

**PAYCARE**  
**2016**  
**SOLVENCY AND FINANCIAL CONDITION REPORT**



## DEFINITIONS

SII	Solvency II
the reporting date	31 December 2016
the reporting period	Year to 31 December 2016
the Company	Paycare
SFCR	Solvency and Financial Condition Report
ORSA	Own Risk and Solvency Assessment
SCR	Solvency Capital Requirement
MCR	Minimum Capital Requirement
UK GAAP	United Kingdom Generally Accepted Accounting Principles
RLAM	Royal London Asset Management
JPM	JP Morgan
LBPB	Lloyds Bank Private Banking
AFM	Association of Financial Mutuals
IPT	Insurance Premium Tax
CSR	Corporate Social Responsibility
NBV	Net Book Value



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## 1. Executive Summary

This is the first SFCR of the company based on financial position as at 31<sup>st</sup> December 2016

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



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

### Customers

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

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

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

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

## People

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

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

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

## Technology

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

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

## Communities

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

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

## **2. Business and Performance**

### **2.1 The Business**

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

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

The external auditor for the SFCR was Edwards who have provided an unmodified opinion in relation to the qualitative and quantitative aspects of the December 2016 submission.

The external auditor for the annual report for the year ended 31 December 2016 was:

Edwards  
Chartered Accountants  
Registered Auditors  
34 High Street  
Aldridge  
Walsall  
WS9 8LZ

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

### **2.2 Underwriting Performance**

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

We have now seen increases in Insurance premium tax (IPT) in both 2015 and 2016 and a further increase announced for 2017. We are aware of the fiscal pressures on our Policyholders and the many hundreds of businesses that are our customers. To this end The Board decided to not pass on the IPT increase and instead change some of our less well used benefits. This had a negative effect on the Operating profit for the year.

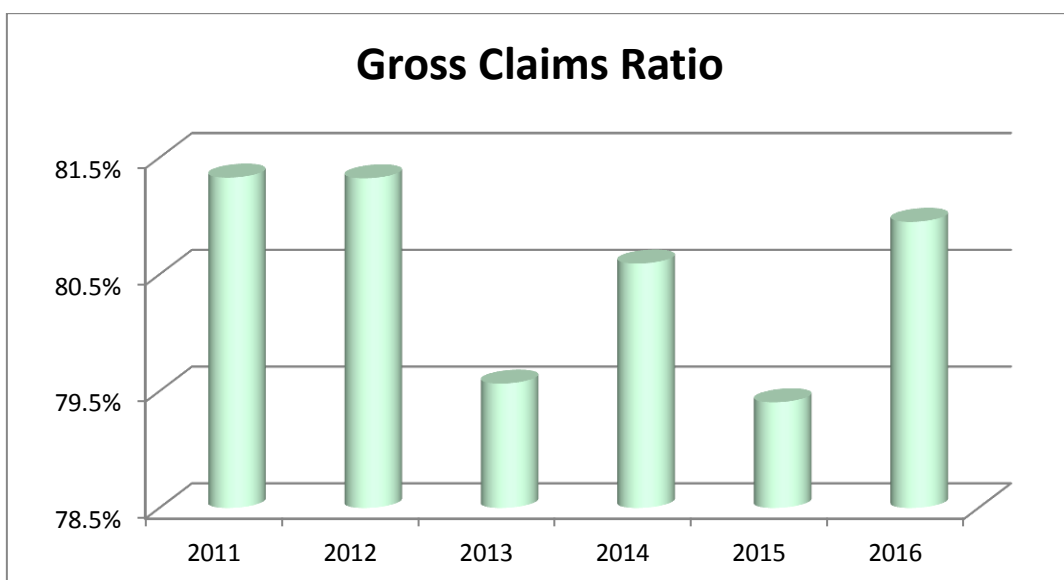
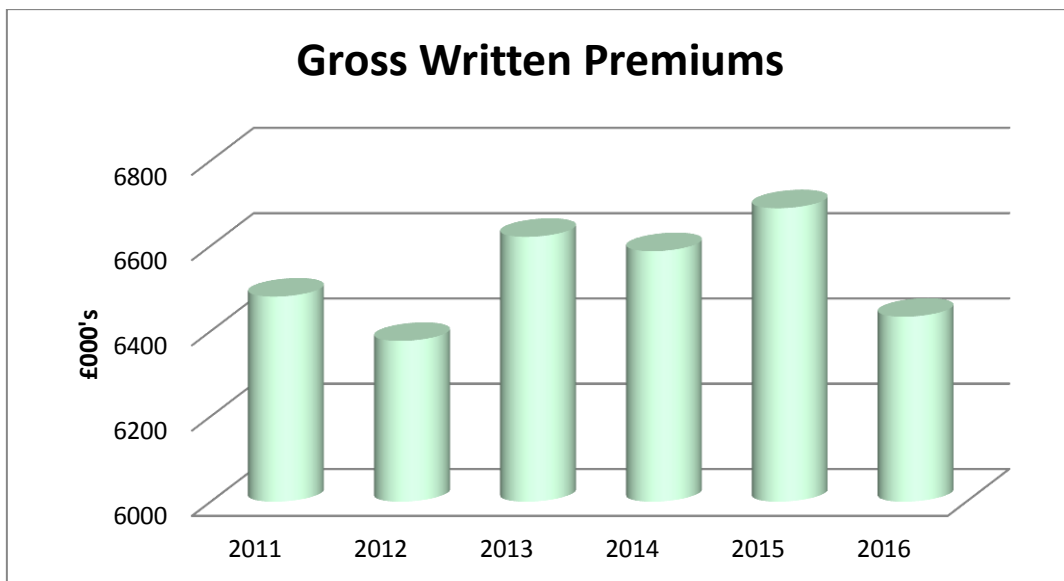
We continue to lobby regulators and government through our trade association to highlight the consequences of what the impacts will be if they continue to see the raising of IPT as an easy target for revenue collection.

**Paycare**

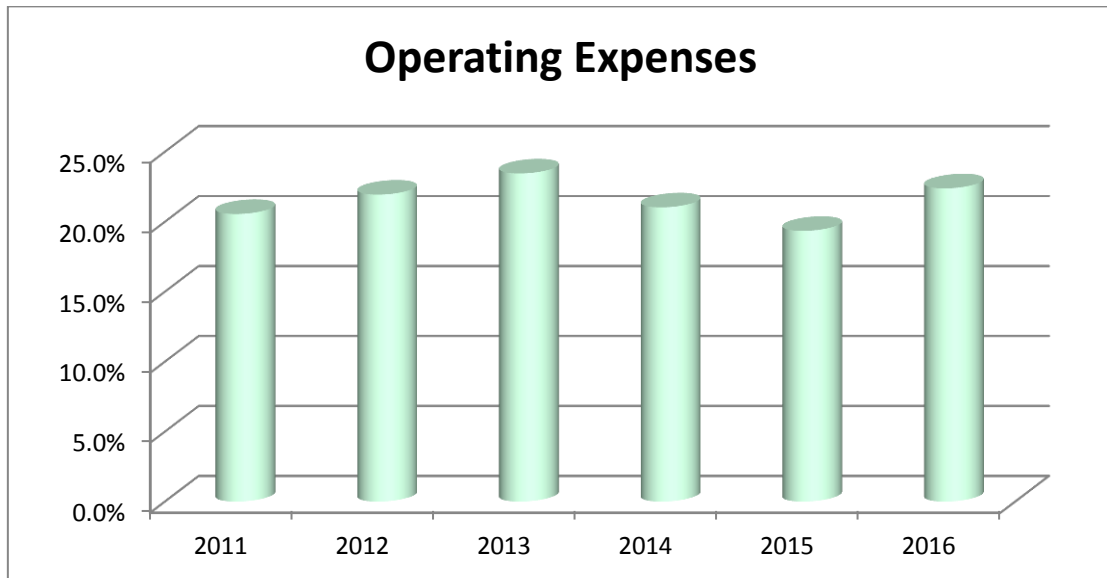
Everyday Health Cover since 1874

Claims ratio can be an unpredictable area to control and we mitigate adverse effects by utilising various monitoring methods. Our policies are monthly renewable and can be amended by giving one months' notice to policyholders. Over the years we have seen a trend in increasing ratios as policyholders choose our products to enable them to have timely access to qualified healthcare providers to improve their health & wellbeing rather than wait for NHS treatment. We have seen a marked shift in claims numbers and values, predominantly in Professional Therapy and other benefits which policyholders can choose to utilise.

The company does not have any reinsurance.



Operating expenses have increased over the past few years with the introduction of the SII regime now in force and we have seen our professional fees increase by 65% since 2014 due to employing the services of consultants, actuaries and similar to ensure that we were and remain compliant with regulated requirements. We have seen many benefits from the introduction of the regime however the increased cost to the business requires us to embrace technology to drive down other operating expenses.





## 2.3 Investment Performance

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

- Collective Investment Fund £4.7m
- Property £0.4m
- Total £5.1m

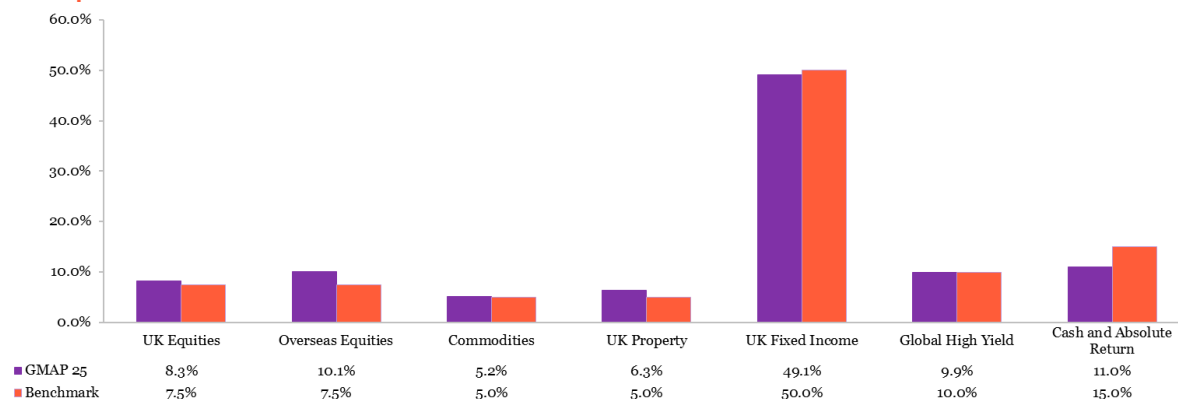
The company also hold liquid assets such as cash to meet any short-term liabilities. These assets are held in the name of the company.

The RLAM Fund aims to deliver capital growth, over an investment cycle of approximately 6 to 7 years, by investing in a diversified portfolio of assets and seeks to provide a relatively low level of return with a relatively low level of risk when compared to other funds within the range. Expected return of RPI +4.0% p.a. net of fees, with volatility of about 5%

### ROYAL LONDON GMAP DEFENSIVE FUND

Quarter 4 2016

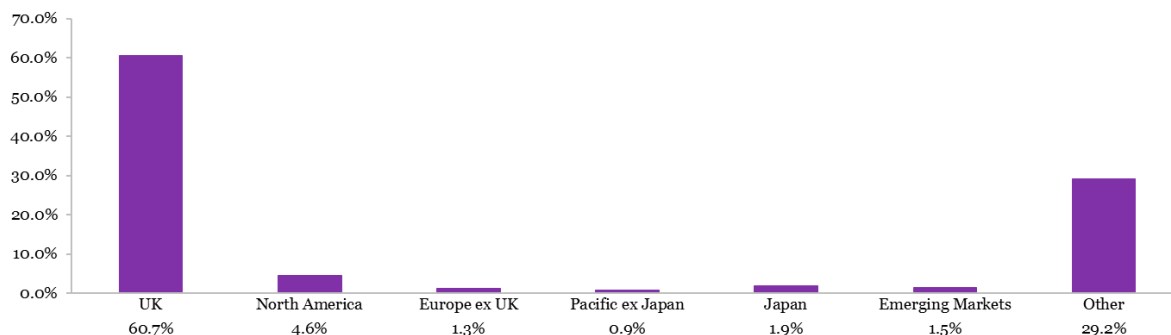
Asset split



*Source: RLAM. We take a holistic approach to fixed income management and fund weights relative to their respective benchmarks may not reflect tactical exposures.*

*Figures calculated on a 'look through' basis, reflecting underlying assets, not Fund component weights.*

Geographical split



*Source: RLAM. 'Other' region includes global fixed income exposures, which are sterling hedged and commodity exposures. Figures calculated on a 'look through' basis, reflecting underlying assets, not Fund component weights.*

Paycare

Everyday Health Cover since 1874

Investment Gains during the reporting period are due to rebalancing our investments from JPM and LBPB to RLAM. The company hedged this transfer by liquidating JPM equity funds pre Brexit and LBPB Gilt fund post Brexit.

- Property Income £ 41k
- Gains on realisation of Investments £754k

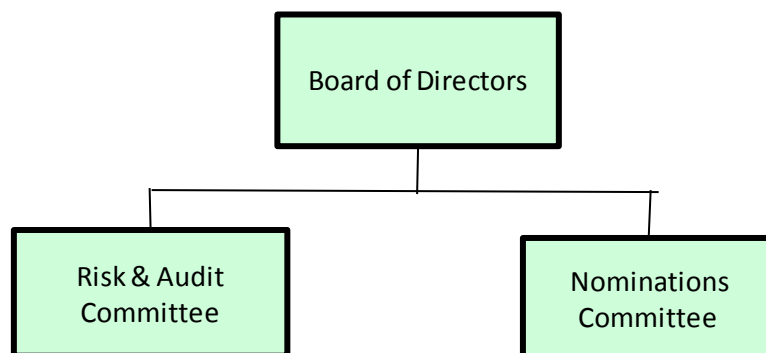
### 3.1 General Governance Arrangements

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

The company operates a three line of defence system:

- 1<sup>st</sup> line of defence, Executive directors and senior management team manage risks and compliance on a day to day basis.
- 2<sup>nd</sup> line of defence, Non-executive Board of directors oversees risk management and compliance.
- 3<sup>rd</sup> line of defence, to provide an independent overview of governance and internal processes the company have engaged the services of Mazars.

The company operates with two Board sub committees, Risk & Audit and Nominations. The structure is set out below



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

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

Appointment of non-executive directors is handled by the Nominations Committee.

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

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

The company adopts an approach that represents the nature, scale and complexity of the business in respect of the SIMR functions of risk management, internal audit and actuarial functions to deliver the desired outcomes. The CEO holds the majority of SIMR functions following the grandfather fathering process of SII

The company are members of the AFM and subscribes to the UK corporate governance code, an annotated version for mutual.

### **3.2 Fit and Proper**

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

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

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

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

### 3.3 Risk Management System

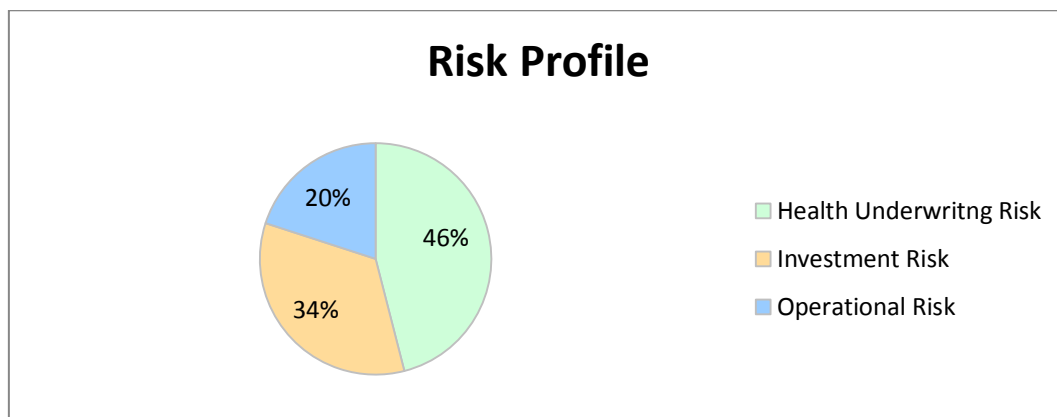
The company identifies and manages risk within a clearly defined framework and this framework forms the major risk elements of the company's ORSA. The framework is again underpinned by a 3 lines of defence mechanism.

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

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

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

The chart below shows the major risk elements as presented in the company's ORSA



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

### 3.4 ORSA

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

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

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

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

### **3.5 Internal Control System**

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

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

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

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

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

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

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

### **3.6 Internal Audit Function**

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

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

### **3.7 Actuarial Function**

The Board has considered the structure of the actuarial function to be proportional in constitution but complete in scope. The function holder for the actuarial function is the CEO. Full separation of the function cannot be achieved cost effectively.

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

### **3.8 Outsourcing**

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

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

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

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

## 4.1 Underwriting Risk

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

The following measures are used to assess underwriting risks:

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

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

## 4.2 Market Risk

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

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

### **4.3 Credit Risk**

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

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

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

### **4.4 Liquidity Risk**

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

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

### **4.5 Operational Risk**

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

Material operational risks that are assessed include:

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



## 5.1 Assets

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

<b>Assets</b>	<b>SII Value £000's</b>	<b>UK GAAP Value £000's</b>
Property, plant & equipment (own use)	672.5	600.9
Investment Property	362.6	362.6
Collective Investments	4,757.3	4,757.3
Insurance and intermediaries receivables	372.6	372.6
Cash and cash equivalents	760.7	760.7
Any other assets, not elsewhere shown	129.0	129.0
<b>Total assets</b>	<b>7,054.8</b>	<b>6,983.1</b>

- Property – is valued at fair value under SII and NBV in the annual financial statements which follow UK GAAP.
- Plant & equipment – The Board considers that there is minimal difference between the UK GAAP valuation and the SII value.
- Investment Property – is valued on the same basis as the annual financial statements. Valuations are based on the Board assessment of market value with full valuations being made by an independent professionally qualified valuer periodically as required.
- Investments – are valued for SII purposes on the same value as the financial statements which follow UK GAAP. These are valued at market value at the reporting date.
- Insurance and intermediaries receivables – under UK GAAP these relate primarily to amounts owed to us by policyholders
- Cash and cash equivalents – the cash holdings are held in the name of the company, they are instant access and the company has no issues withdrawing or moving money held in these accounts.

## 5.2 Technical Provisions

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

	<b>SII Value £000's</b>	<b>UK GAAP Value £000's</b>
<b>Technical Provisions</b>		
Technical Provisions	359.4	151.3
Risk Margin	71.5	
<b>Total</b>	<b>430.9</b>	<b>523.8</b>

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

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

Risk margin is calculated using SII standard formula criteria.

The company consider that the technical provision is prepared on a suitable basis and in line with legislation. This is a new area of work to the company and has thus far had only limited external scrutiny. It is expected this area will continue to be developed and refined in response to external audit and guidance from regulators.

### 5.3 Other Liabilities

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

	<b>SII Value £000's</b>	<b>UK GAAP Value £000's</b>
<b>Other Liabilities</b>		
Deferred Tax	10.0	10.0
Insurance & intermediaries payables	34.3	0.0
Trade payables	70.1	293.1
Other liabilities	389.7	201.0
<b>Total assets</b>	<b>504.1</b>	<b>504.1</b>

Deferred tax liabilities are recognised when transactions or events have occurred at the reporting date that will result in an obligation to pay tax in the future. Deferred tax liabilities relate to unrealised gains on investments. Unrealised tax on gains on investments at 31<sup>st</sup> December 2016, when realised can be added to the tax payable. At the reporting

date no specific date has been set for the sale of assets.

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

## 6.1 Own Funds

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

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

## 6.2 SCR and MCR

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

	<b>SII Value £000's</b>
Market Risk	1,183
Counterparty Risk	196
Health Underwriting Risk	1,020
Diversification	(583)
Operational Risk	193
<b>SCR</b>	<b>2,009</b>
<b>MCR</b>	<b>2,251</b>

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

An analysis of the change over the reporting period is not applicable as the company was not subject to the SII regime in the prior period.

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

The company has fully complied with the standard formula calculation for MCR and SCR and is not aware of any deliberate non-compliance.

This is a new process for the company and areas of uncertainty have been identified as to the methodologies and procedures in arriving at these capital numbers. The company believes that this is an industry wide uncertainty and expects refinement to our procedures to be ongoing. Whilst the SII regime is a new one, the company has developed methodologies and procedures that will best suit its business. This will continue to be developed in future as experience and statistical data is developed.

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

# PAYCARE

## Solvency and Financial Condition Report

### Disclosures

31 December

**2016**

(Monetary amounts in GBP thousands)

## General information

Undertaking name	PAYCARE
Undertaking identification code	213800H3VDM7SWS7BQ64
Type of code of undertaking	LEI
Type of undertaking	Non-life undertakings
Country of authorisation	GB
Language of reporting	en
Reporting reference date	31 December 2016
Currency used for reporting	GBP
Accounting standards	The undertaking is using local GAAP (other than IFRS)
Method of Calculation of the SCR	Standard formula
Matching adjustment	No use of matching adjustment
Volatility adjustment	No use of volatility adjustment
Transitional measure on the risk-free interest rate	No use of transitional measure on the risk-free interest rate
Transitional measure on technical provisions	No use of transitional measure on technical provisions

## List of reported templates

- S.02.01.02 - Balance sheet
- S.05.01.02 - Premiums, claims and expenses by line of business
- S.05.02.01 - Premiums, claims and expenses by country
- S.17.01.02 - Non-Life Technical Provisions
- S.19.01.21 - Non-Life insurance claims
- S.23.01.01 - Own Funds
- S.25.01.21 - Solvency Capital Requirement - for undertakings on Standard Formula
- S.28.01.01 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

## S.02.01.02

## Balance sheet

		Solvency II value
		C0010
<b>Assets</b>		
R0030	Intangible assets	
R0040	Deferred tax assets	
R0050	Pension benefit surplus	
R0060	Property, plant & equipment held for own use	673
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	5,120
R0080	<i>Property (other than for own use)</i>	363
R0090	<i>Holdings in related undertakings, including participations</i>	0
R0100	<i>Equities</i>	0
R0110	<i>Equities - listed</i>	0
R0120	<i>Equities - unlisted</i>	0
R0130	<i>Bonds</i>	0
R0140	<i>Government Bonds</i>	0
R0150	<i>Corporate Bonds</i>	0
R0160	<i>Structured notes</i>	0
R0170	<i>Collateralised securities</i>	0
R0180	<i>Collective Investments Undertakings</i>	4,757
R0190	<i>Derivatives</i>	
R0200	<i>Deposits other than cash equivalents</i>	0
R0210	<i>Other investments</i>	0
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	0
R0240	<i>Loans on policies</i>	0
R0250	<i>Loans and mortgages to individuals</i>	
R0260	<i>Other loans and mortgages</i>	
R0270	Reinsurance recoverables from:	0
R0280	<i>Non-life and health similar to non-life</i>	0
R0290	<i>Non-life excluding health</i>	0
R0300	<i>Health similar to non-life</i>	0
R0310	<i>Life and health similar to life, excluding index-linked and unit-linked</i>	0
R0320	<i>Health similar to life</i>	
R0330	<i>Life excluding health and index-linked and unit-linked</i>	
R0340	<i>Life index-linked and unit-linked</i>	
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	373
R0370	Reinsurance receivables	
R0380	Receivables (trade, not insurance)	
R0390	Own shares (held directly)	0
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	761
R0420	Any other assets, not elsewhere shown	129
R0500	<b>Total assets</b>	<b>7,055</b>

## S.02.01.02

## Balance sheet

		Solvency II value
		C0010
<b>Liabilities</b>		
R0510	Technical provisions - non-life	431
R0520	<i>Technical provisions - non-life (excluding health)</i>	0
R0530	<i>TP calculated as a whole</i>	0
R0540	<i>Best Estimate</i>	0
R0550	<i>Risk margin</i>	0
R0560	<i>Technical provisions - health (similar to non-life)</i>	431
R0570	<i>TP calculated as a whole</i>	0
R0580	<i>Best Estimate</i>	359
R0590	<i>Risk margin</i>	72
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	<i>Technical provisions - health (similar to life)</i>	0
R0620	<i>TP calculated as a whole</i>	
R0630	<i>Best Estimate</i>	
R0640	<i>Risk margin</i>	
R0650	<i>Technical provisions - life (excluding health and index-linked and unit-linked)</i>	0
R0660	<i>TP calculated as a whole</i>	
R0670	<i>Best Estimate</i>	
R0680	<i>Risk margin</i>	
R0690	Technical provisions - index-linked and unit-linked	0
R0700	<i>TP calculated as a whole</i>	
R0710	<i>Best Estimate</i>	
R0720	<i>Risk margin</i>	
R0740	Contingent liabilities	
R0750	Provisions other than technical provisions	
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	
R0780	Deferred tax liabilities	10
R0790	Derivatives	
R0800	Debts owed to credit institutions	
R0810	Financial liabilities other than debts owed to credit institutions	
R0820	Insurance & intermediaries payables	34
R0830	Reinsurance payables	
R0840	Payables (trade, not insurance)	70
R0850	Subordinated liabilities	0
R0860	<i>Subordinated liabilities not in BOF</i>	
R0870	<i>Subordinated liabilities in BOF</i>	0
R0880	Any other liabilities, not elsewhere shown	390
R0900	<b>Total liabilities</b>	935
R1000	<b>Excess of assets over liabilities</b>	6,120









S.19.01.21

Non-Life insurance claims

Total Non-life business

Z0010 Accident year / underwriting year

Gross Claims Paid (non-cumulative)														
(absolute amount)														
Year	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180	
	Development year											In Current year	Sum of years (cumulative)	
	0	1	2	3	4	5	6	7	8	9	10 & +			
R0100	Prior												0	0
R0160	N-9	5,768	0	0	0	0	0	0	0	0	0	0	0	5,768
R0170	N-8	5,865	0	0	0	0	0	0	0	0		0	0	5,865
R0180	N-7	5,710	0	0	0	0	0	0				0	0	5,710
R0190	N-6	5,351	0	0	0	0	0					0	0	5,351
R0200	N-5	5,271	0	0	0	0						0	0	5,271
R0210	N-4	5,186	0	0	0							0	0	5,186
R0220	N-3	5,268	0	0								0	0	5,268
R0230	N-2	5,309	0									0	0	5,309
R0240	N-1	5,311	0									0	0	5,311
R0250	N	5,208										5,208	5,208	
R0260												5,208	54,246	
	<b>Total</b>											5,208	54,246	

Gross Undiscounted Best Estimate Claims Provisions														
(absolute amount)														
Year	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360		
	Development year											Year end (discounted data)		
	0	1	2	3	4	5	6	7	8	9	10 & +			
R0100	Prior												0	0
R0160	N-9	0	0	0	0	0	0	0	0	0	0	0	0	
R0170	N-8	0	0	0	0	0	0	0	0	0		0	0	
R0180	N-7	0	0	0	0	0	0	0				0	0	
R0190	N-6	0	0	0	0	0	0					0	0	
R0200	N-5	0	0	0	0	0						0	0	
R0210	N-4	0	0	0	0							0	0	
R0220	N-3	0	0	0								0	0	
R0230	N-2	0	0									0	0	
R0240	N-1	0	0									0	0	
R0250	N	159										159	159	
R0260												159	159	
	<b>Total</b>											159	159	

S.23.01.01

Own Funds

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

R0010	Ordinary share capital (gross of own shares)
R0030	Share premium account related to ordinary share capital
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings
R0050	Subordinated mutual member accounts
R0070	Surplus funds
R0090	Preference shares
R0110	Share premium account related to preference shares
R0130	Reconciliation reserve
R0140	Subordinated liabilities
R0160	An amount equal to the value of net deferred tax assets
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above
R0220	<b>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</b>
R0230	<b>Deductions for participations in financial and credit institutions</b>
R0290	<b>Total basic own funds after deductions</b>
<b>Ancillary own funds</b>	
R0300	Unpaid and uncalled ordinary share capital callable on demand
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand
R0320	Unpaid and uncalled preference shares callable on demand
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC
R0390	Other ancillary own funds
R0400	<b>Total ancillary own funds</b>
<b>Available and eligible own funds</b>	
R0500	Total available own funds to meet the SCR
R0510	Total available own funds to meet the MCR
R0540	Total eligible own funds to meet the SCR
R0550	Total eligible own funds to meet the MCR
R0580	<b>SCR</b>
R0600	<b>MCR</b>
R0620	<b>Ratio of Eligible own funds to SCR</b>
R0640	<b>Ratio of Eligible own funds to MCR</b>
<b>Reconciliation reserve</b>	
R0700	Excess of assets over liabilities
R0710	Own shares (held directly and indirectly)
R0720	Foreseeable dividends, distributions and charges
R0730	Other basic own fund items
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds
R0760	<b>Reconciliation reserve</b>
<b>Expected profits</b>	
R0770	Expected profits included in future premiums (EPIFP) - Life business
R0780	Expected profits included in future premiums (EPIFP) - Non- life business
R0790	<b>Total Expected profits included in future premiums (EPIFP)</b>

Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
C0010	C0020	C0030	C0040	C0050
0	0		0	
0	0		0	
0	0		0	
0		0	0	0
0	0			
0		0	0	0
0		0	0	0
6,120	6,120			
0		0	0	0
0				0
0				0
0	0	0	0	0
0				
0				
0				
0				
0			0	0
6,120	6,120	0	0	0
6,120	6,120	0	0	
6,120	6,120	0	0	0
6,120	6,120	0	0	
2,009				
2,251				
304.64%				
271.83%				
<b>C0060</b>				
6,120				
0				
0				
0				
6,120				
49				
49				

## S.25.01.21

## Solvency Capital Requirement - for undertakings on Standard Formula

	Gross solvency capital requirement	USP	Simplifications
	C0110	C0080	C0090
R0010 Market risk	1,183		
R0020 Counterparty default risk	196		
R0030 Life underwriting risk	0		
R0040 Health underwriting risk	1,020		
R0050 Non-life underwriting risk	0		
R0060 Diversification	-583		
R0070 Intangible asset risk	0		
<b>R0100 Basic Solvency Capital Requirement</b>	<b>1,816</b>		
<b>Calculation of Solvency Capital Requirement</b>	<b>C0100</b>		
R0130 Operational risk	193		
R0140 Loss-absorbing capacity of technical provisions	0		
R0150 Loss-absorbing capacity of deferred taxes	0		
R0160 Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	0		
<b>R0200 Solvency Capital Requirement excluding capital add-on</b>	<b>2,009</b>		
R0210 Capital add-ons already set	0		
<b>R0220 Solvency capital requirement</b>	<b>2,009</b>		
<b>Other information on SCR</b>			
R0400 Capital requirement for duration-based equity risk sub-module	0		
R0410 Total amount of Notional Solvency Capital Requirements for remaining part	0		
R0420 Total amount of Notional Solvency Capital Requirements for ring fenced funds	0		
R0430 Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	0		
R0440 Diversification effects due to RFF nSCR aggregation for article 304	0		

S.28.01.01

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

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

R0010 MCR<sub>NL</sub> Result

C0010

319
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	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
	C0020	C0030
	359	6,434
	0	
	0	
	0	
	0	
	0	
	0	
	0	
	0	
	0	
	0	
	0	
	0	
	0	
	0	
	0	

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

**Linear formula component for life insurance and reinsurance obligations**

R0200 MCR<sub>L</sub> Result

C0040

0
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	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
	C0050	C0060

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

**Overall MCR calculation**

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

C0070

319
2,009
904
502
502
2,251
2,251