs on existing claims.

The balance is valued at fair value, being the amount that is due for settlement.

The valuation basis is the same for GAAP and Solvency II purposes, other than that profit commissions are set against technical provisions. There have been no changes in the valuation approach during the year.

D.3.3 Reinsurance Payables

At 31 December 2018 PICL had £0 (2017 – £0.2 million) of reinsurance payables, being payments due under the Excess of Loss arrangement, representing premium above the deposit premiums paid during the year. This also represents the Group payable balance.

These amounts are valued at fair value, being the actual amounts payable. There have been no changes in the valuation and recognition basis during the year, and there are no difference in the underlying valuation for GAAP and Solvency II. However, for Solvency II purposes these items, to the extent they are not considered overdue, are set against technical provisions reinsurance recoverables, whereas under GAAP they are shown separately on the balance sheet.

D.3.4 Payables (trade, not insurance)

These items represent various amounts payable, such as IPT, the MIB levy, accruals and other creditors and items are valued at the amount that is considered to be payable. On a Solvency II basis, the IPT has been allocated to technical provisions and the MIB levy has been allocated to run-off expenses in both years. Other than this, there is no difference in the valuation for GAAP and Solvency II and there have been no other changes in the valuation basis during the year.

D.3.5 Deferred Reinsurance Commission

PICL receives commission and a contribution to costs from its Quota Share reinsurance partner. This is earned in line with the underlying premium and commission relating to premium unearned at the reporting date is deferred to future periods. At 31 December 2018, PICL had a total of £0.3 million (2017 – £0.4 million) deferred commission and reinsurer's share of deferred acquisition and other costs.

The Solvency II balance sheet is prepared on the basis of best estimates of future cash flows. Deferred reinsurance commissions do not result in future cash flows and these amounts are therefore excluded from the Solvency II balance sheet. There has been no change in the recognition and valuation basis during the year.

E. Capital Management

E.1 Own funds

E.1.1 Management of Own Funds

E.1.1.1 Objectives, Policies and Processes in Managing Own Funds

PICL has in place a Capital Management Policy to ensure that the Company has the appropriate levels and quality of capital to meet both the SCR and the internal view of capital as determined by the ORSA. The intention is for solvency capital requirements to be met in both the immediate and medium-term future.

While the ORSA process is carried out formally on an annual basis, the capital requirements and own funds to meet these requirements are considered at least quarterly as part of the quarterly regulatory reporting process. The Board discusses the Company's capital position at all meetings as part of its risk management processes and monitors ongoing performance through monthly management accounts.

There have been no changes in capital management policies or processes during the period.

E.1.1.2 Time Horizon for Business Planning and Material Changes

PICL's business planning period for capital management encompasses a three year time horizon, with emphasis on the current and next year. Given the unpredictability and historic volatility of the UK motor market, a longer time horizon would not be realistic. There have been no changes in the planning time horizon over the year.

E.1.2 Description of Own Funds

E.1.2.1 Structure, Amount and Quality of own funds

PICL and the Group currently only have basic own funds and no ancillary own funds. Own funds are comprised entirely of Share Capital, Share Premium and the Reconciliation Reserve and therefore all qualify as Tier 1 funds. The tables below set out PICL's and the Group's own funds at 31 December 2018, together with movements during the period:

Group:

Group 2018	**Share Capital**	**Share Premium**	**Reconciliation Reserve**	**Total Own Funds**
	£'000	**£'000**	**£'000**	**£'000**
At 1 January 2018	0	10	19,833	19,843
Capital Injections during the Period				0
Movement in the Reconciliation Reserve			2,358	2,358
At 31 December 2018	0	10	22,191	22,201

Group 2017	Share Capital	Share Premium	Reconciliation Reserve	Total Own Funds
	£'000	£'000	£'000	£'000
At 1 January 2017	0	10	19,087	19,097
Capital Injections during the Period				0
Movement in the Reconciliation Reserve			746	746
At 31 December 2017	0	10	19,833	19,843

Company:

Solo 2018	Share Capital	Share Premium	Reconciliation Reserve	Total Own Funds
	£'000	£'000	£'000	£'000
At 1 January 2018	4	3,996	10,106	14,106
Capital Injections during the Period				0
Movement in the Reconciliation Reserve			1,835	1,835
At 31 December 2018	4	3,996	11,940	15,940

Solo 2017	Share Capital	Share Premium	Reconciliation Reserve	Total Own Funds
	£'000	£'000	£'000	£'000
At 1 January 2017	4	3,996	10,216	14,216
Capital Injections during the Period				0
Movement in the Reconciliation Reserve			-111	-111
At 31 December 2017	4	3,996	10,106	14,106

The Company's Reconciliation Reserve effectively represents retained earnings on a Solvency II valuation basis. There are no foreseeable dividends.

E.1.2.2 Terms and Conditions of Own Funds

PICL's and the Group's own funds are fully comprised of Tier 1 funds and have no terms or conditions attached and there are no restrictions affecting the availability and transferability of the Company's or the Group's own funds. The own funds are not redeemable and do not carry any guaranteed dividend or other return.

E.1.2.2 Difference in Own Funds between Financial Statements and Solvency II Valuation

The difference in the valuation of own funds as shown in the Financial Statements compared to the Solvency II valuation is due to the valuation differences in the underlying assets and liabilities, as set out in the table below:

Group:

Group	**2018 Own Funds**	**2017 Own Funds**
	£'000	**£'000**
Own Funds per Financial Statements	23,106	22,077
Difference in Valuation of net Technical Provisions	(273)	(1,436)
Removal of Deferred Acquisitions Costs	(640)	(863)
Removal of Other Fixed Assets	(7)	(8)
Removal of Prepayments	(57)	(18)
Removal of Deferred Commissions	72	91
Own Funds per Solvency II Valuation	22,201	19,843

Company:

Solo	**2018 Own Funds**	**2017 Own Funds**
	£'000	**£'000**
Own Funds per Financial Statements	16,826	16,303
Difference in Valuation of net Technical Provisions	(255)	(1,399)
Removal of Deferred Acquisitions Costs	(640)	(863)
Removal of Other Fixed Assets	(7)	(9)
Removal of Prepayments	(56)	(18)
Removal of Deferred Commissions	72	91
Own Funds per Solvency II Valuation	15,940	14,106

E.2 Solvency Capital Requirement and Minimum Capital Requirement

E.2.1 SCR and MCR

The Groups and PICL's SCR and MCR coverage is set out below:

Group:

Group	2018	2017
Own Funds	22,201	19,843
Solvency Capital Requirement	9,825	10,343
SCR Coverage	226%	192%
Minimum Capital Requirement	3,288	3,251
MCR Coverage	675%	610%

Company:

Solo	2018	2017
Own Funds	15,940	14,106
Solvency Capital Requirement	9,533	9,916
SCR Coverage	167%	142%
Minimum Capital Requirement	3,288	3,251
MCR Coverage	485%	434%

All capital is Tier 1 and therefore fully eligible to cover the SCR and MCR.

PICL and the Group have met the Solvency requirements throughout the period.

E.2.2 SCR by Risk Module

The table below show the different risk module components of the SCR, taken directly from the standard formula model that PICL uses. It clearly shows that the non-life risk is by far the largest component of the total, with counterparty risk and market risk a long way behind.

Group:

Group	2018	2017
SCR Risk Category	**£**	**£**
Non-Life Underwriting Risk	6,989	6,975
Life Underwriting Risk	52	57
Market Risk	1,788	1,882
Counterparty Risk	1,392	1,857
Diversification	(1,778)	(1,995)
Basic Solvency Capital Requirement	**8,443**	**8,775**
Operational Risk	1,381	1,568
Solvency Capital Requirement	**9,825**	**10,343**

Company:

Solo	2018	2017
SCR Risk Category	**£**	**£**
Non-Life Underwriting Risk	6,989	6,975
Life Underwriting Risk	52	57
Market Risk	1,325	1,343
Counterparty Risk	1,252	1,571
Diversification	(1,466)	(1,597)
Basic Solvency Capital Requirement	**8,152**	**8,349**
Operational Risk	1,381	1,568
Solvency Capital Requirement	**9,533**	**9,916**

E.2.3 Simplifications

No simplified calculations have been used in applying the standard formula and no undertaking specific parameters have been used.

E.2.4 Inputs used to Calculate the MCR

The following inputs have been used to calculate the Company's and the Group's MCR:

Group:

Group 2018	**Net (of reinsurance) best estimate technical provisions**	**Net (of reinsurance) written premiums in the last 12 months**
	£'000	**£'000**
Motor Vehicle Liability	12,310	11,556
Motor Vehicle Other	122	1,223
Annuities from Non-Life Obligations	211	
		£'000
Linear MCR		2,238
SCR		9,825
Combined MCR		2,456
Absolute Floor of the MCR		3,288
Minimum Capital Requirement		3,288

Group 2017	**Net (of reinsurance) best estimate technical provisions**	**Net (of reinsurance) written premiums in the last 12 months**
	£'000	**£'000**
Motor Vehicle Liability	16,572	14,071
Motor Vehicle Other	128	1,524
Annuities from Non-Life Obligations	229	
		£'000
Linear MCR		3,042
SCR		10,343
Combined MCR		3,042
Absolute Floor of the MCR		3,251
Minimum Capital Requirement		3,251

FCompany:

Solo 2018	**Net (of reinsurance) best estimate technical provisions**	**Net (of reinsurance) written premiums in the last 12 months**
	£'000	**£'000**
Motor Vehicle Liability	12,310	11,556
Motor Vehicle Other	122	1,223
Annuities from Non-Life Obligations	211	
		£'000
Linear MCR		2,238
SCR		9,533
Combined MCR		2,383
Absolute Floor of the MCR		3,288
Minimum Capital Requirement		3,288

Solo 2017	**Net (of reinsurance) best estimate technical provisions**	**Net (of reinsurance) written premiums in the last 12 months**
	£'000	**£'000**
Motor Vehicle Liability	16,572	14,071
Motor Vehicle Other	128	1,524
Annuities from Non-Life Obligations	229	
		£'000
Linear MCR		2,860
SCR		9,916
Combined MCR		2,860
Absolute Floor of the MCR		3,251
Minimum Capital Requirement		3,251

E.2.5 Changes over the Period

Both the Group and the Solo SCR have fallen slightly during the period, but this change has not been material.

The following templates are included:

Premier Insurance Company Limited:

- P.02.01.02
- P.05.01.02
- P.05.02.02
- P.12.01.02
- P.17.01.02
- P.19.01.21
- P.23.01.01
- P.25.01.21
- P.28.01.01

Premier Underwriting Holdings (Gibraltar) Limited:

- G.02.01.02
- G.05.01.02
- G.05.02.02
- G.23.01.22
- G.25.01.22
- G.32.01.22

P.02.01.02 - Balance sheet

Contents

Tabular
Microsoft Excel -based Solvency II reporting solution

		Solvency II value
	Assets	C0010
R0030	Intangible assets	0
R0040	Deferred tax assets	0
R0050	Pension benefit surplus	0
R0060	Property, plant & equipment held for own use	2,250
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	24,376
R0080	Property (other than for own use)	0
R0090	Holdings in related undertakings, including participations	0
R0100	Equities	0
R0110	Equities - listed	0
R0120	Equities - unlisted	0
R0130	Bonds	21,169
R0140	Government Bonds	1,540
R0150	Corporate Bonds	19,629
R0160	Structured notes	0
R0170	Collateralised securities	0
R0180	Collective Investments Undertakings	3,206
R0190	Derivatives	0
R0200	Deposits other than cash equivalents	0
R0210	Other investments	0
R0220	Assets held for index-linked and unit-linked contracts	0
R0230	Loans and mortgages	0
R0240	Loans on policies	0
R0250	Loans and mortgages to individuals	0
R0260	Other loans and mortgages	0
R0270	Reinsurance recoverables from:	43,661
R0280	Non-life and health similar to non-life	31,803
R0290	Non-life excluding health	31,803
R0300	Health similar to non-life	0
R0310	Life and health similar to life, excluding health and index-linked and unit-linked	11,858
R0320	Health similar to life	0
R0330	Life excluding health and index-linked and unit-linked	11,858
R0340	Life index-linked and unit-linked	0
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	0
R0370	Reinsurance receivables	0
R0380	Receivables (trade, not insurance)	186
R0390	Own shares (held directly)	0
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	4,849
R0420	Any other assets, not elsewhere shown	0
R0500	**Total assets**	75,322

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions – non-life	45,628
R0520	Technical provisions – non-life (excluding health)	45,628
R0530	TP calculated as a whole	0
R0540	Best Estimate	44,234
R0550	Risk margin	1,394
R0560	Technical provisions - health (similar to non-life)	0
R0570	TP calculated as a whole	0
R0580	Best Estimate	0
R0590	Risk margin	0
R0600	Technical provisions - life (excluding index-linked and unit-linked)	12,093
R0610	Technical provisions - health (similar to life)	0
R0620	TP calculated as a whole	0
R0630	Best Estimate	0
R0640	Risk margin	0
R0650	Technical provisions – life (excluding health and index-linked and unit-linked)	12,093
R0660	TP calculated as a whole	0
R0670	Best Estimate	12,069
R0680	Risk margin	24
R0690	Technical provisions – index-linked and unit-linked	0
R0700	TP calculated as a whole	0
R0710	Best Estimate	0
R0720	Risk margin	0
R0740	Contingent liabilities	0
R0750	Provisions other than technical provisions	0
R0760	Pension benefit obligations	0
R0770	Deposits from reinsurers	0
R0780	Deferred tax liabilities	0
R0790	Derivatives	862
R0800	Debts owed to credit institutions	0
R0810	Financial liabilities other than debts owed to credit institutions	0
R0820	Insurance & intermediaries payables	210
R0830	Reinsurance payables	0
R0840	Payables (trade, not insurance)	589
R0850	Subordinated liabilities	0
R0860	Subordinated liabilities not in Basic Own Funds	0
R0870	Subordinated liabilities in Basic Own Funds	0
R0880	Any other liabilities, not elsewhere shown	0
R0900	**Total liabilities**	59,382
R1000	**Excess of assets over liabilities**	15,940

P.05.01.02.01 - Premiums, claims and expenses by line of business - Table 1

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Tabular
Microsoft Excel -based Solvency II reporting solution

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of Business for:accepted non-proportional reinsurance				Total
		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	Health	Casualty	Marine, aviation, transport	Property	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
	Premiums written																	
R0110	Gross - Direct Business	0	0	0	16,436	1,760	0	0	0	0	0	0	0					18,197
R0120	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0	0	0	0	0	0					0
R0130	Gross - Non-proportional reinsurance accepted													0	0	0	0	0
R0140	Reinsurers' share	0	0	0	6,340	440	0	0	0	0	0	0	0	0	0	0	0	6,780
R0200	Net	0	0	0	10,096	1,320	0	0	0	0	0	0	0	0	0	0	0	11,416
	Premiums earned																	
R0210	Gross - Direct Business	0	0	0	18,407	1,961	0	0	0	0	0	0	0					20,368
R0220	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0	0	0	0	0	0					0
R0230	Gross - Non-proportional reinsurance accepted													0	0	0	0	0
R0240	Reinsurers' share	0	0	0	7,183	490	0	0	0	0	0	0	0	0	0	0	0	7,674
R0300	Net	0	0	0	11,223	1,471	0	0	0	0	0	0	0	0	0	0	0	12,694
	Claims incurred																	
R0310	Gross - Direct Business	0	0	0	10,006	1,116	0	0	0	0	0	0	0					11,121
R0320	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0	0	0	0	0	0					0
R0330	Gross - Non-proportional reinsurance accepted													0	0	0	0	0
R0340	Reinsurers' share	0	0	0	2,173	279	0	0	0	0	0	0	0	0	0	0	0	2,452
R0400	Net	0	0	0	7,833	837	0	0	0	0	0	0	0	0	0	0	0	8,669
	Changes in other technical provisions																	
R0410	Gross - Direct Business	0	0	0	0	0	0	0	0	0	0	0	0					0
R0420	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0	0	0	0	0	0					0
R0430	Gross - Non- proportional reinsurance accepted													0	0	0	0	0
R0440	Reinsurers'share	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
R0500	Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
R0550	**Expenses incurred**	0	0	0	2,311	249	0	0	0	0	0	0	0	0	0	0	0	2,560
R1200	**Other expenses**																	906
R1300	**Total expenses**																	3,466

P.05.01.02.02 - Premiums, claims and expenses by line of business - Table 2

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Tabular
Microsoft Excel -based Solvency II reporting solution

		Line of Business for: **life insurance obligations**						**Life reinsurance obligations**		**Total**
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life-reinsurance	
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
	Premiums written									
R1410	Gross	0	0	0	0	0	0	0	0	0
R1420	Reinsurers' share	0	0	0	0	0	0	0	0	0
R1500	Net	0	0	0	0	0	0	0	0	0
	Premiums earned									
R1510	Gross	0	0	0	0	0	0	0	0	0
R1520	Reinsurers' share	0	0	0	0	0	0	0	0	0
R1600	Net	0	0	0	0	0	0	0	0	0
	Claims incurred									
R1610	Gross	0	0	0	0	0	-1	0	0	-1
R1620	Reinsurers' share	0	0	0	0	0	-1	0	0	-1
R1700	Net	0	0	0	0	0	0	0	0	0
	Changes in other technical provisions									
R1710	Gross	0	0	0	0	0	0	0	0	0
R1720	Reinsurers' share	0	0	0	0	0	0	0	0	0
R1800	Net	0	0	0	0	0	0	0	0	0
R1900	**Expenses incurred**	0	0	0	0	0	0	0	0	0
R2500	**Other expenses**									0
R2600	**Total expenses**									0

P.12.01.02 - Life and Health SLT Technical Provisions

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Tabular
Microsoft Excel -based
Solvency II reporting solution

	Insurance with profit participation	Index-linked and unit-linked insurance			Other life insurance			Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	**Total (Life other than health insurance, including Unit-Linked)**	Health insurance (direct business)			Annuities stemming from non-life insurance contracts and relating to health	Health reinsurance (reinsurance accepted)	**Total (Health similar to life insurance)**
			Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees					Contracts without options and guarantees	Contracts with options or guarantees			
	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0150	C0160	C0170	C0180	C0190	C0200	C0210
R0010 **Technical provisions calculated as a whole**	0	0			0			0	0	0	0			0	0	0
R0020 **Total Recoverables from reinsurance/SPV and Finite Re** after the adjustment for expected losses due to counterparty default associated to TP as a whole	0	0			0			0	0	0	0			0	0	0
Technical provisions calculated as a sum of BE and RM																
Best Estimate																
R0030 **Gross Best Estimate**	0		0	0		0	0	12,069	0	12,069		0	0	0	0	0
R0080 Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	0		0	0		0	0	11,858	0	11,858		0	0	0	0	0
R0090 Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	0		0	0		0	0	211	0	211		0	0	0	0	0
R0100 **Risk Margin**	0	0			0			24	0	24	0			0	0	0
Amount of the transitional on Technical Provisions																
R0110 Technical Provisions calculated as a whole	0	0			0			0	0	0	0			0	0	0
R0120 Best estimate	0		0	0		0	0	0	0	0		0	0	0	0	0
R0130 Risk margin	0	0			0			0	0	0	0			0	0	0
R0200 **Technical provisions - total**	0	0			0			12,093	0	12,093	0			0	0	0

		Direct business and		
		Motor vehicle liability insurance	Other motor insurance	Total Non-Life obligation
		C0050	C0060	C0180
R0010	**Technical provisions calculated as a whole**	0	0	0
R0050	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	0	0	0
	Technical provisions calculated as a sum of BE and RM			
	Best estimate			
	Premium provisions			
R0060	Gross	4,080	209	4,290
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	3,350	256	3,606
R0150	Net Best Estimate of Premium Provisions	730	-46	684
	Claims provisions			
R0160	Gross	39,712	233	39,945
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	28,132	64	28,197
R0250	Net Best Estimate of Claims Provisions	11,580	169	11,748
R0260	**Total Best estimate - gross**	43,792	442	44,234
R0270	**Total Best estimate - net**	12,310	122	12,432
R0280	**Risk margin**	1,380	14	1,394
	Amount of the transitional on Technical Provisions			
R0290	Technical Provisions calculated as a whole	0	0	0
R0300	Best estimate	0	0	0
R0310	Risk margin	0	0	0
	Technical provisions - total			
R0320	Technical provisions - total	45,172	456	45,628
R0330	Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	31,483	320	31,803
R0340	Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	13,690	136	13,825

P.19.01.21 - Non-life Insurance Claims Information (simplified template for the public disclosure)

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Total Non-Life Business

Z0020	Accident year / Underwriting year	Z0020	Underwriting year [UWY]

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

Development year

	Year	0	1	2	3	4	5	6	7	8	9	10 & +	In Current year	Sum of years (cumulative)
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
R0100	Prior											0	0	0
R0160	N-9	2,571	7,829	3,200	2,408	1,232	861	454	13	93	0		0	18,662
R0170	N-8	2,923	8,519	3,624	1,916	1,774	937	1,910	760	375			375	22,739
R0180	N-7	3,698	9,254	3,760	3,295	4,092	752	2,332	743				743	27,927
R0190	N-6	2,821	6,292	2,982	1,414	753	347	307					307	14,916
R0200	N-5	3,102	7,752	1,800	976	829	776						776	15,235
R0210	N-4	3,218	6,620	2,271	711	581							581	13,401
R0220	N-3	3,114	5,659	1,732	843								843	11,348
R0230	N-2	2,943	7,443	2,349									2,349	12,735
R0240	N-1	4,104	7,372										7,372	11,476
R0250	N	2,478											2,478	2,478
R0260												Total	15,824	150,917

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

Development year

	Year	0	1	2	3	4	5	6	7	8	9	10 & +	Year end (discounted data)
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
R0100	Prior												0
R0160	N-9	0	0	0	0	0	0	0	192	23	0		0
R0170	N-8	0	0	0	0	0	0	1,830	3,602	3,026			2,951
R0180	N-7	0	0	0	0	0	1,956	777	126				126
R0190	N-6	0	0	0	0	1,888	2,684	2,813					2,740
R0200	N-5	0	0	0	2,903	1,852	725						720
R0210	N-4	0	0	2,618	1,403	750							743
R0220	N-3	0	5,046	2,101	1,264								1,248
R0230	N-2	5,698	25,828	22,386									21,659
R0240	N-1	7,613	5,382										5,286
R0250	N	4,540											4,473
R0260												Total	39,945

P.23.01.01 - Own funds

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		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
	Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of					
R0010	Ordinary share capital (gross of own shares)	4	4		0	
R0030	Share premium account related to ordinary share capital	3,996	3,996		0	
R0040	Iinitial 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	11,940	11,940			
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
	Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds					
R0220	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				
	Deductions					
R0230	Deductions for participations in financial and credit institutions	0	0	0	0	0
R0290	**Total basic own funds after deductions**	15,940	15,940	0	0	0
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	0			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			0	
R0320	Unpaid and uncalled preference shares callable on demand	0			0	0
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0			0	0
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0			0	
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0			0	0
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0			0	
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0			0	0
R0390	Other ancillary own funds	0			0	0
R0400	**Total ancillary own funds**	0			0	0
	Available and eligible own funds					
R0500	Total available own funds to meet the SCR	15,940	15,940	0	0	0
R0510	Total available own funds to meet the MCR	15,940	15,940	0	0	
R0540	Total eligible own funds to meet the SCR	15,940	15,940	0	0	0
R0550	Total eligible own funds to meet the MCR	15,940	15,940	0	0	
R0580	**SCR**	9,533				
R0600	**MCR**	3,288				
R0620	**Ratio of Eligible own funds to SCR**	1.6721				
R0640	**Ratio of Eligible own funds to MCR**	4.8476				

	Reconciliation reserve	C0060
R0700	Excess of assets over liabilities	15,940
R0710	Own shares (held directly and indirectly)	0
R0720	Foreseeable dividends, distributions and charges	0
R0730	Other basic own fund items	4,000
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0
R0760	**Reconciliation reserve**	11,940
	Expected profits	
R0770	Expected profits included in future premiums (EPIFP) - Life business	0
R0780	Expected profits included in future premiums (EPIFP) - Non- life business	0
R0790	**Total Expected profits included in future premiums (EPIFP)**	0

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
R0010	Market risk	1,325		
R0020	Counterparty default risk	1,252		
R0030	Life underwriting risk	52		
R0040	Health underwriting risk	0		
R0050	Non-life underwriting risk	6,989		
R0060	Diversification	-1,466		
R0070	Intangible asset risk	0		
R0100	**Basic Solvency Capital Requirement**	8,152		

	Calculation of Solvency Capital Requirement	C0100
R0130	Operational risk	1,381
R0140	Loss-absorbing capacity of technical provisions	0
R0150	Loss-absorbing capacity of deferred taxes	0
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	0
R0200	**Solvency capital requirement excluding capital add-on**	9,533
R0210	Capital add-on already set	0
R0220	**Solvency capital requirement**	9,533
	Other information on SCR	
R0400	Capital requirement for duration-based equity risk sub-module	0
R0410	Total amount of Notional Solvency Capital Requirement for remaining part	0
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds	0
R0430	Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	0
R0440	Diversification effects due to RFF nSCR aggregation for article 304	0

Linear formula component for non-life insurance and reinsurance obligations

		C0010
R0010	MCRNL Result	2,233

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
R0020	Medical expenses insurance and proportional reinsurance	0	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	12,310	11,556
R0060	Other motor insurance and proportional reinsurance	122	1,223
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	0	0
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	0	0
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	MCRL Result	4

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
R0210	Obligations with profit participation - guaranteed benefits	0	
R0220	Obligations with profit participation - future discretionary benefits	0	
R0230	Index-linked and unit-linked insurance obligations	0	
R0240	Other life (re)insurance and health (re)insurance obligations	211	
R0250	Total capital at risk for all life (re)insurance obligations		0

	Overall MCR calculation	C0070
R0300	Linear MCR	2,238
R0310	SCR	9,533
R0320	MCR cap	4,290
R0330	MCR floor	2,383
R0340	Combined MCR	2,383
R0350	Absolute floor of the MCR	3,288

		C0070
R0400	**Minimum Capital Requirement**	3,288

G.02.01.02 - Balance sheet

Contents

Tabular
Microsoft Excel -based Solvency II reporting solution

		Solvency II value
	Assets	C0010
R0030	Intangible assets	0
R0040	Deferred tax assets	0
R0050	Pension benefit surplus	0
R0060	Property, plant & equipment held for own use	4,336
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	25,010
R0080	Property (other than for own use)	0
R0090	Holdings in related undertakings, including participations	0
R0100	Equities	0
R0110	Equities - listed	0
R0120	Equities - unlisted	0
R0130	Bonds	21,803
R0140	Government Bonds	1,540
R0150	Corporate Bonds	20,263
R0160	Structured notes	0
R0170	Collateralised securities	0
R0180	Collective Investments Undertakings	3,206
R0190	Derivatives	0
R0200	Deposits other than cash equivalents	0
R0210	Other investments	0
R0220	Assets held for index-linked and unit-linked contracts	0
R0230	Loans and mortgages	0
R0240	Loans on policies	0
R0250	Loans and mortgages to individuals	0
R0260	Other loans and mortgages	0
R0270	Reinsurance recoverables from:	43,661
R0280	Non-life and health similar to non-life	31,803
R0290	Non-life excluding health	31,803
R0300	Health similar to non-life	0
R0310	Life and health similar to life, excluding health and index-linked and unit-linked	11,858
R0320	Health similar to life	0
R0330	Life excluding health and index-linked and unit-linked	11,858
R0340	Life index-linked and unit-linked	0
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	0
R0370	Reinsurance receivables	0
R0380	Receivables (trade, not insurance)	348
R0390	Own shares (held directly)	0
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	7,763
R0420	Any other assets, not elsewhere shown	0
R0500	**Total assets**	81,118
		Solvency II value
	Liabilities	C0010
R0510	Technical provisions – non-life	45,646
R0520	Technical provisions – non-life (excluding health)	45,646
R0530	TP calculated as a whole	0
R0540	Best Estimate	44,234
R0550	Risk margin	1,411
R0560	Technical provisions - health (similar to non-life)	0
R0570	TP calculated as a whole	0
R0580	Best Estimate	0
R0590	Risk margin	0
R0600	Technical provisions - life (excluding index-linked and unit-linked)	12,093
R0610	Technical provisions - health (similar to life)	0
R0620	TP calculated as a whole	0
R0630	Best Estimate	0
R0640	Risk margin	0
R0650	Technical provisions – life (excluding health and index-linked and unit-linked)	12,093
R0660	TP calculated as a whole	0
R0670	Best Estimate	12,069
R0680	Risk margin	24
R0690	Technical provisions – index-linked and unit-linked	0
R0700	TP calculated as a whole	0
R0710	Best Estimate	0
R0720	Risk margin	0
R0740	Contingent liabilities	0
R0750	Provisions other than technical provisions	0
R0760	Pension benefit obligations	0
R0770	Deposits from reinsurers	0
R0780	Deferred tax liabilities	0
R0790	Derivatives	862
R0800	Debts owed to credit institutions	0
R0810	Financial liabilities other than debts owed to credit institutions	0
R0820	Insurance & intermediaries payables	210
R0830	Reinsurance payables	0
R0840	Payables (trade, not insurance)	106
R0850	Subordinated liabilities	0
R0860	Subordinated liabilities not in Basic Own Funds	0
R0870	Subordinated liabilities in Basic Own Funds	0
R0880	Any other liabilities, not elsewhere shown	0
R0900	**Total liabilities**	58,917
R1000	**Excess of assets over liabilities**	22,201

G.05.01.02.01 - Premiums, claims and expenses by line of business - Table 1

Contents

	Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of Business for:accepted non-proportional reinsurance				Total
	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	Health	Casualty	Marine, aviation, transport	Property	
	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written																	
R0110 Gross - Direct Business	0	0	0	16,436	1,760	0	0	0	0	0	0	0					18,197
R0120 Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0	0	0	0	0	0					0
R0130 Gross - Non-proportional reinsurance accepted													0	0	0	0	0
R0140 Reinsurers' share	0	0	0	6,340	440	0	0	0	0	0	0	0	0	0	0	0	6,780
R0200 Net	0	0	0	10,096	1,320	0	0	0	0	0	0	0	0	0	0	0	11,416
Premiums earned																	
R0210 Gross - Direct Business	0	0	0	18,407	1,961	0	0	0	0	0	0	0					20,368
R0220 Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0	0	0	0	0	0					0
R0230 Gross - Non-proportional reinsurance accepted													0	0	0	0	0
R0240 Reinsurers' share	0	0	0	7,183	490	0	0	0	0	0	0	0	0	0	0	0	7,674
R0300 Net	0	0	0	11,223	1,471	0	0	0	0	0	0	0	0	0	0	0	12,694
Claims incurred																	
R0310 Gross - Direct Business	0	0	0	10,006	1,116	0	0	0	0	0	0	0					11,121
R0320 Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0	0	0	0	0	0					0
R0330 Gross - Non-proportional reinsurance accepted													0	0	0	0	0
R0340 Reinsurers' share	0	0	0	2,173	279	0	0	0	0	0	0	0	0	0	0	0	2,452
R0400 Net	0	0	0	7,833	837	0	0	0	0	0	0	0	0	0	0	0	8,669
Changes in other technical provisions																	
R0410 Gross - Direct Business	0	0	0	0	0	0	0	0	0	0	0	0					0
R0420 Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0	0	0	0	0	0					0
R0430 Gross - Non- proportional reinsurance accepted													0	0	0	0	0
R0440 Reinsurers'share	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
R0500 Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
R0550 **Expenses incurred**	0	0	0	2,311	249	0	0	0	0	0	0	0	0	0	0	0	2,560
R1200 **Other expenses**																	328
R1300 **Total expenses**																	2,888

G.05.01.02.02 - Premiums, claims and expenses by line of business - Table 2

Contents

	Line of Business for: **life insurance obligations**						**Life reinsurance obligations**		**Total**
	Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life-reinsurance	
	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written									
R1410 Gross	0	0	0	0	0	0	0	0	0
R1420 Reinsurers' share	0	0	0	0	0	0	0	0	0
R1500 Net	0	0	0	0	0	0	0	0	0
Premiums earned									
R1510 Gross	0	0	0	0	0	0	0	0	0
R1520 Reinsurers' share	0	0	0	0	0	0	0	0	0
R1600 Net	0	0	0	0	0	0	0	0	0
Claims incurred									
R1610 Gross	0	0	0	0	0	-1	0	0	-1
R1620 Reinsurers' share	0	0	0	0	0	-1	0	0	-1
R1700 Net	0	0	0	0	0	0	0	0	0
Changes in other technical provisions									
R1710 Gross	0	0	0	0	0	0	0	0	0
R1720 Reinsurers' share	0	0	0	0	0	0	0	0	0
R1800 Net	0	0	0	0	0	0	0	0	0
R1900 **Expenses incurred**	0	0	0	0	0	0	0	0	0
R2500 **Other expenses**									0
R2600 **Total expenses**									0

G.23.01.22 - Own funds

Contents

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
	Basic own funds before deduction for participations in other financial sector					
R0010	Ordinary share capital (gross of own shares)	0	0		0	
R0020	Non-available called but not paid in ordinary share capital at group level	0	0		0	
R0030	Share premium account related to ordinary share capital	10	10		0	
R0040	Iinitial 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
R0060	Non-available subordinated mutual member accounts at group level	0		0	0	0
R0070	Surplus funds	0	0			
R0080	Non-available surplus funds at group level	0	0			
R0090	Preference shares	0		0	0	0
R0100	Non-available preference shares at group level	0		0	0	0
R0110	Share premium account related to preference shares	0		0	0	0
R0120	Non-available share premium account related to preference shares at group level	0		0	0	0
R0130	Reconciliation reserve	22,191	22,191			
R0140	Subordinated liabilities	0		0	0	0
R0150	Non-available subordinated liabilities at group level	0		0	0	0
R0160	An amount equal to the value of net deferred tax assets	0				0
R0170	The amount equal to the value of net deferred tax assets not available at the group level	0				0
R0180	Other items approved by supervisory authority as basic own funds not specified above	0	0	0	0	0
R0190	Non available own funds related to other own funds items approved by supervisory authority	0	0	0	0	0
R0200	Minority interests (if not reported as part of a specific own fund item)	0	0	0	0	0
R0210	Non-available minority interests at group level	0	0	0	0	0
	Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds					
R0220	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				
	Deductions					
R0230	Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial a	0	0	0	0	0
R0240	whereof deducted according to art 228 of the Directive 2009/138/EC	0	0	0	0	
R0250	Deductions for participations where there is non-availability of information (Article 229)	0	0	0	0	0
R0260	Deduction for participations included by using D&A when a combination of methods is used	0	0	0	0	0
R0270	Total of non-available own fund items	0	0	0	0	0
R0280	**Total deductions**	0	0	0	0	0
R0290	**Total basic own funds after deductions**	22,201	22,201	0	0	0
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	0			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			0	
R0320	Unpaid and uncalled preference shares callable on demand	0			0	0
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0			0	0
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0			0	
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0			0	0
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0			0	
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0			0	0
R0380	Non available ancillary own funds at group level	0			0	0
R0390	Other ancillary own funds	0			0	0
R0400	**Total ancillary own funds**	0			0	0
	Own funds of other financial sectors					
R0410	Credit institutions, investment firms, financial institutions, alternative investment fund managers, UCITS management companies – total	0	0	0	0	
R0420	Institutions for occupational retirement provision	0	0	0	0	0
R0430	Non regulated entities carrying out financial activities	0	0	0	0	
R0440	Total own funds of other financial sectors	0	0	0	0	0
	Own funds when using the D&A, exclusively or in combination of method 1					
R0450	Own funds aggregated when using the D&A and combination of method	0	0	0	0	0
R0460	Own funds aggregated when using the D&A and a combination of method net of IGT	0	0	0	0	0
R0520	Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	22,201	22,201	0	0	0
R0530	Total available own funds to meet the minimum consolidated group SCR	22,201	22,201	0	0	
R0560	Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and	22,201	22,201	0	0	0
R0570	Total eligible own funds to meet the minimum consolidated group SCR	22,201	22,201	0	0	
	Consolidated Group SCR					
R0610	**Minimum consolidated Group SCR**	3,288				
R0630	**Ratio of Eligible own funds to the consolidated Group SCR (excluding other financial sectors and the undertakings included via D&A)**					
R0650	**Ratio of Eligible own funds to Minimum Consolidated Group SCR**	6.7514				
R0660	**Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)**	22,201	22,201	0	0	0
R0670	**SCR for entities included with D&A method**					
R0680	**Group SCR**	9,825				
R0690	**Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A**	2.2597				

		C0060
	Reconciliation reserve	
R0700	Excess of assets over liabilities	22,201
R0710	Own shares (held directly and indirectly)	0
R0720	Forseeable dividends, distributions and charges	0
R0730	Other basic own fund items	10
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0
R0750	Other non available own funds	0
R0760	**Reconciliation reserve before deduction for participations**	22,191
	Expected profits	
R0770	Expected profits included in future premiums (EPIFP) - Life business	0
R0780	Expected profits included in future premiums (EPIFP) - Non- life business	0
R0790	**Total Expected profits included in future premiums (EPIFP)**	0

G.25.01.22 - Solvency Capital Requirement - for undertakings on Standard Formula

Contents

Tabular
Microsoft Excel -based Solvency II reporting solution

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
R0010	Market risk	1,788		
R0020	Counterparty default risk	1,392		
R0030	Life underwriting risk	52		
R0040	Health underwriting risk	0		
R0050	Non-life underwriting risk	6,989		
R0060	Diversification	-1,778		
R0070	Intangible asset risk	0		
R0100	**Basic Solvency Capital Requirement**	8,443		

	Calculation of Solvency Capital Requirement	C0100
R0130	Operational risk	1,381
R0140	Loss-absorbing capacity of technical provisions	0
R0150	Loss-absorbing capacity of deferred taxes	0
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	0
R0200	**Solvency capital requirement excluding capital add-on**	9,825
R0210	Capital add-on already set	0
R0220	**Solvency capital requirement**	9,825
	Other information on SCR	
R0400	Capital requirement for duration-based equity risk sub-module	0
R0410	Total amount of Notional Solvency Capital Requirements for remaining part	0
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds	0
R0430	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	0
R0440	Diversification effects due to RFF nSCR aggregation for article 304	0
R0470	Minimum consolidated group solvency capital requirement	3,288
	Information on other entities	
R0500	Capital requirement for other financial sectors (Non-insurance capital requirements)	0
R0510	Capital requirement for other financial sectors (Non-insurance capital requirements) - Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	0
R0520	Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational retirement provisions	0
R0530	Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement for non- regulated entities carrying out financial activities	0
R0540	Capital requirement for non-controlled participation requirements	0
R0550	Capital requirement for residual undertakings	0
	Overall SCR	
R0560	SCR for undertakings included via D and A	0
R0570	**Solvency capital requirement**	9,825

G.32.01.22 - Undertakings in the scope of the group

Contents

Tabular
Microsoft Excel -based Solvency II reporting solution

C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
								Criteria of influence						Inclusion in the scope of Group		Group solvency calculation
Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	YES/NO	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
GI	2138007ZBCWGQTCT4R31	LEI	Premier Insurance Company Limited	2	Ltd	2	GFSC	1.0000	1.0000	1.0000		1		1		1
GI	102244	SC	nierUnderwritingDevelopment(Europe)Lin	10	Ltd	2	GFSC	1.0000	1.0000	1.0000		1		1		1
GI	108125	SC	emierAdvisoryandConsultingSolutionsLimi	10	Ltd	2		1.0000	1.0000	1.0000		1		1		1
GI	/213800D5WVGW3FWTSV	SC	emierUnderwritingHoldings(Gibraltar)Limit	5	Ltd	2								1		1