

PREMIER UNDERWRITING HOLDINGS (GIBRALTAR) LIMITED

PREMIER INSURANCE COMPANY LIMITED

GROUP AND SOLO SOLVENCY AND FINANCIAL CONDITION REPORT

As at 31 December 2019

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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
XoL	Excess of Loss Reinsurance

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.

Following an internal review, the decision has been taken to wind up both PUDEL and PACSL in the first half of 2020, as these companies no longer actively trade. The run-off management of the business previously distributed through PUDEL will be transferred to Premier Underwriting Limited, which is a UK licensed insurance intermediary. The net assets of both companies will be transferred to PUHGL and will be retained within the Group.

Business and Performance

PICL is the only insurance company within the group and during the year to 31 December 2019 PICL underwrote £25.7 million of premium (2018 – £18.2 million) and achieved a loss before tax of £0.5 million (2018 – profit £0.7 million).

During the year, the Company has grown its business by taking on a portfolio previously underwritten on behalf of a third party capacity provider to PUDEL. Premium volumes have nonetheless remained depressed due to difficult market conditions. While the Company’s business model continues to be to underwrite for profit rather than simply chasing volumes, the current year has proved to be challenging, with adverse loss ratio performance impacting the result. All business written was motor business in the United Kingdom.

On a consolidated basis, the Group achieved a profit before tax of £0.02 million (2018 – £1.3 million), which includes significant profit commission on previous years received by PUDEL. In addition to the underwriting carried out by PICL, PUDEL generated further net commission income for the Group, amounting to £0.5 million (2018 – £0.3 million) during the year.

Investment income resulted in a profit of some £0.6 million for the year (2018 – loss of £0.1 million) for PICL and £0.7 million (2018 – loss of £0.2 million) for the Group.

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.

In March 2020, both Gibraltar and subsequently the UK implemented various measures to slow the spread of coronavirus COVID-19. While neither the Company nor the Group have any direct exposure to potential COVID-19 related claims, the lockdown measures have impacted the value of investments held and have the potential to affect both the frequency and the cost of claims in 2020. It is not possible to assess fully the ultimate impact of COVID-19 at this stage, but this will be reflected in the results for the year to 31 December 2020.

Systems of Governance

During the year, PICL and the Group moved a number of operations to an in-house team in Gibraltar and now operate a partially outsourced business model, with outsourced providers both within the wider group and externally. Day-to-day operational management is no longer outsourced, with only selected services comprising some Solvency II modelling, company secretarial and compliance services being outsourced to PICL's insurance manager, Artex Risk Solutions (Gibraltar) Limited and the Group's company manager, Artex Corporate Services (Gibraltar) Limited. 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.

PICL and the Group both have strong systems of governance, proportionate to the size and complexity of the operation, with the processes, 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 three 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 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. Except for the appointment of a further Executive Director and the transfer of a number of functions to an in-house team, there were no other 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. During 2019, the Company and the Group have also begun to develop a social and environmental risk management framework.

The risk management framework is designed to

- identify all material risks
- assess the overall likelihood and impact of all material risks
- 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:

- The UK exiting the EU
- Transition risk arising from climate change

- Physical risk from climate change
- Low premium volumes making the business unattractive to reinsurers
- Higher than expected future claims frequency
- Higher than expected future average cost per claim

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 2019, the Company's and the Group's solvency position were as set out below:

	PICL – Solo	Premier Group
Eligible Own Funds (Tier 1)	15,290,341	21,966,512
SCR	9,987,017	10,266,927
SCR Coverage	153.1%	213.95%
MCR	3,186,921	3,186,921
MCR Coverage	479.8%	689.3%

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:

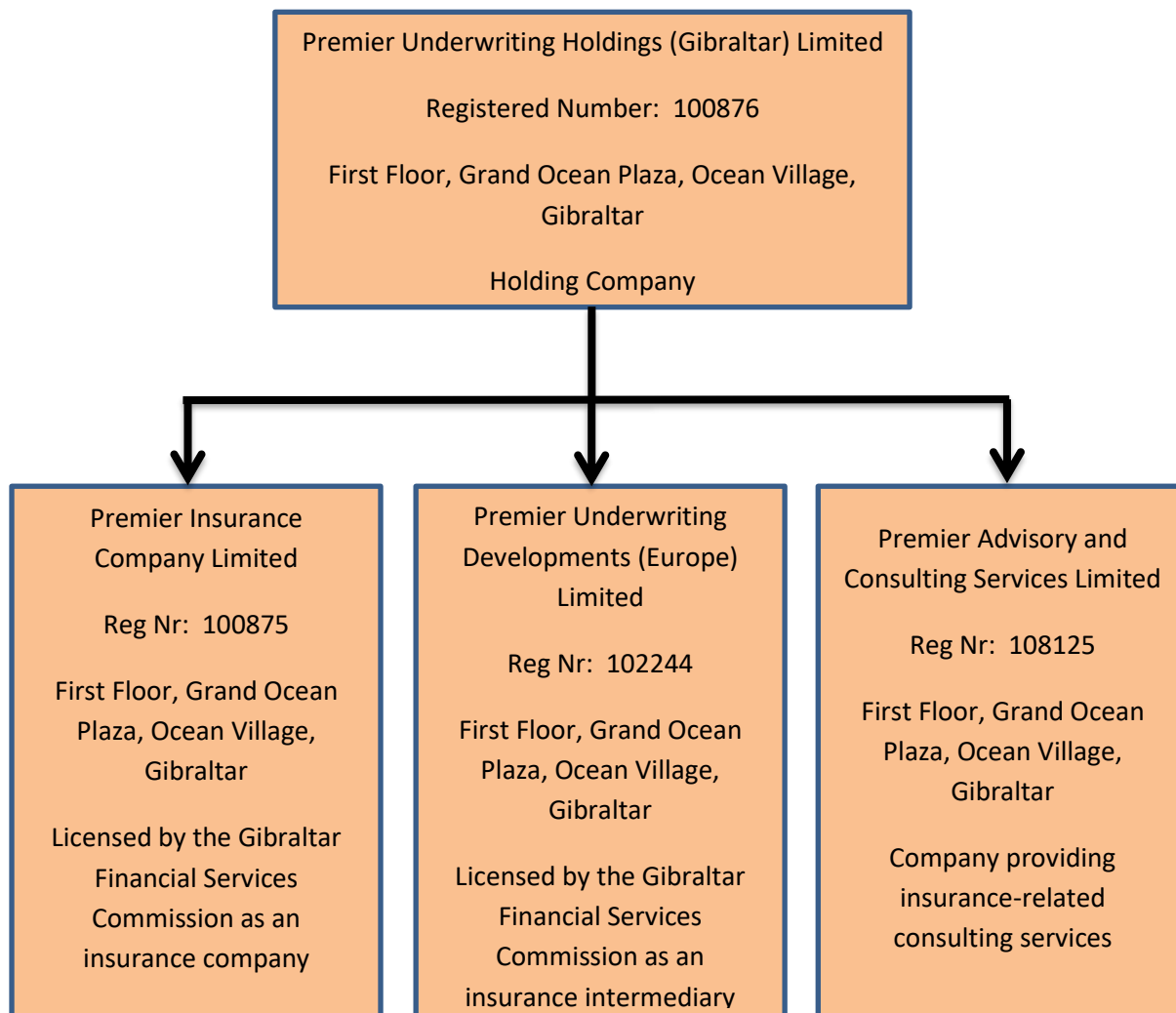
RSM Audit (Gibraltar) Limited
21 Engineer Lane
Gibraltar

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.

Following an internal review, the decision has been taken to wind up both PUDEL and PACSL in the first half of 2020, as these companies no longer actively trade. The run-off management of the business previously distributed through PUDEL will be transferred to PUL. The net assets of both companies will be transferred to PUHGL and will be retained within the Group.

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 £25.7 million (2018 - £18.2 million). Net (of reinsurance) written premium amounted to £19.3 million (2018 - £11.4 million). All business has been conducted in the UK.

A.1.7 Significant Business or Other Events

In July 2019, following a review by the UK government, the Lord Chancellor announced an increase in the Ogden discount rate from -0.75% to -0.25%. The increase was significantly lower than had been anticipated by the UK motor market and in particular by Excess of Loss reinsurers. As a result, the cost of reinsurance from 1 January 2020 has seen a material increase. Premier's reinsurance programme renewed on 1 April 2020, with an increase which was at the lower end of the range experienced by the wider market. The change in the Ogden discount rate has not had a material impact on the value of claims.

In March 2020, both Gibraltar and subsequently the UK implemented various measures to slow the spread of coronavirus COVID-19. These measures amounted to an effective lockdown of the country, including cancellations of large gatherings, closure of businesses and restrictions on travel. While neither the Company nor the Group have any direct exposure to potential COVID-19 related claims, the lockdown measures have impacted the value of investments held and have the potential to affect both the frequency and the cost of claims in 2020.

As at 30 April 2020, the mark to market (or unrealised) reduction in the value of investments amounts to approximately £132,000 for the Company and £156,000 for the Group. It is not possible to fully assess the ultimate impact of the measures across the entire business, but this will become clearer as the year progresses and will be reflected in the results for the year to 31 December 2020.

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 2019 for both PICL and the Group, together with comparatives for the year ended 31 December 2018.

Solo	As at 31 December 2019			
	Motor Liability	Other Motor	Annuities	Total
	£'000	£'000	£'000	£'000
Gross written premiums	21,113	4,635		25,748
Outward reinsurance premiums	(8,418)	(1,159)		(9,577)
Net written premiums	12,695	3,476		16,171
				0
Change in the gross provision of unearned premiums	(2,743)	(602)		(3,345)
Change in the provision for unearned premiums - reinsurers' share	1,075	151		1,226
Change in the net provision for unearned permiums	(1,667)	(452)		(2,119)
Earned premiums, net of reinsurance	11,028	3,024	0	14,052
Claims paid - gross amount	14,890	3,171	438	18,499
Claims paid - reinsurers' share	(5,696)	(785)	(438)	(6,920)
Net claims paid	9,194	2,386	0	11,580
Change in provision for claims - gross amount	(3,584)	(2)	(429)	(4,015)
Change in provision for claims - reinsurers' share	3,807	(1)	429	4,236
Change in net provision for claims	224	(3)	0	221
Claims incurred, net of reinsurance	9,418	2,383	0	11,801
Net operating expenses	2,808	640		3,448
Balance on the technical account	(1,198)	1	0	(1,197)

Year ended 31 December 2019 - Group

Group	As at 31 December 2019			
	Motor Liability	Other Motor	Annuities	Total
	£'000	£'000	£'000	£'000
Gross written premiums	21,113	4,635		25,748
Outward reinsurance premiums	(8,418)	(1,159)		(9,577)
Net written premiums	12,695	3,476		16,171
				0
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Change in provision for claims - reinsurers' share	3,807	(1)	429	4,236
Change in net provision for claims	224	(3)	0	221
Claims incurred, net of reinsurance	9,418	2,383	0	11,801
Net operating expenses	2,477	567		3,044
Balance on the technical account	(867)	74	0	(793)

Year ended 31 December 2018 – PICL

Solo	As at 31 December 2018			
	Motor Liability £'000	Other Motor £'000	Annuities £'000	Total £'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 premiums	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

Year ended 31 December 2018 – Group

Group	As at 31 December 2018			
	Motor Liability £'000	Other Motor £'000	Annuities £'000	Total £'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	2,607	281		2,888
Balance on the technical account	783	353	0	1,137

Premium volumes have remained challenging during 2019 due to difficult market conditions and in particular certain rating actions taken by other market participants in advance of planned future legislative reforms. While Premier maintained underwriting discipline, these factors, together with some adverse claims experience, resulted in both the Company and the Group making an underwriting loss in the year. Commission income and profit commission from PUDEL contributed positively to the overall result for the Group.

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 2019		As at 31 December 2018	
	Amount	% of Total	Amount	% of Total
	£'000	%	£'000	%
Investible Assets				
Corporate bonds	19,651	51%	20,263	56%
Government bonds	718	2%	1,540	4%
Funds	1,661	4%	3,206	9%
Derivatives	0	0%	(862)	-2%
Property	4,395	11%	4,336	12%
Deposits, Cash, Cash Equivalents	12,239	32%	7,763	21%
Total	38,665	100%	36,247	100%

The Company's investment portfolio comprises:

Solo	As at 31 December 2019		As at 31 December 2018	
	Amount	% of Total	Amount	% of Total
	£'000	%	£'000	%
Investible Assets				
Corporate bonds	17,860	55%	19,629	64%
Government bonds	634	2%	1,540	5%
Funds	1,661	5%	3,206	10%
Derivatives	0	0%	(862)	-3%
Property	2,250	7%	2,250	7%
Deposits, Cash, Cash Equivalents	9,943	31%	4,849	16%
Total	32,349	100%	30,613	100%

The Group's investment returns and expenses were:

Group	As at 31 December 2019		As at 31 December 2018	
	Amount	% of Total	Amount	% of Total
	£'000	%	£'000	%
Investment Income				
Corporate bonds	734	108%	(136)	576%
Government bonds	12	2%	(5)	21%
Funds	60	9%	19	-82%
Derivatives	(11)	-2%	185	-783%
Property	0	0%	76	-323%
Deposits, Cash, Cash Equivalents	10	1%	(4)	17%
Investment Management Fees	(124)	-18%	(160)	675%
Total	681	100%	-24	100%

The Company's investment returns and expenses were:

Solo	As at 31 December 2019		As at 31 December 2018	
	Amount	% of Total	Amount	% of Total
	£'000	%	£'000	%
Investment Income				
Corporate bonds	669	105%	136	-47%
Government bonds	(22)	-3%	5	-2%
Funds	88	14%	(19)	7%
Derivatives	0	0%	(184)	63%
Property	0	0%	(76)	26%
Deposits, Cash, Cash Equivalents	10	2%	4	-1%
Investment Management Fees	(110)	-17%	(157)	54%
Total	634	100%	(291)	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 receives 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 2019 with a comparison for 2018.

Group	31/12/2019	31/12/2018
	£'000	£'000
Earned Commission		
Reinsurance Commission - PICL	211	267
Net Profit Commission - PICL	0	(223)
Net Commission Income - PUDEL	83	397
Net Profit Commission - PUDEL	412	106
Total	706	546

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

Solo	31/12/2019	31/12/2018
	£'000	£'000
Earned Commission		
Reinsurance Commission - PICL	211	122
Profit Commission - Receivable	0	194
Profit Commission - Payable	0	(208)
Total	211	108

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

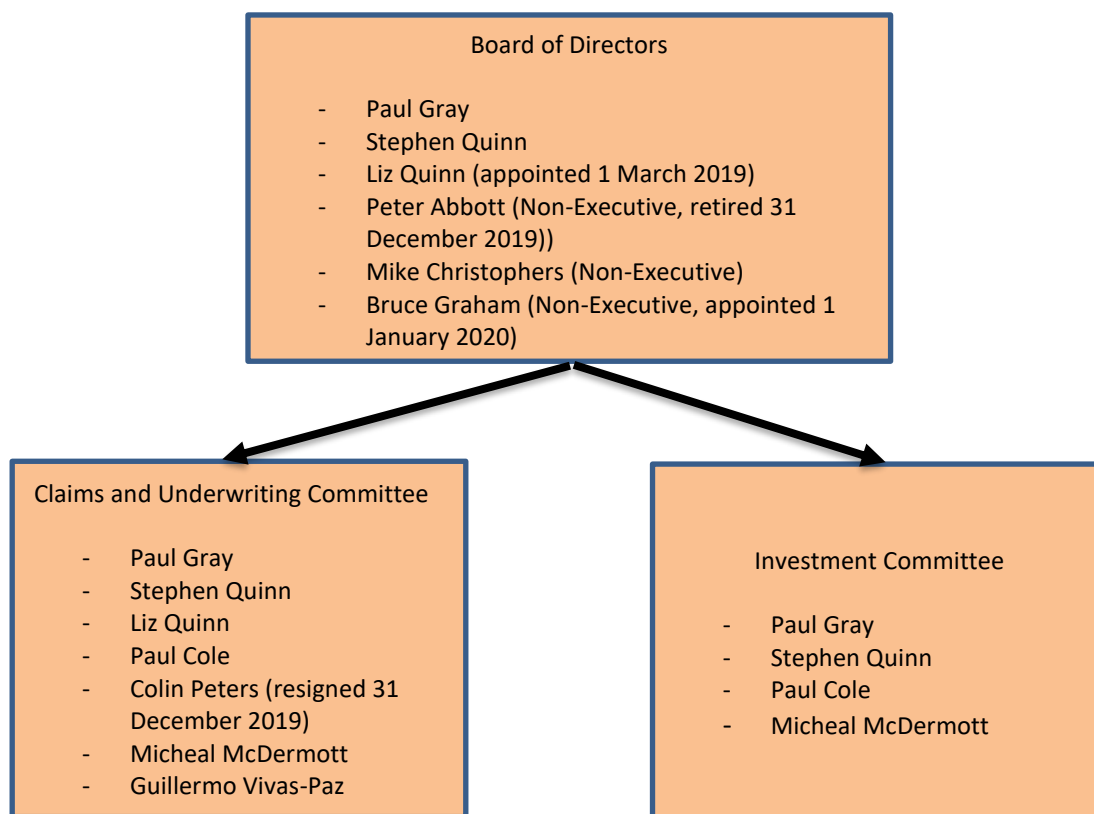
PUDEL – Board of Directors comprising:

- Paul Gray
- Peter Abbott (Non-Executive, retired 31 December 2019)
- Liz Quinn (Non-Executive)
- Mike Christophers (Non-Executive, retired 31 December 2019)

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 2019 as set out below:



Premier Underwriting Holdings (Gibraltar) Limited
Group Solvency and Financial Condition Report 2019

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

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 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

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- 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. Responsibility for this function rests with Liz Quinn.

The function holder is supported in her role by the Premier team and where necessary outsourced service providers, who may provide input into and assistance with risk management. Regular risk reporting is provided to the PICL Board.

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 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 actuarial consultancy, 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

PICL's Internal Audit function is overseen by one of the Company's Non-Executive Directors, Bruce Graham. 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

The following changes took place during the year:

- Liz Quinn was appointed to the Board on 1 March 2019
- Peter Abbott retired from the Board on 31 December 2019
- Bruce Graham was appointed to the Board on 1 January 2020
- Bruce Graham replaced Mike Christophers as the Internal Audit Function Holder on 17 April 2020
- Micheal McDermott was appointed as a member of the Investment Committee on 9 December 2019
- Micheal McDermott was appointed as a member of the Claims and Underwriting Committee 9 December 2019
- Guillermo Vivas-Paz was appointed as a member of the Claims and Underwriting Committee on 9 December 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

PICL directly employs two Executive Directors and four additional employees and pays fees to the two Non-Executive Directors. The Company's Chief Executive is remunerated elsewhere, but receives a benefit in kind in the form of the UK property owned by PICL being available for private use. A remuneration policy is in place, but responsibility for the remuneration arrangements and policy are retained by the Board as a whole.

Directors and Employees receive remuneration commensurate with their skill, knowledge and experience, qualifications and role within the company. Remuneration is in the form of a fixed salary or fee, with agreed contract terms. Bonuses may be paid 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.

The Company does not operate a pension scheme and Directors and Employees are not entitled to share options or shares in the Company.

B.1.5 Material Transactions

During the year, PICL paid a fee of £166,667 (2018 - £300,000) to its insurance manager for services provided. Two of PICL's Directors were also Directors of the insurance manager during part of the year. At 31 December 2019, the balance owed by PICL was £8,333 (2018 - £25,000).

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

During the year, PICL was not charged by its parent for use of intellectual property (2018 - £440,000). At 31 December 2019 the balance owed to PICL was £297,252 (2018 – creditor of £511,425).

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
- Social and Environmental Risk

The Company has started to develop its Social and Environmental Risk Management approach during 2019, with particular focus on risks arising from Climate Change.

Risk management responsibility has been retained by the Board as a whole, with primary responsibility for overseeing the operation of the framework established by the Board resting with the Risk Function Holder. However, due to the size of the Company, it depends on assistance from individuals within its outsourced service providers, in particular its third party administrator in managing its risk function.

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 risk 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 where required.

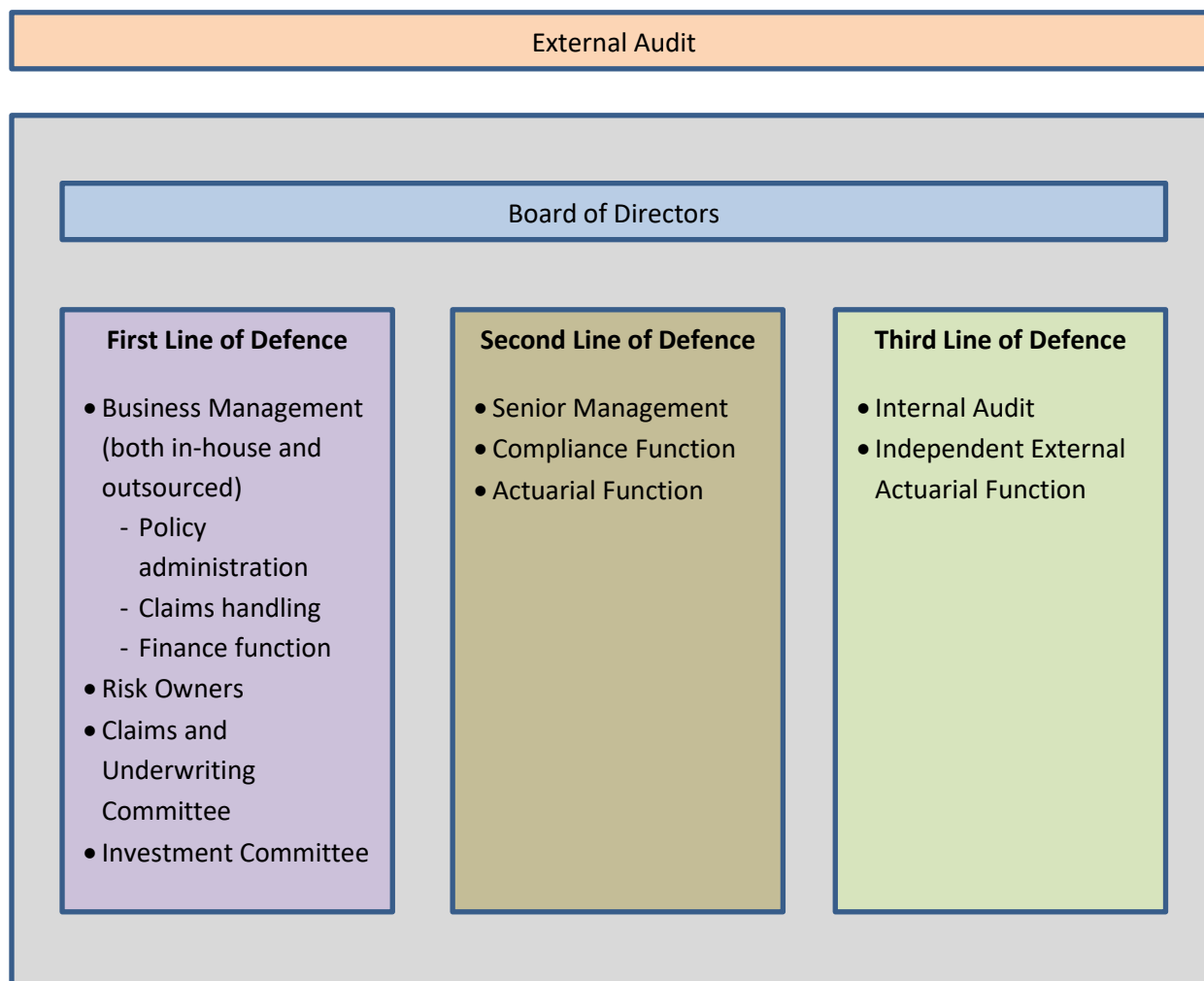
Risk management involves the Board as well as key members of PICL's team and, where required, outsourced providers. All forums and individuals involved in risk management have a duty to inform the Compliance, Internal Audit or Actuarial functions of any facts that may be relevant to these functions in 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 feed 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 under oversight of the Risk Function Holder and with input from outsourced service providers where necessary. This ensures that risk management is fully integrated into PICL's business and its decision-making processes, as it involves both management and the entire Board.

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, together with the level of capital required to manage these risks, are assessed appropriately, or that other risk mitigation measures are determined and put in place. The ORSA should provide the Board and management with a thorough understanding of the risk profile of the Company and the Group 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, where required, 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 one 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 considers 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 25% 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 own funds dropping by 10% or more

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 overseeing the effectiveness of the Company's operations and controls. 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, designed to ensure that all relevant areas are covered within an appropriate, risk-based timeframe. This plan is then used as the basis for preparing a detailed annual plan of schedules and internal audit activities. Internal Audit carries out its evaluation 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 draft report is produced for discussion with management in the relevant area within six weeks of the audit work being completed.
- Management draft responses to all relevant internal audit findings/recommendations. As the Board has not delegated the function to an Audit Committee, these responses are subject to Board approval.
- Management's responses and proposed actions will be noted and an agreed final report will be issued. The final report should be issued within four weeks of the draft report being prepared.
- The final report will be circulated to the Board for review and will be formally considered 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
- Making recommendations to improve data quality where required
- Back-testing of best estimates against actual experience, reporting of material deviations and making proposals to improve calculation
- Expressing an opinion on the overall underwriting policy
- Expressing an opinion on the 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

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- 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
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 by which the effectiveness of the systems of governance is regularly evaluated. 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, maintained, and remain relevant at all times.

B.8.2 Any other Material Information

There is no other material information to report as at 31 December 2019.

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 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 2019 and 31 December 2018 are set out in the tables below.

Group risk profile:

Group	2019	2018
SCR Risk Category	£	£
Non-Life Underwriting Risk	7,363	6,989
Life Underwriting Risk	63	52
Market Risk	1,561	1,788
Counterparty Risk	1,495	1,392
Diversification	(1,712)	(1,778)
Basic Solvency Capital Requirement	8,770	8,443
Operational Risk	1,497	1,381
Solvency Capital Requirement	10,267	9,825

Company risk profile:

Solo	2019	2018
SCR Risk Category	£	£
Non-Life Underwriting Risk	7,363	6,989
Life Underwriting Risk	63	52
Market Risk	1,031	1,325
Counterparty Risk	1,394	1,252
Diversification	(1,361)	(1,466)
Basic Solvency Capital Requirement	8,490	8,152
Operational Risk	1,497	1,381
Solvency Capital Requirement	9,987	9,533

C.1 Underwriting Risk

C.1.1 Information on Underwriting Risk

The Company's non-life underwriting risk comprises premium and reserve risk, catastrophe risk, and lapse risk and is summarised in the table below:

Group and Solo	2019	2018
Non-Life Underwriting Risk	£	£
Premium and Reserve Risk	7,182	6,850
Lapse Risk	28	45
Catastrophe Risk	624	490
Undiversified Non-Life Underwriting Risk	7,834	7,385
Diversification	(471)	(396)
Non-Life Underwriting Risk	7,363	6,989

Underwriting risk arises from the risk of loss from changes in insurance liabilities. Premium risk arises from inadequate pricing or risk selection, such that the premium charged does not reflect the risk taken on. Reserve risk arises from inappropriate reserving, adverse claims development, or other fluctuations in the timing, frequency and severity of insured events. Catastrophe risk arises from one-off natural or man-made catastrophic events. Lapse risk represents the risk of policies being discontinued and thus ceasing to produce income or profit.

C.1.2 Measures used to Assess Risks

The Company assesses underwriting risk through the risk register, key performance and risk metrics, capital calculations using the Standard Formula and through appropriate stress and scenario testing as part of the ORSA process.

C.1.3 Material Risks

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 key risks identified by management are the challenging motor market environment which has depressed premiums during the year, the availability and cost of appropriate reinsurance, higher than expected claims frequency and rising cost per claims in certain heads of damage. In addition, the physical impacts from climate change are viewed as a growing emerging risk.

C.1.4 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.1.5 Risk Mitigations

The Company manages underwriting risk through regular review of performance information as set out in a suite of monthly management information, encompassing loss ratios, frequency and cost of claims by products, heads of damage, risk factors and distribution channels. In addition, key claims performance metrics are monitored regularly, and appropriate checks and controls are in place for key processes, including oversight and audit of outsourced providers.

The Claims and Underwriting Committee meets on a monthly basis to consider current performance and decide on any rating action to be taken.

In addition, 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.

C.1.6 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 Information on Market Risk

The Company's and Group's market risk is summarised in the table below:

Group	2019	2018
Market Risk	£	£
Interest Rate Risk	188	349
Property Risk	1,099	1,084
Spread Risk	673	939
Concentration Risk	17	4
Undiversified Market Risk	1,977	2,376
Diversification	(416)	(588)
Market Risk	1,561	1,788

Solo	2019	2018
Market Risk	£	£
Interest Rate Risk	128	330
Property Risk	563	563
Spread Risk	618	906
Concentration Risk	38	6
Undiversified Market Risk	1,347	1,803
Diversification	(315)	(479)
Market Risk	1,031	1,325

Market risk is the risk of loss from changes in the income generated by investments and the level and volatility of market prices of assets, liabilities and financial instruments.

C.2.2 Measures used to Assess Risks

The Company assesses market risk through the risk register, investment performance and risk metrics, capital calculations using the Standard Formula and through appropriate stress and scenario testing as part of the ORSA process. In addition, the Investment Committee meets with the investment managers on a regular basis to discuss the individual portfolios and the wider market environment.

C.2.3 Material Risks

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.

The main market risk to which the Company and the Group are exposed is a collapse in the value of bonds, both government and corporate. This risk has increased post 31 December 2019 due to market volatility as a result of the COVID-19 pandemic. In addition, the transition risk arising from climate change is an emerging key risk which the Group is actively addressing in 2020.

C.2.4 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.2.5 Risk Mitigations

The Group mitigates market risk through the implementation of an appropriate investment policy, which sets limits with regard to exposure, duration, rating and other relevant factors. Investment performance is kept under ongoing review, with the Investment Committee meeting on a monthly basis to discuss performance and any action that may be required. The Group uses more than one investment manager and more than one banking counterparty and the portfolios are diversified.

C.2.6 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.

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 when deemed appropriate 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.

C.2.7 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, but capital would be maintained in excess of the SCR. The additional capital held at Group level further mitigates this risk.

C.3 Credit Risk

C.3.1 Information on Credit Risk

Credit risk is the risk of loss from a counterparty being unwilling or unable to pay amounts due or otherwise failing to meet its financial obligations. The Group is exposed to credit risk from its banking and reinsurance partners as well as its intermediaries and investment counterparties.

C.3.2 Measures used to Assess Risks

The Company assesses credit risk through the risk register, monitoring of counterparties, capital calculations using the Standard Formula and through appropriate stress and scenario testing as part of the ORSA process.

C.3.3 Material Risks

Premier's material credit risks arise from its exposure to reinsurance and banking counterparties. The exposure to intermediaries is more limited as it is more diversified and, due to appropriate management for collection of funds, is not a material risk. Exposure to investment counterparties is captured under the market risk module.

C.3.4 Material Risk Concentrations

The Group's credit risk exposures during the year were diversified.

C.3.5 Risk Mitigations

The Group mitigates credit risk through the use of more than one distribution channel and the close management of collection of funds from brokers. Banking and reinsurance counterparties are required to carry a rating of at least A-

and the strength of reinsurers is separately assessed on an annual basis. Collection of amounts due from reinsurers is closely monitored.

C.3.6 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. PICL's largest exposure is to its Quota Share reinsurer. However, due to its strong capital base, the Company is resilient to the risk of a credit step downward movement. Under an extremely severe scenario, whereby all reinsurers suffer a credit step downward movement, PICL would fall below its SCR, but would be protected by the Group's additional funds.

C.4 Liquidity Risk

C.4.1 Information on Liquidity Risk

Liquidity risk is the risk of loss from an inability on the part of the Company or the Group to pay liabilities as they fall due.

C.4.2 Measures used to Assess Risks

The Company assesses liquidity risk through the risk register, cash flow projections and management, and through appropriate stress and scenario testing as part of the ORSA process.

C.4.3 Material Risks

The Company and Group have a low level of liquidity risk, due to the nature of the investment portfolios 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.4.4 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.4.5 Risk Mitigations

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

C.4.6 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.4.7 Expected Profit in Future Premiums

The amount of expected profit in future premium as at December 2019 is £Nil (2018 – £Nil).

C.5 Operational Risk

C.5.1 Information on Operational Risk

Operational risk is the risk of loss 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 risk is also considered in this category.

C.5.2 Measures used to Assess Risks

The Company assesses operational risk through the risk register and the capital calculations using the Standard Formula.

C.5.3 Material Risks

PICL and the Group have identified Brexit as the key operational risk facing the business, as the ultimate impact of leaving the EU cannot be easily ascertained at this point in time. In addition, cyber risks, market-wide regulatory actions and the insolvent failure of a Gibraltar motor insurer are the other major operational/reputational risks faced by the Group.

Post 31 December, the COVID-19 pandemic has impacted operational risk, with home working being introduced for both the Company and its service providers and with potential impacts on a range of other operational areas, including potential regulatory and legislative impacts. The long-term impact and changes as a result of the pandemic cannot readily be determined for some time.

Operational and reputational 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.5.4 Material Risk Concentrations

There are no material risk concentrations.

C.5.5 Risk Mitigations

PICL has a strong internal control framework to mitigate operational risk. This includes appropriate four eyes oversight, control and monitoring of outsourced providers, Business Continuity and Disaster Recovery Plans, an appropriately authorised compliance function and regular dialogue with key stakeholders and counterparties.

C.5.6 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 decisions.

C.6 Other Material Risks

Material risks arise for the Company and the Group from social and environment factors. These include:

- Physical risks – affecting the frequency and severity of insured events
- Transition risks – impacting the value of investments or resulting in legislative, technological or other changes
- Societal risks – impacting the viability of current business models, including both underwriting and distribution models

These risks are partially captured in other risk modules, but are sufficiently significant that they are identified, monitored, and managed separately. It is anticipated that these risks will increase in significance over the business planning period.

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 2019		As at 31 December 2018		
	Description	Solvency II Value	GAAP Value	Solvency II Value	GAAP Value
		£'000	£'000	£'000	£'000
Property	4,395	4,516	4,336	4,344	
Government Bonds	718		1,540		
Corporate Bonds	19,651	24,931	20,263	25,983	
Collateralised Securities					
Collective Investment Undertakings	1,661		3,206		
Derivatives			(862)		
Deposits other than cash equivalents	2,900				
Insurance and Intermediaries Receivables		3,088		2,604	
Reinsurance Receivables	112	1,838		2,019	
Receivables (trade, not insurance)	1,288	1,301	346	342	
Cash and cash equivalents	9,339	9,338	7,763	5,927	
Deferred Acquisition Costs		1,075		853	
Any Other Assets		94		61	

Company:

Solo	As at 31 December 2019		As at 31 December 2018		
	Description	Solvency II Value	GAAP Value	Solvency II Value	GAAP Value
		£'000	£'000	£'000	£'000
Property	2,250	2,275	2,250	2,257	
Government Bonds	634		1,540		
Corporate Bonds	17,860	23,055	19,629	24,359	
Collateralised Securities					
Collective Investment Undertakings	1,661		3,206		
Derivatives			(862)		
Deposits other than cash equivalents	2,900				
Insurance and Intermediaries Receivables		3,088		2,604	
Reinsurance Receivables	112	1,838		2,019	
Receivables (trade, not insurance)	491	504	186	182	
Cash and cash equivalents	7,043	7,043	4,849	4,003	
Deferred Acquisition Costs		1,075		853	
Any Other Assets		89		61	

D.1.1 Property

As at 31 December 2019, PICL held property valued at £2.25 million (2018 – £2.25 million). This property is in the UK and is held for investment purposes and use by the one of the Directors. As at 31 December 2019, the Group held property valued at £4.4 million (2018 - £4.3 million), representing commercial office space used by PICL and other properties in Gibraltar owned for investment purposes and use by the Directors and others.

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 December 2019, and the same value is used for Solvency II and GAAP purposes. The GAAP value additionally includes an 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 £18.5 million (2018 – £21.2 million) invested in government and corporate bonds and the Group held £20.4 million (2018 - £21.8 million) 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. For GAAP purposes, investments are shown as the total portfolios rather than being split into constituent parts.

D.1.3 Collateralised Securities

At 31 December 2019 and 31 December 2018 PICL and the Group held no investment in collateralised securities.

D.1.4 Collective Investment Undertakings

At 31 December 2019 PICL held £1.7 million (2018 – £3.2 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

At 31 December 2019 the Company and the Group did not hold any derivatives.

At 31 December 2018 the Company and the Group 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 was used to hedge the interest rate risk arising from holding corporate bonds in the investment portfolio.

There has been no change in the valuation and recognition basis of derivatives during the year. For GAAP purposes, derivative assets and liabilities were shown gross, whereas for Solvency II purposes a net position was reported, representing the Company's exposure.

D.1.6 Deposits, Cash and Cash Equivalents

At the year end, PICL held £9.9 million (2018 – £4.8 million) either in term deposits, or in cash and cash equivalents with banking counterparties. At year end, the Group held £12.2 million (2018 - £8.7 million). All amounts are held in GBP in the UK or 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. For GAAP purposes the deposits and cash equivalents held with investment managers have been included in the investment 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 £3.1 million (2018 – £2.6 million). These also represent such balances due to the Group. Contracts with the brokers set out payment terms and at 31 December 2019 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 2019 PICL had £1.8 million (2018 – £2.0 million) of reinsurance receivables, being reinsurance recoveries, costs and commissions receivable from reinsurers, net of reinsurance premiums payable. 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 is 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 amount shown for Solvency II purposes represents unpaid recoveries due under the Excess of Loss contracts at 31 December.

D.1.9 Receivables (trade, not insurance)

At 31 December 2019, PICL had other receivables of £0.5 million (2018 – £0.2 million), representing tax and inter-company debtors. The Group had total receivables of £1.3 million (2018 - £0.3 million), representing tax debtors and profit commission due to PUDEL. These items are valued at the amount recoverable and there is no difference between the Solvency II and the GAAP valuation basis. However, the GAAP valuation includes an amount for the reinsurer's share of claims handling costs, which as been allocated to Reinsurers Technical Provisions for Solvency II valuation purposes. 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 2019, PICL had £1.1 million (2018 – £0.9 million) of deferred acquisition and processing costs, this also representing 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 and the Group had £0.09 million (2018 – £0.06 million) of other assets, representing prepayments. 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 and Group				
As at 31 December 2019				
	Motor Liability	Other Motor	Annuities from Non-Life obligations	Total
	£'000	£'000	£'000	£'000
Gross Best Estimate Technical Provisions	47,280	793	12,249	60,322
Risk Margin	980	22	365	1,366
Total Gross Technical Provisions	48,260	815	12,614	61,688
Reinsurance Recoverables	(32,088)	(448)	(12,054)	(44,590)
Net Technical Provisions	16,172	367	559	17,098

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

The model used in prior years calculated the risk margin by taking account of counterparty risk from cash balances. A new capital model is now in use, which calculates the risk margin solely on Technical Provisions. As a result, the Group's Technical Provisions are in line with the Company's for 2019. The Group's Technical Provisions for 2018, based on the previous model, are set out in the table 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

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 2019, management reached the conclusion a net provision of £147,000 for ENIDs was required (2018 - £300,000).

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 2020 will be invited prior to 31 December 2019. This

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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 1. 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.

Under the rules of Solvency II, bodily injury claims which have settled as periodical payment orders ("PPOs") are removed from the motor liability class and allocated to a separate life class in order to calculate the 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 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 occurring in the future are difficult to predict and could ultimately impact best estimates and future cash flow.
- COVID-19: The restrictions imposed in March 2020 due to the COVID-19 pandemic are expected to affect the frequency and severity of insured events, although their ultimate impact cannot be assessed with any degree of certainty at the present time. As a result, the assumptions and projections applied in estimating technical provisions are likely to differ from actual experience.

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 differences 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 do 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 item 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 and Group.

	As at 31 December 2019		
	Gross Technical Reserves	Reinsurance Recoverables	Total
	£'000	£'000	£'000
GAAP Reserves	60,580	40,849	19,731
Remove Unearned Premium	(12,722)	(3,180)	(9,541)
Claims on Unexpired Risks and ENIDS	8,522	2,173	6,349
Receivables/Payables	(3,088)	1,726	(4,814)
Removal of margins	(579)	(175)	(404)
Run-off expenses and Other Adjustments	8,520	3,923	4,597
Effect of Discounting	(912)	(726)	(186)
Risk Margin	1,366	0	1,366
Solvency II Technical Provisions	61,688	44,590	17,098

	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

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 2019		As at 31 December 2018	
	Solvency II Value	GAAP Value	Solvency II Value	GAAP Value
Description	£'000	£'000	£'000	£'000
Derivatives				
Insurance & intermediaries payables	369	1,719	210	434
Reinsurance payables				
Payables (trade, not insurance)	632	632	106	965
Other Liabilities	0	367	0	286

Company:

Solo	As at 31 December 2019		As at 31 December 2018	
	Solvency II Value	GAAP Value	Solvency II Value	GAAP Value
Description	£'000	£'000	£'000	£'000
Derivatives				
Insurance & intermediaries payables	369	1,719	210	434
Reinsurance payables				
Payables (trade, not insurance)	194	194	589	1,449
Other Liabilities		367		286

D.3.1 Derivatives

There were no derivative liabilities in 2019. In 2018, derivative liabilities were netted against the related asset and have been shown in the assets section.

D.3.2 Insurance and Intermediaries Payables

At 31 December 2019 PICL had £0.4 million (2018 – £0.2 million) of insurance and intermediaries payable, this also representing the Group payable amount. This represents recorded claims payments which have not yet been made, i.e. a timing difference. In 2019, on a GAAP basis, this item also included IPT, MIB levy, and the provision for claims handling fees. In 2018 IPT and the MIB levy were included in trade payables for GAAP purposes. These items are included in technical provisions for Solvency II reporting.

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 the elements that 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 2019 and 2018 there were no of reinsurance payables for PICL or the Group.

D.3.4 Payables (trade, not insurance)

At December 2019 these items represent accrued expenses and in 2018 also IPT and the MIB levy. Items are valued at the amount that is considered to be payable. 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 Other Liabilities

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 2019, PICL had a total of £0.4 million (2018 – £0.3 million) deferred commission and reinsurer's share of deferred acquisition 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 2019, together with movements during the period:

Group:

Group 2019	Share Capital	Share Premium	Reconciliation Reserve	Total Own Funds
	£'000	£'000	£'000	£'000
At 1 January 2019	0	10	22,191	22,201
Capital Injections during the Period				0
Movement in the Reconciliation Reserve			(235)	(235)
At 31 December 2019	<u>0</u>	<u>10</u>	<u>21,957</u>	<u>21,967</u>

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

Company:

Solo 2019	Share Capital	Share Premium	Reconciliation Reserve	Total Own Funds
	£'000	£'000	£'000	£'000
At 1 January 2019	4	3,996	11,940	15,940
Capital Injections during the Period				0
Movement in the Reconciliation Reserve			(650)	(650)
At 31 December 2019	4	3,996	11,290	15,290

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

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

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	2019 Own Funds	2018 Own Funds
	£'000	£'000
Own Funds per Financial Statements	23,732	23,106
Difference in Valuation of net Technical Provisions	(845)	(273)
Removal of Deferred Acquisitions Costs	(806)	(640)
Removal of Other Fixed Assets	(120)	(7)
Removal of Prepayments	(93)	(57)
Removal of Deferred Commissions	99	72
Own Funds per Solvency II Valuation	21,967	22,201

Company:

Solo	2019 Own Funds	2018 Own Funds
	£'000	£'000
Own Funds per Financial Statements	16,957	16,826
Difference in Valuation of net Technical Provisions	(845)	(255)
Removal of Deferred Acquisitions Costs	(806)	(640)
Removal of Other Fixed Assets	(25)	(7)
Removal of Prepayments	(89)	(56)
Removal of Deferred Commissions	99	72
Own Funds per Solvency II Valuation	15,290	15,940

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	2019	2018
Own Funds	21,967	22,199
Solvency Capital Requirement	10,267	9,825
SCR Coverage	214%	226%
Minimum Capital Requirement	3,187	3,288
MCR Coverage	689%	675%

Company:

Solo	2019	2018
Own Funds	15,290	15,940
Solvency Capital Requirement	9,987	9,533
SCR Coverage	153%	167%
Minimum Capital Requirement	3,187	3,288
MCR Coverage	480%	485%

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 tables 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 the values attributed to counterparty risk and market risk being far smaller.

Group:

Group	2019	2018
SCR Risk Category	£	£
Non-Life Underwriting Risk	7,363	6,989
Life Underwriting Risk	63	52
Market Risk	1,561	1,788
Counterparty Risk	1,495	1,392
Diversification	(1,712)	(1,778)
Basic Solvency Capital Requirement	8,770	8,443
Operational Risk	1,497	1,381
Solvency Capital Requirement	10,267	9,825

Company:

Solo	2019	2018
SCR Risk Category	£	£
Non-Life Underwriting Risk	7,363	6,989
Life Underwriting Risk	63	52
Market Risk	1,031	1,325
Counterparty Risk	1,394	1,252
Diversification	(1,361)	(1,466)
Basic Solvency Capital Requirement	8,490	8,152
Operational Risk	1,497	1,381
Solvency Capital Requirement	9,987	9,533

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 2019	Net (of reinsurance) best estimate technical provisions	Net (of reinsurance) written premiums in the last 12 months
	£'000	£'000
Motor Vehicle Liability	15,192	14,406
Motor Vehicle Other	345	3,851
Annuities from Non-Life Obligations	195	
		£'000
Linear MCR		2,964
SCR		10,267
Combined MCR		2,964
Absolute Floor of the MCR		3,187
Minimum Capital Requirement		3,187

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

Company:

Solo 2019	Net (of reinsurance) best estimate technical provisions	Net (of reinsurance) written premiums in the last 12 months
	£'000	£'000
Motor Vehicle Liability	15,192	14,406
Motor Vehicle Other	345	3,851
Annuities from Non-Life Obligations	195	
		£'000
Linear MCR		2,964
SCR		9,987
Combined MCR		2,964
Absolute Floor of the MCR		3,187
Minimum Capital Requirement		3,187

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

E.2.5 Changes over the Period

Both the Group and the Solo SCR have increased during the period due to increased business volumes and hence increased technical provisions.

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

		Solvency II value
		C0010
R0030	Assets	0
R0040	Intangible assets	0
R0050	Deferred tax assets	0
R0060	Pension benefit surplus	0
R0070	Property, plant & equipment held for own use	0
R0080	Investments (other than assets held for index-linked and unit-linked contracts)	25,305
R0090	Property (other than for own use)	2,250
R0100	Holdings in related undertakings, including participations	0
R0110	Equities	0
R0120	Equities - listed	0
R0130	Equities - unlisted	0
R0140	Bonds	18,494
R0150	Government Bonds	634
R0160	Corporate Bonds	17,860
R0170	Structured notes	0
R0180	Collateralised securities	0
R0190	Collective Investments Undertakings	1,661
R0200	Derivatives	0
R0210	Deposits other than cash equivalents	2,900
R0220	Other investments	0
R0230	Assets held for index-linked and unit-linked contracts	0
R0240	Loans and mortgages	0
R0250	Loans on policies	0
R0260	Loans and mortgages to individuals	0
R0270	Other loans and mortgages	0
R0280	Reinsurance recoverables from:	44,590
R0290	Non-life and health similar to non-life	32,536
R0300	Non-life excluding health	32,536
R0310	Health similar to non-life	0
R0320	Life and health similar to life, excluding health and index-linked and unit-linked	12,054
R0330	Health similar to life	0
R0340	Life excluding health and index-linked and unit-linked	12,054
R0350	Life index-linked and unit-linked	0
R0360	Deposits to cedants	0
R0370	Insurance and intermediaries receivables	0
R0380	Reinsurance receivables	112
R0390	Receivables (trade, not insurance)	491
R0400	Own shares (held directly)	0
R0410	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0420	Cash and cash equivalents	7,043
R0500	Any other assets, not elsewhere shown	0
	Total assets	77,542
		Solvency II value
		C0010
R0510	Liabilities	49,074
R0520	Technical provisions - non-life	49,074
R0530	Technical provisions - non-life (excluding health)	0
R0540	TP calculated as a whole	0
R0550	Best Estimate	48,073
R0560	Risk margin	1,002
R0570	Technical provisions - health (similar to non-life)	0
R0580	TP calculated as a whole	0
R0590	Best Estimate	0
R0600	Risk margin	0
R0610	Technical provisions - life (excluding index-linked and unit-linked)	12,614
R0620	Technical provisions - health (similar to life)	0
R0630	TP calculated as a whole	0
R0640	Best Estimate	0
R0650	Risk margin	0
R0660	Technical provisions - life (excluding health and index-linked and unit-linked)	12,614
R0670	TP calculated as a whole	0
R0680	Best Estimate	12,249
R0690	Risk margin	365
R0700	Technical provisions - index-linked and unit-linked	0
R0710	TP calculated as a whole	0
R0720	Best Estimate	0
R0730	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	0
R0800	Debts owed to credit institutions	0
R0810	Financial liabilities other than debts owed to credit institutions	0
R0820	Insurance & intermediaries payables	369
R0830	Reinsurance payables	0
R0840	Payables (trade, not insurance)	194
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	62,252
R1000	Excess of assets over liabilities	15,290

	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	
Premiums written																	
R0110 Gross - Direct Business	0	0	0	21,113	4,635	0	0	0	0	0	0	0					25,748
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	8,418	1,159	0	0	0	0	0	0	0	0	0	0	0	9,577
R0200 Net	0	0	0	12,695	3,476	0	0	0	0	0	0	0	0	0	0	0	16,171
Premiums earned																	
R0210 Gross - Direct Business	0	0	0	18,371	4,033	0	0	0	0	0	0	0					22,403
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	7,343	1,008	0	0	0	0	0	0	0	0	0	0	0	8,351
R0300 Net	0	0	0	11,028	3,024	0	0	0	0	0	0	0	0	0	0	0	14,052
Claims incurred																	
R0310 Gross - Direct Business	0	0	0	11,306	3,169	0	0	0	0	0	0	0					14,476
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	1,889	786	0	0	0	0	0	0	0	0	0	0	0	2,675
R0400 Net	0	0	0	9,418	2,383	0	0	0	0	0	0	0	0	0	0	0	11,801
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	2,425	556	0	0	0	0	0	0	0	0	0	0	0	2,981
R1200 Other expenses																	467
R1300 Total expenses																	3,448

		Line of Business for: life insurance obligations						Life reinsurance obligations		
		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	Total
		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	9	0	0	9
R1620	Reinsurers' share	0	0	0	0	0	9	0	0	9
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

	Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
	C0010	C0020	C0030	C0040	C0050	C0060	C0070
R0010		GB	0	0	0	0	
	C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written							
R0110	Gross - Direct Business	25,748	0	0	0	0	25,748
R0120	Gross - Proportional reinsurance accepted	0	0	0	0	0	0
R0130	Gross - Non-proportional reinsurance accepted	0	0	0	0	0	0
R0140	Reinsurers' share	9,577	0	0	0	0	9,577
R0200	Net	16,171	0	0	0	0	16,171
Premiums earned							
R0210	Gross - Direct Business	22,403	0	0	0	0	22,403
R0220	Gross - Proportional reinsurance accepted	0	0	0	0	0	0
R0230	Gross - Non-proportional reinsurance accepted	0	0	0	0	0	0
R0240	Reinsurers' share	8,351	0	0	0	0	8,351
R0300	Net	14,052	0	0	0	0	14,052
Claims incurred							
R0310	Gross - Direct Business	14,476	0	0	0	0	14,476
R0320	Gross - Proportional reinsurance accepted	0	0	0	0	0	0
R0330	Gross - Non-proportional reinsurance accepted	0	0	0	0	0	0
R0340	Reinsurers' share	2,675	0	0	0	0	2,675
R0400	Net	11,801	0	0	0	0	11,801
Changes in other technical provisions							
R0410	Gross - Direct Business	0	0	0	0	0	0
R0420	Gross - Proportional reinsurance accepted	0	0	0	0	0	0
R0430	Gross - Non-proportional reinsurance accepted	0	0	0	0	0	0
R0440	Reinsurers' share	0	0	0	0	0	0
R0500	Net	0	0	0	0	0	0
R0550	Expenses incurred	2,981	0	0	0	0	2,981
R1200	Other expenses						467
R1300	Total expenses						3,448
	Home Country	Top 5 countries (by amount of gross premiums written) - life obligations					Total Top 5 and home country
	C0150	C0160	C0170	C0180	C0190	C0200	C0210
R1400		GB	0	0	0	0	
	C0220	C0230	C0240	C0250	C0260	C0270	C0280
Premiums written							
R1410	Gross	0	0	0	0	0	0
R1420	Reinsurers' share	0	0	0	0	0	0
R1500	Net	0	0	0	0	0	0
Premiums earned							
R1510	Gross	0	0	0	0	0	0
R1520	Reinsurers' share	0	0	0	0	0	0
R1600	Net	0	0	0	0	0	0
Claims incurred							
R1610	Gross	9	0	0	0	0	9
R1620	Reinsurers' share	9	0	0	0	0	9
R1700	Net	0	0	0	0	0	0
Changes in other technical provisions							
R1710	Gross	0	0	0	0	0	0
R1720	Reinsurers' share	0	0	0	0	0	0
R1800	Net	0	0	0	0	0	0
R1900	Expenses incurred	0	0	0	0	0	0
R2500	Other expenses						0
R2600	Total expenses						0

	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 insurance	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
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
Technical provisions calculated as a sum of BE and RM																
Best Estimate																
R0030 Gross Best Estimate	0		0	0		0	0	12,249	0	12,249		0	0	0	0	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	0		0	0		0	0	12,054	0	12,054		0	0	0	0	0
R0090 Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	0		0	0		0	0	195	0	195		0	0	0	0	0
R0100 Risk Margin	0	0			0			365	0	365	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
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			12,614	0	12,614	0			0	0	0

	Direct business and accepted proportional reinsurance											Accepted non-proportional reinsurance				Total Non-Life obligation	
	Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance		Non-proportional property reinsurance
	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
R0010 Technical provisions calculated as a whole	0	0	0	0	0	0	0	0	0	0	0	0	0	0	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	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Technical provisions calculated as a sum of BE and RM																	
Best estimate																	
Premium provisions																	
R0060 Gross	0	0	0	6,990	364	0	0	0	0	0	0	0	0	0	0	0	7,354
R0140 Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	0	0	0	3,590	349	0	0	0	0	0	0	0	0	0	0	0	3,939
R0150 Net Best Estimate of Premium Provisions	0	0	0	3,400	15	0	0	0	0	0	0	0	0	0	0	0	3,415
Claims provisions																	
R0160 Gross	0	0	0	40,290	429	0	0	0	0	0	0	0	0	0	0	0	40,718
R0240 Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	0	0	0	28,497	99	0	0	0	0	0	0	0	0	0	0	0	28,596
R0250 Net Best Estimate of Claims Provisions	0	0	0	11,792	330	0	0	0	0	0	0	0	0	0	0	0	12,122
R0260 Total Best estimate - gross	0	0	0	47,280	793	0	0	0	0	0	0	0	0	0	0	0	48,073
R0270 Total Best estimate - net	0	0	0	15,192	345	0	0	0	0	0	0	0	0	0	0	0	15,537
R0280 Risk margin	0	0	0	980	22	0	0	0	0	0	0	0	0	0	0	0	1,002
Amount of the transitional on Technical Provisions																	
R0290 Technical Provisions calculated as a whole	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
R0300 Best estimate	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
R0310 Risk margin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Technical provisions - total																	
R0320 Technical provisions - total	0	0	0	48,260	815	0	0	0	0	0	0	0	0	0	0	0	49,074
R0330 Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	0	0	0	32,088	448	0	0	0	0	0	0	0	0	0	0	0	32,536
R0340 Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	0	0	0	16,172	367	0	0	0	0	0	0	0	0	0	0	0	16,539

Total Non-Life Business

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

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

Year	Development year											In Current year	Sum of years (cumulative)	
	0	1	2	3	4	5	6	7	8	9	10 & +			
	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110			
R0100	Prior											C0170	C0180	
R0160	N-9	2,923	8,519	3,624	1,916	1,774	937	1,910	760	375	1,855	1	1	1
R0170	N-8	3,698	9,254	3,760	3,295	4,092	752	2,332	743	76			1,855	24,594
R0180	N-7	2,821	6,292	2,982	1,414	753	347	307	408				76	28,003
R0190	N-6	3,102	7,752	1,800	976	829	776	464					408	15,324
R0200	N-5	3,218	6,620	2,271	711	581	404						464	15,700
R0210	N-4	3,114	5,659	1,732	843	547							404	13,805
R0220	N-3	2,943	7,443	2,349	1,474								547	11,895
R0230	N-2	4,104	7,372	2,214									1,474	14,210
R0240	N-1	2,478	6,156										2,214	13,690
R0250	N	4,462											6,156	8,634
R0260													4,462	4,462
	Total												18,061	150,316

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

Year	Development year											Year end (discounted data)	
	0	1	2	3	4	5	6	7	8	9	10 & +		
	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300		
R0100	Prior											C0360	
R0160	N-9	0	0	0	0	0	0	1,830	3,602	3,026	398	0	0
R0170	N-8	0	0	0	0	0	1,956	777	126	-3			396
R0180	N-7	0	0	0	0	1,888	2,684	2,813	2,663				-3
R0190	N-6	0	0	0	2,903	1,852	725	382					2,576
R0200	N-5	0	0	2,618	1,403	750	389						381
R0210	N-4	0	5,046	2,101	1,264	945							387
R0220	N-3	5,698	25,828	22,386	19,125								938
R0230	N-2	7,613	5,382	5,028									18,591
R0240	N-1	4,540	4,382										4,975
R0250	N	8,231											4,331
R0260													8,146
	Total												40,718

R0010 Market risk
R0020 Counterparty default risk
R0030 Life underwriting risk
R0040 Health underwriting risk
R0050 Non-life underwriting risk
R0060 Diversification
R0070 Intangible asset risk
R0100 **Basic Solvency Capital Requirement**

R0010
R0020
R0030
R0040
R0050
R0060
R0070
R0100

Gross solvency capital requirement	USP	Simplifications
C0110	C0090	C0120
1,031		
1,394		
63		
0		
7,363		
-1,361		
0		
8,490		

Calculation of Solvency Capital Requirement

R0130 Operational risk
R0140 Loss-absorbing capacity of technical provisions
R0150 Loss-absorbing capacity of deferred taxes
R0160 Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC

R0130
R0140
R0150
R0160

C0100
1,497
0
0
0

Solvency capital requirement excluding capital add-on

R0210 Capital add-on already set

R0200
R0210

9,987
0

Solvency capital requirement

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

R0220
R0400
R0410
R0420
R0430
R0440

9,987
0
9,987
0
0
0
0

Approach to tax rate

R0590 Approach based on average tax rate

R0590

Yes/No
C0109
3 - Not applicable as LAC DT is not used (in this case R0600 to R0690 are not applicable)

Calculation of loss absorbing capacity of deferred taxes

R0600 DTA
R0610 DTA carry forward
R0620 DTA due to deductible temporary differences
R0630 DTL
R0640 LAC DT
R0650 LAC DT justified by reversion of deferred tax liabilities
R0660 LAC DT justified by reference to probable future taxable economic profit
R0670 LAC DT justified by carry back, current year
R0680 LAC DT justified by carry back, future years
R0690 Maximum LAC DT

R0600
R0610
R0620
R0630
R0640
R0650
R0660
R0670
R0680
R0690

LAC DT
C0130
0
0
0
0
0
0
0
0

Linear formula component for non-life insurance and reinsurance obligations

	C0010		
R0010 MCRNL Result	2,960		
		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		15,192	14,406
R0060 Other motor insurance and proportional reinsurance		345	3,851
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		195	
R0250 Total capital at risk for all life (re)insurance obligations			0

Overall MCR calculation

	C0070
R0300 Linear MCR	2,964
R0310 SCR	9,987
R0320 MCR cap	4,494
R0330 MCR floor	2,497
R0340 Combined MCR	2,964
R0350 Absolute floor of the MCR	3,187

	C0070
R0400 Minimum Capital Requirement	3,187

		Solvency II value
		C0010
R0030	Assets	0
R0040	Intangible assets	0
R0050	Deferred tax assets	0
R0060	Pension benefit surplus	685
R0070	Property, plant & equipment held for own use	28,641
R0080	Investments (other than assets held for index-linked and unit-linked contracts)	3,710
R0090	Property (other than for own use)	0
R0100	Holdings in related undertakings, including participations	0
R0110	Equities	0
R0120	Equities - listed	0
R0130	Equities - unlisted	0
R0140	Bonds	20,370
R0150	Government Bonds	718
R0160	Corporate Bonds	19,651
R0170	Structured notes	0
R0180	Collateralised securities	0
R0190	Collective Investments Undertakings	1,661
R0200	Derivatives	0
R0210	Deposits other than cash equivalents	2,900
R0220	Other investments	0
R0230	Assets held for index-linked and unit-linked contracts	0
R0240	Loans and mortgages	0
R0250	Loans on policies	0
R0260	Loans and mortgages to individuals	0
R0270	Other loans and mortgages	0
R0280	Reinsurance recoverables from:	44,590
R0290	Non-life and health similar to non-life	32,536
R0300	Non-life excluding health	32,536
R0310	Health similar to non-life	0
R0320	Life and health similar to life, excluding health and index-linked and unit-linked	12,054
R0330	Health similar to life	0
R0340	Life excluding health and index-linked and unit-linked	12,054
R0350	Life index-linked and unit-linked	0
R0360	Deposits to cedants	0
R0370	Insurance and intermediaries receivables	0
R0380	Reinsurance receivables	112
R0390	Receivables (trade, not insurance)	1,288
R0400	Own shares (held directly)	0
R0410	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0420	Cash and cash equivalents	9,339
R0430	Any other assets, not elsewhere shown	0
R0500	Total assets	84,655
		Solvency II value
		C0010
R0510	Liabilities	49,074
R0520	Technical provisions – non-life	49,074
R0530	Technical provisions – non-life (excluding health)	0
R0540	TP calculated as a whole	0
R0550	Best Estimate	48,073
R0560	Risk margin	1,002
R0570	Technical provisions - health (similar to non-life)	0
R0580	TP calculated as a whole	0
R0590	Best Estimate	0
R0600	Risk margin	0
R0610	Technical provisions - life (excluding index-linked and unit-linked)	12,614
R0620	Technical provisions - health (similar to life)	0
R0630	TP calculated as a whole	0
R0640	Best Estimate	0
R0650	Risk margin	0
R0660	Technical provisions – life (excluding health and index-linked and unit-linked)	12,614
R0670	TP calculated as a whole	0
R0680	Best Estimate	12,249
R0690	Risk margin	365
R0700	Technical provisions – index-linked and unit-linked	0
R0710	TP calculated as a whole	0
R0720	Best Estimate	0
R0730	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	0
R0800	Debts owed to credit institutions	0
R0810	Financial liabilities other than debts owed to credit institutions	0
R0820	Insurance & intermediaries payables	369
R0830	Reinsurance payables	0
R0840	Payables (trade, not insurance)	632
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	62,689
R1000	Excess of assets over liabilities	21,967

	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	
	F0010	F0020	F0030	F0040	F0050	F0070	F0080	F0090	F0100	F0110	F0120	F0130	F0140	F0150	F0160	F0200
Premiums written																
R0110 Gross - Direct Business	0	0	0	21,113	4,635	0	0	0	0	0	0	0	0	0	0	25,748
R0120 Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
R0130 Gross - Non-proportional reinsurance accepted	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
R0140 Reinsurers' share	0	0	0	8,418	1,159	0	0	0	0	0	0	0	0	0	0	9,577
R0200 Net	0	0	0	12,695	3,476	0	0	0	0	0	0	0	0	0	0	16,171
Premiums earned																
R0210 Gross - Direct Business	0	0	0	18,371	4,033	0	0	0	0	0	0	0	0	0	0	22,403
R0220 Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
R0230 Gross - Non-proportional reinsurance accepted	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
R0240 Reinsurers' share	0	0	0	7,343	1,008	0	0	0	0	0	0	0	0	0	0	8,351
R0300 Net	0	0	0	11,028	3,024	0	0	0	0	0	0	0	0	0	0	14,052
Claims incurred																
R0310 Gross - Direct Business	0	0	0	11,306	3,169	0	0	0	0	0	0	0	0	0	0	14,476
R0320 Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
R0330 Gross - Non-proportional reinsurance accepted	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
R0340 Reinsurers' share	0	0	0	1,889	786	0	0	0	0	0	0	0	0	0	0	2,675
R0400 Net	0	0	0	9,418	2,383	0	0	0	0	0	0	0	0	0	0	11,801
Changes in other technical provisions																
R0410 Gross - Direct Business	0	0	0	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	0	0	0
R0430 Gross - Non-proportional reinsurance accepted	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
R0440 Reinsurers' share	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
Expenses incurred																
R1200 Other expenses	0	0	0	2,425	556	0	0	0	0	0	0	0	0	0	0	2,981
R1300 Total expenses	0	0	0	2,425	556	0	0	0	0	0	0	0	0	0	0	63
																3,044

		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	9	0	0	9
R1620	Reinsurers' share	0	0	0	0	0	9	0	0	9
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

	Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country	
		C0010	C0020	C0030	C0040	C0050		C0060
R0010			GB	0	0	0	0	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
R0110	Gross - Direct Business	0	25,748	0	0	0	0	25,748
R0120	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0130	Gross - Non-proportional reinsurance accepted	0	0	0	0	0	0	0
R0140	Reinsurers' share	0	9,577	0	0	0	0	9,577
R0200	Net	0	16,171	0	0	0	0	16,171
Premiums earned								
R0210	Gross - Direct Business	0	22,403	0	0	0	0	22,403
R0220	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0230	Gross - Non-proportional reinsurance accepted	0	0	0	0	0	0	0
R0240	Reinsurers' share	0	8,351	0	0	0	0	8,351
R0300	Net	0	14,052	0	0	0	0	14,052
Claims incurred								
R0310	Gross - Direct Business	0	14,476	0	0	0	0	14,476
R0320	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0330	Gross - Non-proportional reinsurance accepted	0	0	0	0	0	0	0
R0340	Reinsurers' share	0	2,675	0	0	0	0	2,675
R0400	Net	0	11,801	0	0	0	0	11,801
Changes in other technical provisions								
R0410	Gross - Direct Business	0	0	0	0	0	0	0
R0420	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0430	Gross - Non- proportional reinsurance accepted	0	0	0	0	0	0	0
R0440	Reinsurers' share	0	0	0	0	0	0	0
R0500	Net	0	0	0	0	0	0	0
R0550	Expenses incurred	0	2,981	0	0	0	0	2,981
R1200	Other expenses							63
R1300	Total expenses							3,044
	Home Country	Top 5 countries (by amount of gross premiums written) - life obligations					Total Top 5 and home country	
		C0150	C0160	C0170	C0180	C0190	C0200	C0210
R1400			GB	0	0	0	0	
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
Premiums written								
R1410	Gross	0	0	0	0	0	0	0
R1420	Reinsurers' share	0	0	0	0	0	0	0
R1500	Net	0	0	0	0	0	0	0
Premiums earned								
R1510	Gross	0	0	0	0	0	0	0
R1520	Reinsurers' share	0	0	0	0	0	0	0
R1600	Net	0	0	0	0	0	0	0
Claims incurred								
R1610	Gross	0	9	0	0	0	0	9
R1620	Reinsurers' share	0	9	0	0	0	0	9
R1700	Net	0	0	0	0	0	0	0
Changes in other technical provisions								
R1710	Gross	0	0	0	0	0	0	0
R1720	Reinsurers' share	0	0	0	0	0	0	0
R1800	Net	0	0	0	0	0	0	0
R1900	Expenses incurred	0	0	0	0	0	0	0
R2500	Other expenses							0
R2600	Total expenses							0

	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	0	0
R0020 Non-available called but not paid in ordinary share capital at group level	0	0	0	0	0
R0030 Share premium account related to ordinary share capital	10	10	0	0	0
R0040 Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	0	0	0	0	0
R0050 Subordinated mutual member accounts	0	0	0	0	0
R0060 Non-available subordinated mutual member accounts at group level	0	0	0	0	0
R0070 Surplus funds	0	0	0	0	0
R0080 Non-available surplus funds at group level	0	0	0	0	0
R0090 Preference shares	0	0	0	0	0
R0100 Non-available preference shares at group level	0	0	0	0	0
R0110 Share premium account related to preference shares	0	0	0	0	0
R0120 Non-available share premium account related to preference shares at group level	0	0	0	0	0
R0130 Reconciliation reserve	21,957	21,957	0	0	0
R0140 Subordinated liabilities	0	0	0	0	0
R0150 Non-available subordinated liabilities at group level	0	0	0	0	0
R0160 An amount equal to the value of net deferred tax assets	0	0	0	0	0
R0170 The amount equal to the value of net deferred tax assets not available at the group level	0	0	0	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	0	0	0	0
Deductions					
R0230 Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities	0	0	0	0	0
R0240 whereof deducted according to art.228 of the Directive 2009/138/EC	0	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	21,967	21,967	0	0	0
Ancillary own funds					
R0300 Unpaid and uncalled ordinary share capital callable on demand	0	0	0	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	0	0	0
R0320 Unpaid and uncalled preference shares callable on demand	0	0	0	0	0
R0330 A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0	0	0	0	0
R0340 Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0	0	0	0	0
R0350 Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0	0	0	0	0
R0360 Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0	0	0	0	0
R0370 Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0	0	0	0	0
R0380 Non available ancillary own funds at group level	0	0	0	0	0
R0390 Other ancillary own funds	0	0	0	0	0
R0400 Total ancillary own funds	0	0	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	0
R0420 Institutions for occupational retirement provision	0	0	0	0	0
R0430 Non regulated entities carrying out financial activities	0	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
Consolidated Group SCR					
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)	21,967	21,967	0	0	0
R0530 Total available own funds to meet the minimum consolidated group SCR	21,967	21,967	0	0	0
R0560 Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	21,967	21,967	0	0	0
R0570 Total eligible own funds to meet the minimum consolidated group SCR	21,967	21,967	0	0	0
Minimum consolidated Group SCR					
R0610 Ratio of Eligible own funds to the consolidated Group SCR (excluding other financial sectors and the undertakings included via D&A)	3,187				
R0630 Ratio of Eligible own funds to Minimum Consolidated Group SCR	6,8927				
R0650 Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)	21,967	21,967	0	0	0
R0660 SCR for entities included with D&A method					
R0670 Group SCR	10,267				
R0690 Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	2,1395				
Reconciliation reserve					
R0700 Excess of assets over liabilities	21,967				
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	21,957				
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				

R0010	Market risk
R0020	Counterparty default risk
R0030	Life underwriting risk
R0040	Health underwriting risk
R0050	Non-life underwriting risk
R0060	Diversification
R0070	Intangible asset risk
R0100	Basic Solvency Capital Requirement

Gross solvency capital requirement	USP	Simplifications
C0110	C0090	C0120
1,561		
1,495		
63		
0		
7,363		
-1,712		
0		
8,770		

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

C0100
1,497
0
0
0
10,267
0
10,267
0
0
0
0
0
0
3,187
0
0
0
0
0
0
0
0
10,267

R0500	Capital requirement for other financial sectors (Non-insurance capital requirements)
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
R0520	Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational retirement provisions
R0530	Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement for non-regulated entities carrying out financial activities
R0540	Capital requirement for non-controlled participation requirements
R0550	Capital requirement for residual undertakings
	Overall SCR
R0560	SCR for undertakings included via D and A
R0570	Solvency capital requirement

C0010 C0020 C0030 C0040 C0050 C0060 C0070 C0080 C0180 C0190 C0200 C0210 C0220 C0230 C0240 C0250 C0260

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	Criteria of influence					Inclusion in the scope of Group supervision		Group solvency calculation	
								% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	YES/NO	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
GI	2138007ZBCWGGTCT4R31	LEI	Premier Insurance Company Limited	2	Ltd	2	GFSC	1.0000	1.0000	1.0000		1		1		1
GI	102244	SC	PremierUnderwritingDevelopment(Europe)Limited	10	Ltd	2	GFSC	1.0000	1.0000	1.0000		1		1		1
GI	108125	SC	PremierAdvisoryandConsultingSolutionsLimited	10	Ltd	2		1.0000	1.0000	1.0000		1		1		1
GI	LEI/21380005WVGV3FWTSV15	SC	PremierUnderwritingHoldings(Gibraltar)Limited	5	Ltd	2								1		1

Premier Underwriting Holdings (Gibraltar) Limited
 Group Solvency and Financial Condition Report 2019

