

Astrenska Insurance Holdings Limited and Astrenska Insurance Limited

Single Group Solvency and Financial Condition Report (SFCR)

Financial Year 2025





KEY ACHIEVEMENTS



**Gross Written Premium increased by 34%.
From £221.4m in FY24 to £297.2m in FY25.**

-  **Strong Solvency Capital Requirement (SCR) Coverage Ratio of 176% (FY24 205%) against a target of 150%.**
-  **Key distribution partner relationships extended, and material new affinity partnerships won.**
-  **Significant underwriting and pricing experience resulting in sustainable performance and profitable growth across the key affinity insurance distribution partnerships.**
-  **Continued investment in digitalisation to further enhance the customer experience.**
-  **Continued investment in automation and data capabilities to support our insights strategy.**
-  **Development and delivery of the Insurance ESG strategy in alignment with the Collinson Group's.**

Our DNA

Value propositions

Design products that fulfil customers' needs and align with our strategic affinity distribution partners.

Optimal Balance Sheet

Our active risk management combined with our reinsurance partners support efficient balance sheet management and generate enhanced returns, underpinned by experienced Underwriting, Reserving and Pricing capability.

Brilliant Customer Experience

Combining seamless digital journeys with human interaction at the most critical times.

Innovation

Continued Investment in high levels of automation to deliver enhanced customer outcomes.

Table of Contents

| | | | | |
|---------------------------------------|---|-----|--|----|
| Executive Summary | 4 | D.2 | Technical Provisions..... | 38 |
| Business and Performance | 4 | D.3 | Other Liabilities – balance sheet..... | 42 |
| Systems of Governance | 5 | D.4 | Alternative methods for valuation..... | 43 |
| Risk Profile | 5 | D.5 | Any other information / disclosures | 43 |
| Valuation for Solvency Purposes | 5 | E. | Capital Management..... | 44 |
| Capital Management | 6 | E.1 | Own Funds | 44 |
| A. | Business and Performance | E.2 | Solvency Capital Requirement and Minimum Capital Requirement | 45 |
| A.1 | Business..... | E.3 | Differences between the standard formula and any internal model used..... | 47 |
| A.2 | Underwriting Performance | E.4 | Non-compliance with the MCR and non- compliance with the SCR..... | 47 |
| A.3 | Investment Performance | E.5 | Any other information | 47 |
| A.4 | Performance of other activities | | Statement of Directors’ Responsibilities | 48 |
| A.5 | Any Other information | | Auditor’s Report and Opinion | 49 |
| B. | System of Governance..... | | Appendix 1 - Quantitative Reporting Templates (QRTs)..... | 54 |
| B.1 | General Information on the Group’s System of Governance | | Astrenska Insurance Holdings Limited (AIHL)..... | 54 |
| B.2 | Fit and Proper Requirements | | Astrenska Insurance Limited (AIL) | 64 |
| B.3 | Risk management system including the Own Risk & Solvency Assessment..... | | Glossary | 76 |
| B.4 | Internal Control System | | | |
| B.5 | Compliance Function..... | | | |
| B.6 | Internal Audit Function | | | |
| B.7 | Actuarial Function | | | |
| B.8 | Outsourcing..... | | | |
| B.9 | Any other information..... | | | |
| C. | Risk Profile | | | |
| C.1 | Underwriting Risk..... | | | |
| C.2 | Market Risk | | | |
| C.3 | Credit Risk | | | |
| C.4 | Liquidity Risk | | | |
| C.5 | Operational Risk | | | |
| C.6 | Other Material Risks..... | | | |
| C.7 | Any other information..... | | | |
| D. | Valuation for Solvency Purposes | | | |
| D.1 | Assets | | | |

Table of Figures

| | |
|---|----|
| Figure 1 Collinson Insurance structure..... | 8 |
| Figure 2 AIL’s Governance structure. | 12 |
| Figure 3 Roles and attendance of the Board and Board Sub-Committees..... | 12 |
| Figure 4 AIL’s Risk management framework | 19 |
| Figure 5 AIL’s Risk strategy principles | 20 |
| Figure 6 Interaction between business strategy and risk management | 20 |
| Figure 7 ORSA process (as per ORSA policy). | 21 |
| Figure 8 Scenario analysis selection 2025 | 22 |
| Figure 9 Movement from UK GAAP to valuations. ... | 41 |
| Figure 10 TP FY 24 to FY 25 net of reinsurance. | 42 |

Executive Summary

This is the single Solvency and Financial Condition Report (SFCR) prepared for both Astrenska Insurance Holdings Limited (AIHL) and Astrenska Insurance Limited (AIL or the Company). AIL and AIHL (referred to collectively hereafter as “the Group” and trading as Collinson Insurance) were granted permission by the Prudential Regulation Authority (PRA) to prepare a single SFCR on 1st July 2024 and this permission remains in force until 1st January 2028.

AIHL is an insurance holding company, being the parent of the wholly owned subsidiary AIL. **AIL is the sole PRA regulated entity and the sole trading entity within the Group.** Accordingly, in producing information to meet the individual reporting requirements of the Group and AIL, separate disclosures should be provided. However, the information about the Group and AIL are materially identical in nature and content and therefore no distinction is drawn between the Group and AIL when providing group information. For simplicity, most of the references in this document are made to AIL.

All references to the Board in this document are in respect of the Board of AIL only. While there are common directors in AIHL, the systems of governance to support the AIL regulated business activities reside only in AIL.

Business and Performance

The current financial period of the Group covers the period from 1st May 2024 to 30th April 2025 (FY25). The comparative figures cover the period from incorporation on 1st May 2023 to 30th April 2024 (FY24).

Business objectives

AIL is a specialist insurer writing Travel and ancillary personal lines insurance products distributed via affinity brands, with the capability to also bring Dental and International Private medical insurance propositions to UK markets. As a diversified, niche personal lines insurer, AIL’s vision is to provide insurance products and services that deliver protection for our customer’s travel experience, health needs and personal possessions. This is supported by our purpose, which is ‘to provide protection and peace of mind in the best interests of customers so they enjoy their travel experiences whilst looking after their health and personal possessions.’

The current geopolitical environment in the UK is characterised by several significant risks and uncertainties that could impact its macroeconomic landscape. Key geopolitical issues include Russia/Ukraine conflict, Middle East tensions, US tariffs, Continuing Post-Brexit negotiations and Cybersecurity threats. Domestically, despite budgetary adjustments, fiscal tightening equivalent to 0.7% of potential GDP is expected in 2025-2026. While the economy is not currently in recession, growth is slow, and there are concerns about the impact of global factors. The UK government has limited options under fiscal rules, increasing pressure for tax hikes or sending cuts. Productivity growth remains weak, limiting long-term economic potential.

Despite the uncertainty in the UK and abroad, AIL has managed to achieve profitable growth. This positive result has been delivered principally via our affinity distribution partners, whom we operate with through long-term contractual arrangements. AIL continues to be well placed to support this increase in business activity given its strong underwriting, pricing, claims handling and assistance capabilities. However, monitoring of AIL’s external environment going forward will remain critical to achieve its strategic objectives.

AIL’s insurance product offering is entirely consistent with Collinson’s wider travel ecosystem strategy. It focuses not only on developing insurance products and services to meet the needs of customers, providing valuable protection and assistance products and services, but also on building long term relationships with clients to maximise the brand experience of their customers.

Growth along with a focus on containing costs and good underwriting discipline has resulted in improved financial performance. The portfolio is projected to continue to grow as a result of:

- Continuing to seek new affinity distribution partners for Travel insurance.
 - Continuing to seek further new clients consistent with underwriting appetite across specialist and ancillary personal lines insurance products as well as where relevant and aligned with our model, adjacent Accident and Health products.

Systems of Governance

AIL maintains a robust system of governance which is commensurate to the nature, scale and complexity of its activities and risk profile. AIL's Board ("The Board") provides strategic leadership within a framework of prudent and effective controls which enable risk to be assessed and managed. The Board believes that a strong system of governance is essential to ensure that the business runs smoothly, aids effective decision making and support the achievement of the agreed objectives.

The Board is responsible for promoting the long-term success of AIL for the benefit of its shareholders, its staff, its clients, and its customers. It is responsible for setting the strategic aims and risk appetite, and to ensure the business is adequately resourced, managed and controlled as part of an effective system of governance. The Board also sets the values and supports the culture.

AIHL has an oversight role, not operating directly, respecting AIL's independence while ensuring it operates within agreed strategic and risk boundaries with common Directors across both entities, this allows for more timely decision making between parent and subsidiary, with shared governance ensuring Group strategy is consistent and risks are viewed holistically.

To assist the Board in effectively discharging its duties, it has delegated certain responsibilities to several committees which report regularly to it. The roles of the committees are outlined in Section B. The Board retains ultimate responsibility for the systems of internal control and risk management and their effectiveness. AIL has implemented the 'three lines of defence' model and provides a formal and robust structure to enable risks to be identified, assessed, controlled, mitigated, reported, and monitored.

Risk Profile

The acceptance of risk is fundamental to AIL and a core element of the overall strategic objectives as an insurance undertaking.

Each of the elements of the Risk Management Framework (see Section C) contribute to the identification, measurement, monitoring, management and reporting of risks and is intended to work as an integrated system, and therefore each should be considered both in terms of the specific function of the respective element, and in terms of its function within the overall system. Each element of the system is embedded effectively within AIL and managed by the Risk Management Function with appropriate oversight from the Risk and Compliance Committee and the Board.

AIL's main risk is in respect of the business of writing insurance as this is the principal activity. The risk under any one insurance contract is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims and actual benefits paid. Therefore, the objective of AIL is to ensure that sufficient reserves are available to cover these liabilities.

Other risks relate to counterparty default risk in relation to insurance and reinsurance receivables and short-term investments, market risk in relation to liquidity risk and asset-liability management (ALM), operational and compliance risks.

Valuation for Solvency Purposes

AIL and AIHL value all assets and liabilities at fair value within the balance sheet. Fair value is the value at which knowledgeable and willing parties could exchange assets and liabilities in an arm's length transaction. Fair value is best demonstrated by reference to quoted market prices. The Group's financial statements are prepared in accordance with UK Generally Accepted Accounting Practice (GAAP). Consolidated financial statements for the solvency group are not published.

Section D includes an analysis of the balance sheet movements between the valuation under UK GAAP for the financial statements and the valuations across:

- Assets.
- Liabilities.
- Technical Provisions (TP's).

The Board believes that the Information in Section D represents a basis of valuation which is compliant with PRA requirements.

During the reporting period, the Prudential Regulation Authority (PRA) introduced reforms to the UK Solvency II framework aimed at improving proportionality, encouraging long-term investment, and maintaining policyholder protection.

Capital Management

AIL and AIHL have used the standard formula method to calculate the Solvency Capital Requirement (SCR). The capital coverage ratio (being the ratio of eligible own funds to the SCR) for AIHL/AIL as of 30th April 2025 was 176% (FY24: 205%). The Minimum Capital Requirement (MCR) coverage Ratio for AIHL/AIL is 391% (FY24: 455%).

The movement in the capital coverage ratio throughout the last financial year can be explained as follows:

- Non-Life and Health Underwriting risk has increased by c.£7.4m and this is mainly due to an increase in forecast business volumes as well as a lower level of quota share reinsurance, both of which have increased the premium and reserve risk.
- Market risk has increased by c.£1.1m and this is a result of increased Interest Rate risk and Spread risk, due to higher assets under management and the new investment strategy implemented in FY25. This implementation has impacted the interest rate risk, spread risk and concentration risk.
- Counterparty Default risk has remained at a similar level.
- AIL's assets and liabilities are valued on a Solvency II basis, which gives rise to a tax liability of £1.6 million, a Loss-Absorbing Capacity of Deferred Taxes (LAC DT) has been recognised on the basis of offset against the DTL of £1.6m on the Solvency II balance sheet, reducing AIL's Solvency Capital Requirement (SCR).
- Operational risk has increased by c.£1.8m due to it being capped at 30% of the Basic SCR (i.e. it has increased in line with the increases in the Basic SCR).
- The overall impact to the SCR is an increase of c.£6.1m, driven by expected increased business volumes in FY26 and lower outward reinsurance.
- The Eligible Own Funds have increased by c.£6.2m over the financial year due to profit on the retained earned premium; investment returns; and an increase in expected profit within the Technical Provisions.

AIL's approach to capital management focuses on ensuring there is sufficient capital and reserves to honour its commitments to its customers, to maintain financial strength to support new business growth and to retain financial flexibility by maintaining strong liquidity and access to a range of capital markets.

A. Business and Performance

A.1 Business

A.1.1 Name and legal form

Astrenska Insurance Holdings Limited (AIHL) is a limited company incorporated and domiciled in England – Company Registration No: 10330418. AIHL is an insurance holding company that wholly owns Astrenska Insurance Limited (AIL) – Company Registration No: 01708613, a UK general insurance company. The registered address of AIHL and AIL is:
3 More London Riverside
London
SE1 2RE

A.1.2 Supervisory authority details

AIHL is an insurance holding company for which Group supervision has been agreed with the Prudential Regulatory Authority (PRA) while AIL is jointly regulated by the PRA and Financial Conduct Authority (FCA).

Prudential Regulatory Authority

20 Moorgate,
London,
EC2R 6DA
+44 (0)20 7601 4444

Financial Conduct Authority

12 Endeavour Square,
London,
E20 1JN
+44 (0)20 7066 1000

A.1.3 External Auditor

The external auditor of AIL is:
Ernst and Young LLP,
25 Churchill Place,
London
E14 5EY.

A.1.4 Regulatory waivers

AIL has been granted several waivers, as shown in the table below:

| Waivers/Modifications | Rule/Article No | | Expiry |
|--|--|---|--|
| A00008240P.pdf (pdf / 0.170MB) | Group Sup - SII Ru 18.1 | Allows production of a single SFCR covering all relevant Solvency II undertakings and insurance holding companies | 1 st January 2028 |
| A00009323P.pdf (pdf / 0.168MB) | Perm & Wav - SII 17.2 | Allows production of a single group ORSA | 30 th September 2025 |
| A00009687P.pdf | Group Sup – SII Ru 17.3; Ru 2.2(1) Reporting – SII Ru 2.2(1) | Rule modification that means AIL is eligible to report limited quarterly information | 29 March 2027 or earlier if rule revoked |
| A00009690P.pdf (pdf / 0.179MB) | Reporting - SII Ru 2.2(1), 2.5A, 2.5B | Reiterates the exemption and the limited information AIL needs to report quarterly as a result | No set date |

A.1.5 Group structure and ownership

AIHL sits within the Insurance Division of The Collinson Group Limited as a direct subsidiary of Collinson Insurance Holdings Limited (CIHL). The diagram below summarises the operating entities within the Insurance Division. It should be noted that a separate SFCR is prepared for Collinson Holdings Europe Limited and its direct subsidiaries.

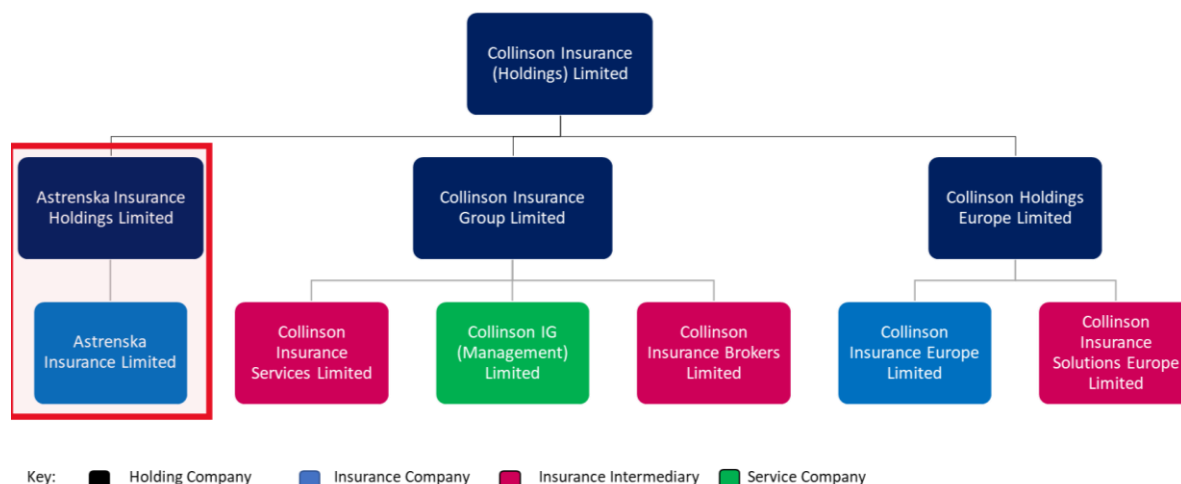


Figure 1 Collinson Insurance structure

The ultimate holding company of AIHL and AIL is Parminder Limited, a company incorporated in the Isle of Man. The ultimate controlling parties identified by Parminder Limited are the Trustees of the Colin Evans 1987 Settlement. The table below summarises all controlling entities between Parminder Limited and Collinson Insurance (Holdings) Limited.

| Entity Name | Location | %age shareholding |
|---|-----------------|-------------------|
| Parminder Limited ----↓ | Isle of Man | 100% |
| Parminder Investments Limited ----↓ | England & Wales | 100% |
| Collinson Group Holdings Limited ---- ↓ | England & Wales | 100% |
| The Collinson Group Limited ---- ↓ | England & Wales | 100% |
| Collinson Insurance (Holdings) Limited | England & Wales | 100% |

The consolidated Solvency II “Group” is comprised of two legal entities: Astrenska Insurance Holdings Limited and Astrenska Insurance Limited. AIHL is an insurance holding company, being the parent of the wholly owned subsidiary AIL.

AIL is the sole PRA regulated entity and the sole trading entity within the Solvency II Group. Accordingly, in producing information to meet the individual reporting requirements of the Group and the Group’s Solo entity, separate disclosures should be provided for the Group and AIL. However, given that the difference in capital held in AIL and AIHL is immaterial, information about the Group and Solo subsidiary is identical in nature and content and no distinction is drawn between Group and the Solo subsidiary, when providing group information, although unless stated differently all financial data presented will be AILs position

A.1.6 Business Mix

- **Assistance** - This line of business (LoB) includes Motor Breakdown Assistance and non-medical elements of Travel Insurance products.
- **Fire and Other Damage to Property** - This LoB includes, Property Ancillary, Mobile, Gadget and Cycle Insurance products.
- **Income Protection** - This line of business (LoB) includes Personal Accident and Short-Term Income Protection products.

- **Other Motor** - This LoB includes Car Key Cover, Motor Excess, Motor Collision Damage Waiver and helmet motorcycle cover.
- **Marine, Aviation and Transportation Insurance** – This LOB includes Shipment Protection.
- **Medical Expense Insurance** - This LoB includes International Health and medical elements of Travel Insurance products.
- **Miscellaneous Financial Loss** - This LoB includes Ticket Cancellation, Teacher Absence and Home Appliance Warranty Insurance products.

A.2 Underwriting Performance

A.2.1 Technical Performance

Travel insurance remains at the core of what we do, and we work closely with our key distribution partners to provide insurance to deliver on their brand promise, acting in the best interests of customers. The Company maintains its focus on technical pricing and underwriting disciplines, working more closely with key trading partners to deliver profitable growth as well as investing in claims and assistance capabilities.

The Company also continues to significantly expand its Multi Lines specialist portfolio. This growth has been delivered principally via affinity distribution partners by broadening the set of products and services we offer. We operate through long term contractual arrangements, and this creates further diversification over a wider range of products outside travel insurance. We also work closely with carefully selected, strategic third-party administrators to ensure we have the appropriate skills to service the range of products we now underwrite.

Table 1 shows the summarised Statement of Comprehensive Income for ALL including premiums, claims and expenses for the year ended 30th April 2025.

| Summarised Statement of Comprehensive Income | FY25 | FY24 | Variance |
|---|--------------|--------------|--------------|
| | £'000 | £'000 | £'000 |
| Gross premiums written | 297,186 | 221,485 | 75,701 |
| Total technical income | 97,432 | 59,150 | 38,282 |
| Claims incurred, net of reinsurance | 35,595 | 24,188 | 11,407 |
| Underwriting result | 61,838 | 34,962 | 26,876 |
| <i>Underwriting loss ratio</i> | 37% | 41% | -4% |
| Net operating expenses | 59,931 | 33,742 | 26,189 |
| <i>Net operating expense ratio</i> | 62% | 57% | - |
| Balance on technical account for general business | 1,906 | 1,220 | 686 |
| Profit for the financial year | 4,289 | 3,198 | 1,091 |

Table 1 Summarised Statement of Comprehensive Income for ALL

ALL's underwriting result for FY25 is £61,838k (FY24: £34,962k) while net operating expenses increased to £59,931k (FY24: £33,742k). The Board and management are pleased to see another profitable year in FY25, with a profit of £4,289k (FY24: £3,198k).

A.2.2 Performance by LoB

Table 2 shows the underwriting performance for AIL by product/solvency class for the year-ending 30th April 2025.

| Underwriting Performance | Medical expense insurance | Income protection insurance | Other motor insurance | Fire and other damage to property insurance | Assistance | Marine, aviation and transport | Miscellaneous financial loss | Total |
|------------------------------|---------------------------|-----------------------------|-----------------------|---|---------------|--------------------------------|------------------------------|---------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Gross Written Premium | 92,830 | 20,422 | 77,396 | 35,303 | 59,735 | 83 | 11,417 | 297,186 |
| Gross earned Premium | 91,673 | 16,170 | 67,919 | 32,195 | 56,384 | 76 | 10,111 | 274,528 |
| Reinsurers Share | 56,674 | 8,852 | 51,714 | 18,759 | 34,690 | 68 | 6,339 | 177,096 |
| Net Earned Premium | 34,999 | 7,318 | 16,205 | 13,436 | 21,694 | 8 | 3,772 | 97,432 |
| Gross Claims | 39,505 | 2,651 | 8,989 | 9,725 | 24,880 | 30 | 3,983 | 89,763 |
| Reinsurers share | 23,937 | 1,254 | 5,740 | 5,734 | 15,059 | 27 | 2,417 | 54,168 |
| Net Claims | 15,568 | 1,397 | 3,249 | 3,991 | 9,821 | 3 | 1,566 | 35,595 |
| Expenses Incurred | 18,611 | 6,128 | 12,705 | 9,016 | 11,264 | 2 | 2,205 | 59,931 |
| Underwriting Profit / (loss) | 820 | (207) | 251 | 429 | 609 | 3 | 1 | 1,906 |

Table 2 Underwriting performance by LoB

A.2.3 Geographical Underwriting Locations

AIL writes business only in the United Kingdom and covers Switzerland under accepted reinsurance.

| Geographical Underwriting Locations | FY25 | FY24 |
|-------------------------------------|---------|---------|
| | £000s | £000s |
| United Kingdom | 295,851 | 221,485 |
| Switzerland | 1,335 | - |
| Total | 297,186 | 221,485 |

Table 3 Underwriting locations

A.3 Investment Performance

During the reporting period, AIL transitioned from a 100% Money Market Fund allocation to a more diversified portfolio, comprising approximately 64% money market instruments and 36% short-duration fixed income assets. These included investment grade credit, high yield, and credit-enhanced strategies, selected to enhance yield, improve duration matching, and optimise solvency capital efficiency.

The portfolio delivered a total investment return of £3.9 million, with £3 million attributable to money market instruments and £0.9 million from fixed income investments. This supported a stronger risk-adjusted return profile while maintaining liquidity and capital preservation objectives.

All investments were made in accordance with the Prudent Person Principle.

A.4 Performance of other activities

There are no material other activities to note in the reporting period.

A.5 Any Other information

A.5.1 Macroeconomic and Geopolitical environments

The macroeconomic and geopolitical environments in the United Kingdom are currently characterised by a blend of cautious optimism and persistent structural challenges. Projections indicate that UK GDP growth for 2025 will average around **0.9%**, suggesting a modest recovery amidst global economic uncertainties. The Consumer Price Index (CPI) inflation is anticipated to average **2.3%** in 2025, aligning closely with the Bank of England's target of 2%. In contrast, Retail Price Index (RPI) inflation is expected to be slightly higher, averaging approximately **3.1%**.

The unemployment rate is forecasted to remain stable at around **4.2%**. The Bank of England's base rate is projected to maintain an elevated level, averaging **4.5%**, as part of its ongoing strategy to manage inflation effectively. Public Sector Net Borrowing for the fiscal year 2025–26 is expected to be approximately **3.8% of GDP**, indicative of continued efforts towards fiscal consolidation.

Key geopolitical factors influencing the UK's outlook for 2025 include:

- **Post-Brexit Trade Adjustments:** The UK continues to navigate complex trade relationships, particularly with the EU. Regulatory divergence and trade frictions present ongoing concerns for businesses.
- **Global Conflicts and Security:** Persistent geopolitical tensions, notably in Eastern Europe and the Middle East, are impacting energy prices and supply chains, thereby influencing UK inflation and business costs.
- **China and US Relations:** The UK must balance its economic interests between the US and China, especially in sectors such as technology, artificial intelligence, and green energy.

Depending on how these risks evolve over time, there could be direct implications for AIL, including increased claims costs, potential reductions in new business, and lapses in coverage upon renewal. However, as demonstrated through stress and scenario testing conducted as part of the ORSA process, AIL has shown resilience to macroeconomic shocks, including those related to inflation and exchange rate fluctuations, as well as a defined set of 'severe but plausible' extreme events.

B. System of Governance

B.1 General Information on the Group's System of Governance

All references to the Board in this document are in respect of the Board of AIL only. While there are common directors in AIHL, the systems of governance to support the AIL regulated business activities reside only in AIL. This is inline with the fact AIHLs role is one of oversight only.

The system of governance structure has changed during the financial year with the creation of the Information Technology Risk Committee, see figure 2 below. The governance structure includes Committees that oversee specific risk areas, ensuring that risks are tackled with expertise and precision. The Committees are supported by Working Groups that contribute to an integrated approach by pooling insights and recommendations to enhance AIL control environment.

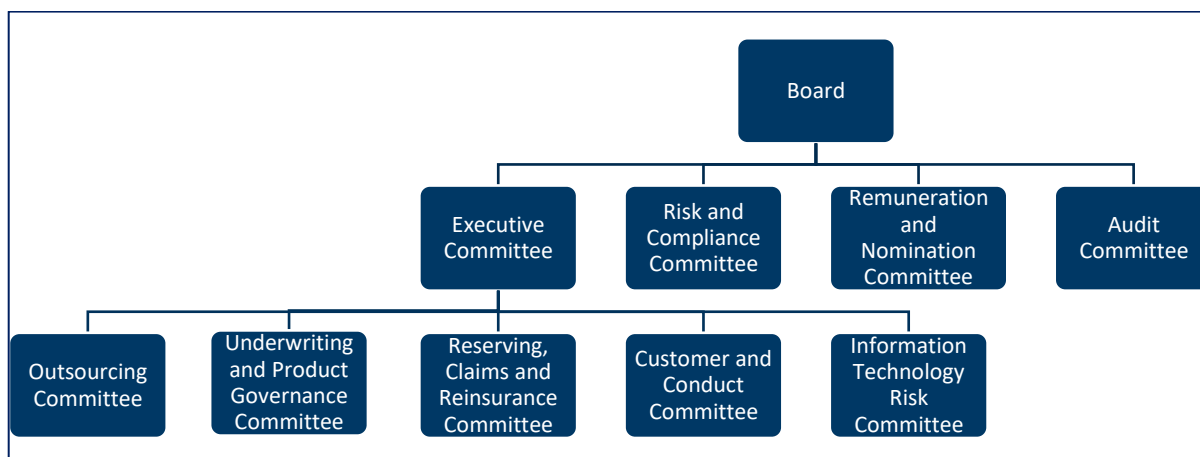


Figure 2 AIL's Governance structure.

The members of the AIL Board are two Independent Non-Executive Directors, a Non-Executive Director representing shareholder interests, Chief Executive Officer for Insurance and Finance Director. Figure 3 depicts their individual roles and attendance of the Board and Board Sub-Committees.

| Name | Role | Board | Risk & Compliance Committee | Audit Committee | Remuneration & Nomination |
|----------------|------------------|--------------|-----------------------------|-----------------|---------------------------|
| Martin Totty | Independent NED | Chair | ✓ | ✓ | Chair |
| Jeff Herdman | Independent NED | ✓ | Chair | Chair | |
| David Evans | NED | ✓ | | | ✓ |
| Lawrence Watts | CEO | ✓ | ✓ | ✓ | |
| Paul Escott | Finance Director | ✓ | ✓ | ✓ | |

Figure 3 Roles and attendance of the Board and Board Sub-Committees.

B.1.1 Board of Directors (BoD)

The BoD is adequately sized and has the required experience and expertise to supervise the operations of AIL. The structure of the Board of Directors is intended to ensure that:

- It can adequately discharge its responsibilities and duties whilst managing any innate conflict of interest.
- It has a proper understanding of, and competencies to deal with, the current and emerging issues of the business.
- It can effectively review and assess the performance of its outsourced arrangements.

The BoD **duties and responsibilities** include:

- Set strategy, objectives, policies and direction of AIL, discuss strategic development initiatives and ensure approved initiatives are implemented in an effective and controlled manner.
- Set the strategic business targets, return on capital/ investment expectations and Risk Appetite measures for AIL and monitor compliance by regular reporting of performance against those measures.
- Review any investments that may be required in the context of the AIL's business plan.
- Ensure that AIL is compliant with applicable regulations by review of reports from the Compliance Function.
- Ensure that the internal control environment is effective by review of reports from the Risk & Compliance Committee and the Risk Management Function regarding performance of key risks and controls.
- Ensure that the interests of clients and customers are considered in decision making ensuring customers are treated fairly and that conduct risk issues are appropriately addressed and embedded within the culture of the business.
- Ensure that AIL Consumer Duty obligations are regularly included in all relevant discussions, with the delivery of good customer outcomes at the heart of firms' strategy and business objectives.
- Assess annually whether AIL is delivering good outcomes for its customers which are consistent with the Consumer Duty.
- Monitor the performance of AIL including agreed key performance indicators relating to financial and non-financial measures including staffing issues.
- Review and monitor AIL's performance against the business plan.
- Manage the Delegated Authority / sub-Agency Framework.
- To consider the strategic alignment of key clients and partners including business development, relationship management, risks and issues.

The following are **matters reserved** for the Board.

- Determine and approve the three-year strategic plan, approval of any changes to strategy and approval of any business opportunities outside of the agreed strategy.
- Assess and approve the annual business plan including financial performance budgets and identify the key performance indicators required to monitor progress.
- Assess and approve the authority limits such as underwriting, claims, reinsurance and financial approval.
- Approval of Risk Management Framework and Risk Appetite Statements.
- Approval of the regulatory reports including the Own Risk and Solvency Assessment (ORSA) and the Solvency & Financial Condition Report (SFCR).
- Approval of the Annual Financial Statements, report and accounts and any material changes to accounting policy.
- Approval of material changes to the Underwriting Strategy.
- Approval of the Reinsurance strategy.
- Approval of material contracts between £5m-50m of Net Operating Income (NOI) and expenditure between £3-5m per annum.
- Appointment of professional advisors including Auditors, Bankers and legal advisors.
- Appointment of Directors.
- Approval of Board Policies.

B.1.2 Remuneration and Nomination Committee

The role of the Committee is to ensure that there is a rigorous and transparent procedure for new appointments to the Board, and to assist the Board in ensuring their composition is regularly reviewed and refreshed so that it is effective and able to operate in the best interests of shareholders.

The Committee's duties and responsibilities includes:

- The Committee shall determine and agree with the Board the policy for the remuneration of AIL's Chief Executive, the Executive Directors, and compensation payments. The remuneration of non-executive directors shall be a matter for the Board or the shareholders. No individual shall be involved in any decisions as to their own remuneration.
- The Committee shall also recommend and monitor the level and structure of remuneration for other members of Exco or individuals holding senior management positions from time to time.

- The Committee shall approve the design of, and determine targets for, any performance related pay schemes operated by AIL and approve the total annual payments made under such schemes.
- Review the structure, size and composition (including the skills, experience, independence, knowledge and diversity) of the Board and make recommendations to the Board regarding any changes that are deemed necessary.
- Monitor the leadership needs of AIL, both executive and non-executive, with a view to ensuring the continued ability of AIL to compete effectively in the marketplace.
- Prior to Board appointment, evaluate the balance of skills, experience, independence, knowledge and diversity on the board, prepare a description of the role and capabilities required, and be responsible for identifying and nominating candidates from a wide range of backgrounds.
- Consider any training requirements for the Board as a whole to ensure that directors are fully informed about the strategic and commercial issues affecting AIL and the markets in which it operates, as well as their duties and responsibilities as a director.

B.1.3 Audit Committee

The Audit Committee is responsible for assisting the Board with discharging its responsibilities for monitoring the integrity of AIL's financial statements and the effectiveness of the systems of internal controls and to monitor the effectiveness, performance and objectivity of the statutory auditors and the Internal Audit function.

The Audit Committee has the following **duties and responsibilities**:

- Oversee the process for the appointment, selection and re-election of the statutory Auditors and monitor the independence and objectivity of the statutory auditors including review and approval of any non-audit services of the firm.
- Monitor the performance and effectiveness of the statutory audit process and review the observations and recommendations of the statutory auditors.
- Report to the Board on the outcome of the Financial Audit including how the audit contributed to the integrity of financial reporting and the role of the Committee in that process.
- Review and challenge the actions and judgements of management in relation to the AIL's financial performance or financial statements.
- Review the Annual financial report and accounts to ensure integrity of the financial statements regarding consistency, accounting for unusual or significant transactions, use of appropriate standards, policies and estimation techniques, related party transactions and adequacy of disclosures.
- Make recommendation to the Board for approval of the financial statements ensuring they reflect a true, fair and accurate view of the financial position of AIL.
- Monitor the financial reporting process and submit recommendations or proposals to ensure its integrity.
- Ensure the timely production and filing of the Annual Financial Statements.
- Review and approve the internal audit plan and monitor the effectiveness of the internal audit function, ensuring it has adequate resources and standing within AIL.
- Consider the observations and recommendations of the internal audit function and monitor progress of the internal audit plan and actions.
- Review and assess the adequacy and effectiveness of the systems for internal control including financial reporting and controls.

B.1.4 Risk and Compliance Committee (RCC)

The RCC is responsible for assisting the Board in its oversight of risk, agreeing AIL's appetite for risk and reviewing the effectiveness of the risk management framework and compliance with regulatory obligations. Providing oversight and advice to the Board in relation to capital management ensuring sufficient capital is available to meet current and future requirements in an efficient manner consistent with Board approved Risk Appetite.

The **duties and responsibilities** of the RCC include the following:

Risk Management Framework

- To approve the Risk Management Strategy and the Risk Management Framework.

- Review and monitor the effectiveness of the Risk Management Framework and Risk Management Function to ensure all material risks have been identified and assessed.
- Develop and maintain a clearly defined risk management strategy consistent with the overall business strategy that sets Risk Appetite and tolerance.
- Review and monitor key risks including effectiveness of controls and action plans.
- To receive “deep dives” relating to key areas of risk to monitor effectiveness of controls and internal practices
- Review and monitor emerging risks and horizon scanning.
- To approve risk management related policies.

Risk Appetite and Limits

- To approve the Risk Appetite Framework and the Risk Appetite Statement including related limits and triggers that comprise their Board Risk Measures.
- To receive regular reports on the RAG status of risk metrics within the Risk Appetite Statement.
- To oversee management’s implementation of the Risk Management Framework and the embedding of risk appetite and culture within the Insurer, including management’s response to breaches of risk appetite (as defined in the Risk Appetite Statement and Framework).

Prudential Risk Management

- Receive quarterly analysis of current and future capital requirements and funds available to cover these requirements in line with risk appetite metrics.
- To consider the methodology and processes used to determine the economic and capital requirements including forward looking requirements, ensuring the correct assumptions and potential impact of risks have been taken into consideration in determining capital requirements.
- Review adherence with risk appetites for investments and concentration limits for counterparties; aged debt and underwriting risk to maximise regulatory capital efficiency.
- To receive reports to explain the rationale for stress and scenario testing undertaken, including the impact of crystallisation of identified risks and threats. To consider the level of risk mitigation in place.
- Review and approve the company’s Own Risk and Solvency Assessments including Own Funds requirements and stress and scenario tests.
- Review and approve the company’s Solvency and Financial Condition Report (SFCR) including QRTs.
- Review and approve the Solvent Exit Plan in line with regulatory expectations.
- To consider and recommend to the Board for approval material regulatory submissions and returns following Executive review.

Risk Operating Model

- To review the operating model, adequacy and effectiveness of resource within the Risk Management function, its access to information and its independence from Executive management.
- To review and monitor the effectiveness of the Risk and Compliance Functions.
- To review and monitor the effectiveness of the Key Function Holders.

Senior Manager Regime

- The Committee will consider, and recommend to the Board for approval, any material changes to the Insurer's Senior Manager Regime Responsibilities Map.

Regulatory Compliance

- To monitor upstream regulatory change and provide oversight of the Insurer’s readiness for implementing regulatory change.
- To monitor the relationship with the Financial Conduct Authority and the Prudential Regulation Authority and other relevant regulatory bodies.
- Approve the Compliance Monitoring Plan and review and monitor compliance assurance activity including reviews of internal processes and procedures and reviews of third-party agents.
- Approve regulatory change programmes including resource requirements.
- Review relevant regulatory returns and reports, correspondence and relationships with the regulators.
- Review significant incidents and breaches including impact and remedial action.

Data Protection

- The Committee will receive escalation reports on material risks relating to data protection.

Models

- The Committee will review the processes that control and validate the use of models.

B.1.5 Executive Committee

The Committee has the responsibility for the day-to-day management of the activities of AIL, to determine the business plans, objectives and budgets required to deliver and implement the Strategy within Risk Appetite as set by the BoD. The role of the Executive Committee (ExCo) is to provide management of AIL, identify risks and opportunities, develop skills and ensure a resilient operational infrastructure and ensure regulations are complied with.

The **duties and responsibilities** of the ExCo include the following:

- Run the business on a day-to-day basis including managing to plan, allocating resources, agreeing priorities, monitoring implementations, actions and key performance indicators.
- Management and regular review of operational and financial performance of AIL.
- Develop and agree future business plans and initiatives, for proposal to the BoD as required.
- Develop annual and three-year business plans and budgets for approval by the BoD.
- Review performance against budget and agree changes to forecast, income and capital for approval by the BoD.
- Develop performance and succession plans for senior management.
- Review and agree pipeline opportunities for future development.
- Agree staff training programmes, development plans, staff engagement initiatives.
- Review and approve change programmes and monitor progress to plan.
- Manage the internal controls environment and report to the Audit and Risk & Compliance Committees.
- Review and approve Policies and procedures for the effective control and supervision of AIL.

The ExCo has the following sub-committees: (1) Outsourcing and Third-Party Management, (2) Underwriting and Product Governance, (3) Reserving, Claims and Reinsurance, (4) Customer & Conduct and (5) Information Technology Risk.

B.1.6 Key Function Holders

In line with PRA/FCA regulatory requirements, AIL have allocated the key functions as displayed in table 4.

| Individual | AIL Role Title | Key Function |
|----------------------|------------------------|--------------------------------|
| Mariana Ortiz-Joffre | Head of Risk | Risk Function Holder |
| Isabel Cutajar | Head of Internal Audit | Internal Audit Function Holder |
| Phil Leadbeater | Head of Compliance | Compliance Function Holder |
| David Trefusis | Chief Actuary | Actuarial Function Holder |

Table 4 Key function holder

In addition, senior management functions have been allocated as displayed in table 5.

| Individual | AIL Role Title | SMF Held | SMF Description |
|--------------|-----------------|----------------|--|
| Martin Totty | Independent NED | SMF9 SMF12 | Chair of governing body Chair of Remuneration Committee |
| Jeff Herdman | Independent NED | SMF10 SMF11 | Chair of Risk Committee Chair of Audit Committee |
| David Evans | NED | SMF7 | Group entity senior manager |

| | | | |
|-------------------------------------|--|--------------|---|
| Lawrence Watts | CEO | SMF1 | Chief Executive |
| Paul Escott | Finance Director | SMF2 SMF3 | Chief Finance Officer Executive Director |
| Mariana Ortiz-Joffre | Head of Risk | SMF4 | Chief Risk Officer |
| Isabel Cutajar | Head of Internal Audit | SMF5 | Head of Internal Audit |
| Nicky Hunt | People & Culture Senior Business Partner | SMF7 | Group entity senior manager |
| Phil Leadbeater | Head of Compliance | SMF16 | Compliance Oversight |
| Greg Lawson | Head of Travel | SMF18 | Other overall responsibility |
| Lawrence Naested | Chief Technology Officer | SMF18 | Other overall responsibility |
| Marianne Stevens (Left 01/07/25) | Head of Accident and Health | SMF18 | Other overall responsibility |
| Robert Spindloe | Claims Director | SMF18 | Other overall responsibility |
| Simon Jones | Head of Multi-lines | SMF18 | Other overall responsibility |
| David Trefusis | Chief Actuary | SMF20 | Chief Actuary |

Table 5 Senior Management Functions

B.1.7 Remuneration Policy

The Remuneration Committee will review, for those in scope:

- Performance against financial targets.
- The spread and appropriateness of individual performance outcomes, prior to approval of payment against targets.

The Committee will also satisfy itself each year that the proposed Collinson Group (TCG)-wide annual bonus plan is consistent with the principles set out in the Remuneration Policy for ALL.

Salaries

Salaries are reviewed on an annual basis in line with the wider TCG guidelines and budgets for the year. Guidance from the Group on setting salaries is issued each year and includes:

- Overall budgets.
- Consideration of the impact of the market on salaries.
- Consideration of dealing with lack of parity within the organisation (i.e. gender pay gap).
- Processes for dealing with exceptional rises (outside of budget guidelines).
- Assessing and reacting to differences in remuneration across a team.

Changes to salaries are proposed by the business with consideration from the line manager and they will be approved by the CEO. Final approval of salaries for staff and directors in scope of the Remuneration Policy is required from the Remuneration Committee prior to communicating changes to individuals or amending the salaries in payroll.

Annual Bonus Plans

Bonus plans are determined by the TCG Board at the start of each financial period with the structure of the plans based on three sets targets: (1) TCG Operating Profit, (2) Insurance Division Operating Profit and (3) Personal Performance.

Insurance Division Operating Profit performance may:

- Be based on Collinson Insurance Directive objectives (refer to figure 1 for Collinson Insurance structure).

- Be sub-divided to reflect both collective (higher-level unit) and individual (lower-level unit) responsibility and performance.

Personal performance comprises individual performance assessment against:

- The agreed role description (prescribed regulatory responsibilities).
- Defined objectives, including non-financial measures related to quality, compliance, and team development.
- Behaviours: measuring how objectives were delivered rather than what was delivered, based on AIL's values.

All measures are for The Collinson Groups' financial year (1st May to April 30th) and are generally paid after results have been validated.

B.2 Fit and Proper Requirements

It is AIL's policy to conduct its business in an honest and ethical manner that is compliant with law and regulation. We are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and implementing and enforcing effective systems to ensure the law and regulation surrounding fitness and propriety are respected.

The FCA and PRA senior manager and certification regimes requires that senior management meet appropriate fitness and propriety requirements. In addition, it identifies those heading up Internal Audit, Risk Management, Compliance and Actuarial as being specific roles that need to meet appropriate fitness and propriety requirements.

- Insurance undertakings shall establish, implement and maintain documented policies and adequate procedures to ensure that all persons who effectively run the undertaking or have other key functions are at all times fit and proper.
- The assessment of whether a person is fit shall include an assessment of the person's professional and formal qualifications, knowledge and relevant experience within the insurance sector, other financial sectors or other businesses and shall consider the respective duties allocated to that person and, where relevant, the insurance, financial, accounting, actuarial and management skills of the person.
- The assessment of whether members of the administrative, management or supervisory body are fit shall take account of the respective duties allocated to individual members to ensure appropriate diversity of qualifications, knowledge and relevant experience to ensure that the undertaking is managed and overseen in a professional manner.
- The assessment of whether a person is proper shall include an assessment of that person's honesty and financial soundness based on evidence regarding their character, personal behaviour and business conduct including any criminal, financial and supervisory aspects relevant for the purposes of the assessment.
- This includes people such as Directors, Internal Auditors and Actuaries appointed. Employees performing their duties within the insurance sector are subject to scrutiny by regulators and are expected to exercise high standards of conduct and to undertake their respective roles in a fit and proper manner.

Prior to recruitment, directors, senior managers and individuals performing controlled and/or certified functions are subject to general checks using the following sources of information to ensure that they are fit and proper:

- Curriculum Vitae (CV) and employment application forms.
- Interviews with the candidate.
- The applicant's input to the UK Regulator's relevant application form.
- References and other information provided by current and previous employers.
- Professional and technical associations and other public bodies.
- Internal records of Collinson (in relation to existing staff).
- Credit reference checks.
- Disclosure and Barring Services (DBS) checks.

Individuals are required to declare any information that may impact their ability to perform their role, including conflicts of interest and any criminal or civil proceedings. Where applicable, this information is submitted to the PRA/FCA in support of Senior Manager Function (SMF) applications.

To validate these declarations, we undertake background checks through a reputable third-party provider. These

checks support our regulatory obligations and help ensure the integrity of key personnel. The checks are repeated at least annually, or sooner if relevant circumstances or requirements change.

All Directors, Executive Committee members, and other individuals in roles subject to regulatory approval must also complete a Conflicts of Interest attestation on an annual basis. Any identified conflicts must be declared in accordance with the Conflicts of Interest Policy.

B.3 Risk management system including the Own Risk & Solvency Assessment

AIL has embedded a consistent risk management framework, supported by appropriate Board policies and procedures to manage the key risks to the business. Where relevant, policies and procedures have been aligned to current FCA/PRA regulatory requirements. A key part of AIL’s risk management framework is the way the business collectively manages, controls and reports risk at every stage throughout its governance structure.

AIL follows a three lines of defence operating model for risk management. This approach is predicated on the business (Line 1) having effective risk management processes in place, coupled with the effective design, implementation and operation of effective controls. The Risk function (Line 2) provides strategic oversight and challenge, whilst also enabling robust risk management by providing advice, Policies, guidance and tools to aid Line 1’s risk activities. Internal Audit (Line 3) provide independent oversight and assurance on the effectiveness of Line 1 and Line 2 risk management.

B.3.1 Risk Management Framework

AIL has established a risk management framework, supported by a Risk Strategy, Risk Appetite Framework and Board policies, to manage the risks faced by the business. All components of the risk management framework are shown in figure 4 below highlighting how each component interacts with another.



Figure 4 AIL’s Risk management framework

B.3.2 Risk Strategy

The Risk Strategy defines the guiding principles with which AIL operates to deliver effective risk management in support of its commercial performance and intended customer outcomes. Twenty-one principles have been defined, centred on five themes which provide a coherent structure to articulate the strategic approach to risk

management: People & Culture, Customers, Data & Systems, Processes & Delivery and Prudential as displayed in figure 5.

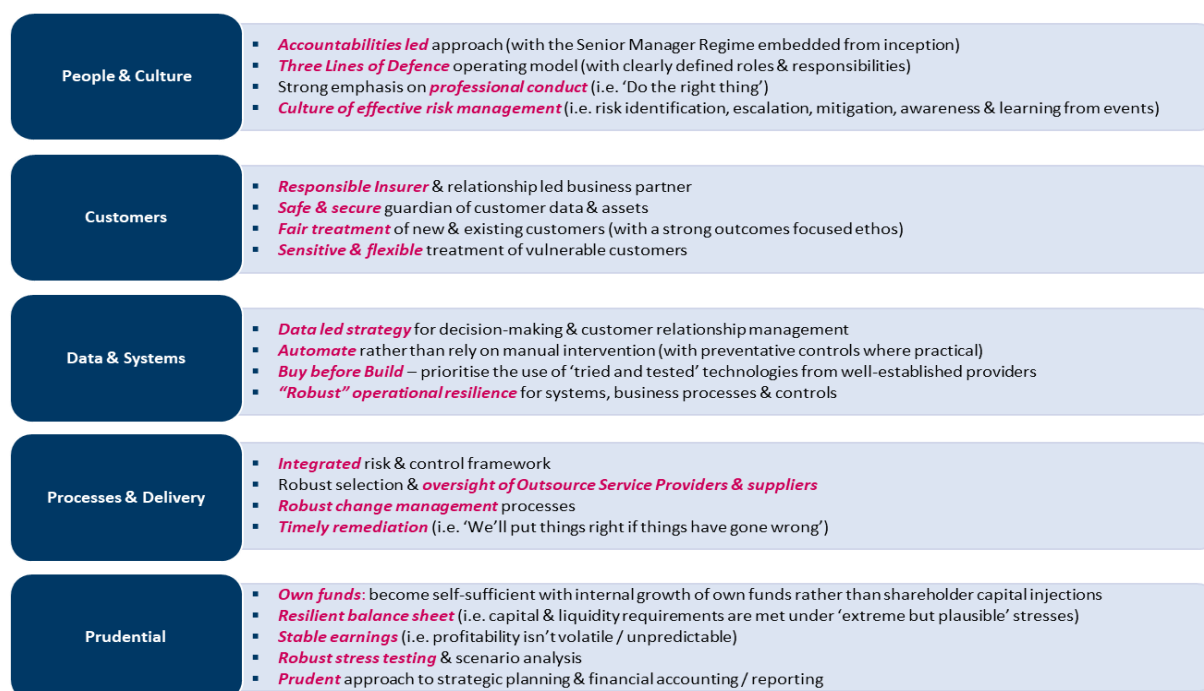


Figure 5 AIL's Risk strategy principles

The Risk Appetite Framework (RAF) defines AIL's overall approach through which risk appetite is established, communicated and monitored. It also defines the roles and responsibilities of those overseeing the implementation and monitoring of the RAF (including policies, processes, controls and systems). The RAF is complemented by the Risk Appetite Statement (RAS), which defines the risk appetite across AIL's eight primary risk classes and the associated qualitative and quantitative risk limits, applying a two-level hierarchy (i.e. Board and Executive) to the risk limits and reporting.

Figure 6 summarises the interplay of risk appetite with strategy and business planning, alongside the processes for managing risk appetite and associated key enablers.

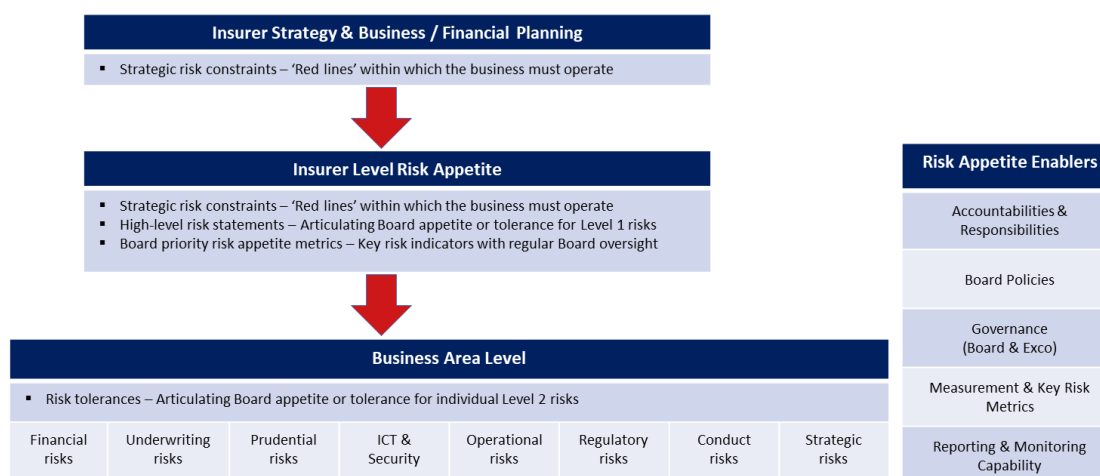


Figure 6 Interaction between business strategy and risk management

The appetite for risk is aligned to the Business Strategy to ensure that key risks are identified, and suitable mitigating controls are implemented and monitored. The risk appetite statement is agreed and reviewed at least annually by the

Board and earlier in case of material change in risk profile or strategy. A monitoring programme of risk appetite metrics supporting management in ensuring that the AIL remains within its risk appetite.

B.3.3 Own Risk and Solvency Assessment (ORSA)

The Own Risk and Solvency Assessment (ORSA) require companies to have processes in place as is proportionate to the nature, scale and complexity of the risks inherent in its business. Within their risk identification process, the Insurers seek to properly identify and assess the risks they face, in the short and long term, and to which it is or could become exposed whilst having processes in place which led to effective capital management.

ORSA Objectives

The ORSA process supports the BoD in achieving their strategic objectives by taking a structured and combined approach of business strategy, risk management and capital management. Thus, within this context, the prime purposes of the ORSA processes are to:

- Provide the BoD and individuals involved in the decision-making processes and management with an assessment of whether risk management and solvency position are currently and prospectively adequate.
- Serve as an essential insight for any strategic decision to be made.
- Serve as a supervisory tool by providing a detailed understanding of the evolving risk exposure, solvency position and capital planning of AIL to the Prudential Regulatory Authority.

ORSA Timing and Frequency

AIL will undertake an ORSA process, at least annually, to demonstrate the adequacy of the business strategy, available regulatory capital, the Risk Appetite and the appropriateness of the risk limits which are assessed for the business planning period, considering the evolving risk profile. It will be re-performed on an additional ‘ad hoc’ basis in the event of significant change in the risk profile or business plans. Depending on the trigger and initial impact assessment, either a full or a partial ORSA (focused on the triggering event whilst keeping other variables constant) will be conducted.

Figure 7 below provides a high-level summary of the ORSA process that has been embedded. Full details of the roles and responsibilities of the ORSA process are included in the ORSA Policy.

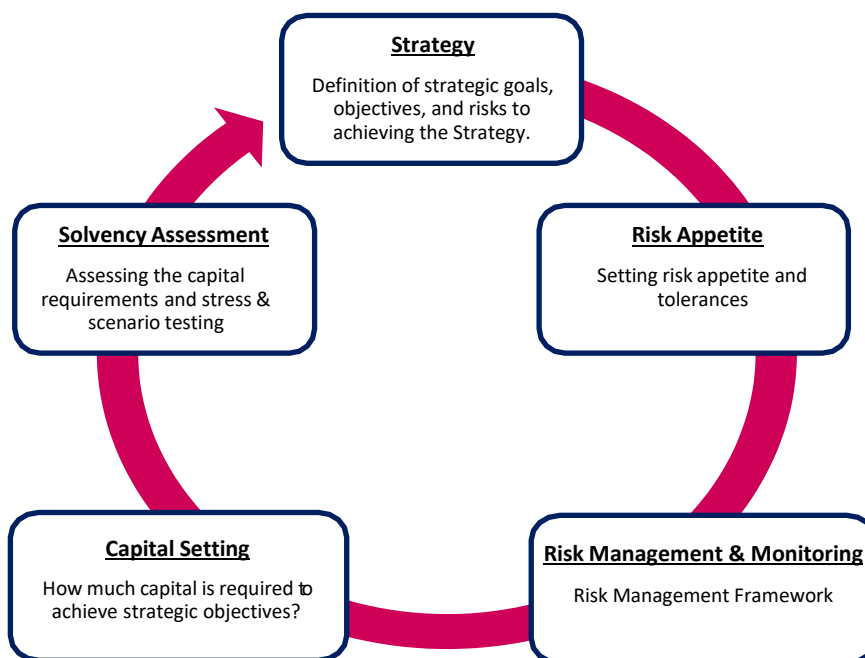


Figure 7 ORSA process (as per ORSA policy).

Stress and scenario testing

A range of stress and scenario tests, which are “severe but plausible”, are applied to AIL’s Base Case Capital model to understand the impact of these sensitivities.

ORSA Stress and Scenario Testing 2025

| Type of test | Stress and Scenario test |
|---|--|
| These tests conducted in 2024 are being repeated in 2025 due to their continued validity. | Loss of a key client - This scenario models the termination of the relationship with the key client. |
| | Counterparty stress (non-payment) - This scenario models a key counterparty defaulting on its debt. |
| New tests for 2025 | Geopolitical Escalation - This scenario depicts international conflicts affecting travel insurance, particularly for Europe and the Middle East. |
| | Climate Change - This scenario simulates several natural disasters that impact tourism and air travel. |
| | Cyber Attack - This scenario models a multi-phased cyber-attack leading to significant downtime and financial loss. |
| | Economic Recession - This scenario models a global economic downturn leading to a financial recession. |
| | Sustainability of AIL Business Model - This scenario models a multi-incident scenario focusing on the resilience and viability of the business model |

Figure 8 Scenario analysis selection 2025

This year’s exercise highlighted that the counterparty stress and cyber-attack are the two scenarios that have the greatest impact on AIL’s SCR. However, the Board is comfortable with the controls and management actions in place to mitigate the risks. Full details of the stress and scenario testing exercise 2025 are included in the Own Risk and Solvency report (ORSA).

B.4 Internal Control System

The purpose of AIL’s internal control system is to have in place a coherent, comprehensive and continuous set of mechanisms which are designed to secure the following:

- Effectiveness and efficiency of AIL’s operations, leading to improved performance and error reduction.
- Alignment of AIL’s activities with its business objectives by ensuring resources are correctly and prudently allocated.
- Safeguarding of AIL’s physical and monetary assets against error, fraud, theft and unauthorised use, acquisition or disposal, by quick identification and systemic prevention of, and formal responses to, these activities.
- Availability, reliability and accuracy of financial and non-financial information, ensuring proper financial reporting, by maintaining accurate and complete records required by legislation, regulation, the Board and AIL.
- Provision of timely and accurate management information critical to sound management practices and decision-making.
- Compliance with applicable laws, regulations and administrative provisions.
- Reduction of exposure to risks by minimising the chance of unexpected events.

To support a robust internal control system, a suite of governance policies have been implemented to ensure the strategy and objectives of AIL are achieved. All relevant personnel and service providers are made aware of these policies where applicable to support the internal control environment.

The Internal Control System within AIL is depicted within the other sections of section B – System of Governance with key function holders appointed to Actuarial (B7), Compliance (B5), Internal Audit (B6) and Risk Management (B3) and are detailed in the relevant sections.

B.5 Compliance Function

The Compliance Function is an independent and integral part of AIL’s governance and control framework. It provides oversight, advice, and assurance to ensure the firm complies with all applicable legal and regulatory requirements, internal policies, and ethical standards. It plays a critical role in fostering a culture of compliance, supporting the achievement of fair customer outcomes, and ensuring the firm meets its accountability obligations under the regulatory regime.

The Compliance Function provides assurance to the Risk & Compliance Committee and the Board, as required under the UK regulatory framework. It acts as a second line of defence and contributes to effective risk management and sound governance.

Key Responsibilities of the Compliance Function:

- Provide independent regulatory advice and challenge to the business, ensuring decisions support fair outcomes for customers and comply with legal and regulatory expectations.
- Oversee and facilitate the implementation of proportionate, risk-based systems and controls to support compliance with UK laws, rules, and standards.
- Ensure that AIL and its Appointed Representatives (ARs) are aware of and operate within the scope of applicable regulations.
- Deliver and oversee mandatory compliance training for all employees and Board members, tailored to role-specific risks and responsibilities.
- Assist in the design, review, and implementation of policies, procedures, new products, services, and the approval of financial promotions and customer communications.
- Monitor regulatory developments through horizon scanning and industry engagement, assessing the potential impact and coordinating timely, controlled responses to regulatory change.
- Coordinate interactions with external bodies including regulators, auditors, and external consultants, ensuring transparency and consistency.
- Oversee and ensure timely and accurate regulatory reporting, including breach notifications and other statutory disclosures.
- Maintain and execute a Compliance Monitoring Plan and a Compliance Audit Plan, both approved annually by the RCC, which focus on key risk areas, third-party arrangements, and internal controls.
- Track, investigate, and report compliance incidents and breaches, and provide guidance on root cause analysis and remediation.
- Support the firm’s obligations under the Senior Managers and Certification Regime (SM&CR) by understanding personal responsibilities, adhering to applicable Conduct Rules, and cooperating with any assessments, attestations, or accountability documentation.

Responsibilities of All Employees and Service Providers:

- Act with integrity and diligence to comply with applicable regulatory obligations in the course of their duties.
- Complete all mandatory compliance training within required timelines.
- Keep informed of and adhere to updates in compliance policies, procedures, and regulatory developments.
- Engage the Compliance Function in all new product or business initiatives from the earliest stage.
- Follow established procedures for complaint handling, breach escalation, and regulatory reporting.
- Ensure individual conduct meets fit and proper requirements, including integrity, competence, and financial soundness.
- Route all communications or meetings with regulators through the Compliance Function.
- Proactively seek guidance on compliance-related queries or concerns.

B.6 Internal Audit Function

The Internal Audit function is an independent assurance function forming part of the third line in the IIA Three Lines model. The Function examines and evaluates the functioning of internal controls and governance within the control environment. An internal control system is an important aspect of corporate governance since a system of effective internal controls is fundamental to sound management of AIL. An appropriate control environment is fundamental to ensuring that staff behaviour is consistent with governance and regulatory requirements, and it relies on senior management promoting the appropriate top-down culture.

Internal Audit is governed by the Internal Audit Charter that defines the role, level of professionalism, authority, structure, independence and objectivity and responsibility of the function. The charter is reviewed and approved by the Audit Committee (AC) annually.

The Head of Internal Audit reports into the Chair of the AC, which is an independent non-executive director (INED). This reporting structure delivers independence to Internal Audit. The Head of Internal Audit creates an annual Internal Audit Plan reviewed bi-annually following a risk assessment process which includes:

- Interviews with key senior Management across the Division to identify key risks;
- A review of the Executive risk register and functional risk registers as appropriate; and,
- Consideration of functions/operations impacted by recent or upcoming operational or regulatory changes, this including consideration of key circulars/newsletters issued by the regulatory bodies.

The Internal Audit Plan is frequently evaluated to determine that it is relevant and appropriate, in particular to changes that significantly impact the business environment such as changes in management strategies, external conditions, major risk areas, or revised expectations in respect of achieving the business objectives. Any proposed amendments or updates to the Internal Audit Plan are submitted to the AC for review and approval. The AC reviews and approves the Internal Audit Plan.

The Internal Audit activity evaluates the management and governance oversight covering key risks and the design and operating effectiveness of key controls. The output of each internal audit engagement is an audit report covering the overall audit opinion, key observations covering control failures or identified weaknesses and their potential impact, and the actions and timings which Management have agreed to remediate.

B.7 Actuarial Function

The Actuarial Function is responsible for providing insightful actuarial analysis to contribute to the business's success, whilst fulfilling regulatory responsibilities and ensuring policyholders' interests are protected. The Actuarial Function is a critical function of AIL, having a significant impact on pricing, reserving and capital. It is a key contributor to the effective management of insurance risks relating to the failure of pricing, risks relating to the failure of product or strategy and risks relating to adverse reserve development.

AIL has an in-house Actuarial team which calculates the UK GAAP Reserves as well as the Technical Provisions (TPs) and SCR. The function is led by the Chief Actuary, who is a Fellow of the Institute & Faculty of Actuaries and acts as AIL's senior insurance management function holder 20: Chief Actuary (SMF20).

The Actuarial Function produces an annual Actuarial Function Report (AFR) to set out:

- an assessment of the reliability and adequacy of technical provisions.
- an opinion on the underwriting policy.
- an opinion on the overall reinsurance arrangements.

The AFR and the recommendations of the Chief Actuary are presented to the Board, and the progress of actions is tracked and reported to the relevant Committee(s).

B.7.1 Governance and Independence of the Actuarial Function

The Actuarial Function will need to consider issues of governance, independence and conflicts of interests. It is required to be independent of an insurer's revenue-generating functions. In addition, normal good governance

requires a degree of separation between those who perform Actuarial Function work and those who review and supervise it.

There are numerous stakeholders in the Actuarial Function's work. Some of these will rely on the output of the Actuarial Function, others will provide inputs to its work. Setting out stakeholder responsibilities clearly and in advance is of vital importance. Bringing together issues of governance, independence and meeting the Directive and regulators' requirements is supported by a suitable organisational structure which considers practical issues, such as the availability of suitable staff.

B.8 Outsourcing

The Prudential Regulation Authority (PRA) issued a Supervisory Statement (SS2/21) setting out expectations of how PRA-regulated firms should comply with regulatory requirements and expectations relating to outsourcing and third-party risk management. These requirements have been reviewed and incorporated into the Insurance Division Outsourcing and Third-party Risk Management Policy.

This Policy ensures AIL undertakes a consistent approach to the management of risks from the sourcing and appointment of external suppliers of goods and services in line with the risk appetite set by the Board. This Policy provides a framework within which AIL manages its outsourcing and third-party arrangements risk exposures, AIL has defined this as 'the risk of loss, customer detriment and/or regulatory sanction arising from failure to meet the relevant oversight requirements for critical and important outsourcing'.

The Outsourcing & Third-Party Management Policy details the defined sourcing approach when procuring the services and providing regular oversight of the performance of third parties in relation to key contractual requirements particularly with respect to external suppliers that are deemed to provide a critical and important service to AIL and therefore, ultimately, to its customers.

These services are of such importance that a defect or failure in its performance would materially impair the continuing compliance of AIL with the conditions and obligations of its authorisation or its other obligations under the regulatory system, or its financial performance, or the soundness or the continuity of its relevant services and activities.

The Board is responsible for the approval, application and review of this Outsourcing Policy. The Board is ultimately responsible for the approval of and termination of all outsourcing arrangements of any critical or important functions and activities. The Board may delegate the on-going monitoring and supervision of outsourcing arrangements to a subcommittee of the Board (Outsourcing Committee). The Outsourcing Committee is responsible for assessing the risks associated with the outsourcing of critical or important functions or activities as part of its overall remit to identify, assess, manage, monitor and report the risks on an ongoing basis.

AIL only enters into outsourcing arrangements with service providers who have adequate financial, human, capital and systems resources to take on the activities outsourced to them. AIL assesses that the provider is financially sound and has the relevant knowledge and experience of the service it is contracted to supply. The outsourcing of critical and/or important operational functions or activities has not been undertaken in a way that has led to any of the following:

- Materially impair the quality of the system of governance of the Group.
- Unduly increasing the exposure to Operational Risk.
- Impairing the ability of the supervising authorities to monitor the compliance of the Group with its obligations.
- Undermining continuous and satisfactory service to policyholders.

AIL remains fully responsible for all outsourced functions and activities it needs to include in its risk management systems and controls for monitoring and reviewing the quality of the service provided. To ensure effective control of outsourced activities and manage the risks associated with the outsourcing, AIL maintains the competence and ability to assess whether the outsourcing provider delivers according to contract.

AIL has an intra-group agreement with Collinson Insurance Services Limited (CISL) for arranging claims handling, IT, Finance, Underwriting, HR services and other administration support.

The following critical or important operational functions have been outsourced by ALL:

- Claims Handling for some products.
- Supplier Hosted Data Storage and Application Services (e.g. Cloud Computing).
- Medical Assistance case management.
- Back-office services such as IT, HR, Facilities.
- Distribution, sales and complaint handling for some products.

The arrangements detailed above are reviewed regularly to ensure outsourcing risks are mitigated and that quality of service is maintained in line with the Outsourcing & Third-Party Management Policy. These activities are mainly provided from third parties within the United Kingdom and Europe, with a range of back-office services across claims and customer operations provided from third parties in Asia and South Africa.

B.9 Any other information

The Board has conducted an annual review of its effectiveness. Each Director filled out a Board Effectiveness Questionnaire, which was submitted to Compliance or a designated individual who compiled and presented the results to the Board.

The Board also undergoes an annual fit and proper assessment to ensure members are suitable for their roles as part of the SMCR obligations. Directors and key function holders are also included in the scope of this fit and proper assessments, which are done via an external provider.

C. Risk Profile

AIHL's risk profile is not materially different from AIL. This is because AIL is the risk carrier and AIHL only holds an immaterial amount of additional Own Funds over and above AIL. Therefore, the risk profile of both entities is treated as being one and the same and only reported once for the sake of brevity. AIL's risk exposure is classified within 8 level 1 risk classes: Financial Risk, Underwriting risk, Prudential Risk, ICT & Security Risk, Operational Risk, Regulatory Risk, Conduct Risk and Strategic risk. Table 6 provides a breakdown of the components of the SCR as at 30th April 2025:

| Risk | FY25 £'000 | FY24 £'000 | Movement £'000 |
|-----------------------|---------------|---------------|-------------------|
| Non-Life Underwriting | 14,023 | 8,826 | 5,197 |
| Health Underwriting | 7,836 | 5,670 | 2,166 |
| Market Risk | 3,405 | 2,310 | 1,095 |
| Counterparty Default | 691 | 757 | (66) |
| Undiversified BSCR | 25,955 | 17,563 | 8,392 |
| Diversification | (8,041) | (5,630) | (2,411) |
| Basic SCR | 17,914 | 11,933 | 5,981 |
| Operational Risk | 5,374 | 3,580 | 1,794 |
| LAC DT | (1,693) | - | (1,693) |
| SCR | 21,595 | 15,513 | 6,082 |
| Own Funds | 38,026 | 31,785 | 6,241 |
| SCR Coverage Ratio | 176% | 205% | (29%) |

Table 6 Solvency Capital Requirements

Increase in Solvency Capital Requirement (SCR)

The increase in the Solvency Capital Requirement (SCR) is primarily attributable to a rise in Non-Life and Health Underwriting risks, which have increased by approximately £7.4 million on a standalone basis. This increase is mainly driven by higher projected business volumes and a reduction in quota share reinsurance cover, both of which have contributed to premium and reserve risk.

Changes in Quota Share Reinsurance

Several changes to the quota share reinsurance arrangements have been approved by the Board:

- The secondary quota share reinsurance (20%) underwritten by Axis Re was terminated effective 31 December 2023 and the policies covered by this arrangement are now fully run-off and replaced by Swiss Re: (10%) from August 2024.
- The primary quota share reinsurance was reduced from 60% to 55% for schemes renewed or inception on or after 1 August 2024. The primary quota share reinsurance was further reduced to 40% for schemes renewed or inception on or after 1 November 2024.

Increase in Lapse Risk

Additionally, there has been an increase in lapse risk due to higher expected profits in future premiums.

Increase in Market Risk

Market risk has also increased by c.£1.1 million and this is a result of the new investment strategy of AIL, implemented in FY25 in phases. This implementation has impacted the interest rate risk, spread risk and concentration risk. Please refer to section C2 for more details.

AIL's assets and liabilities are valued on a Solvency II basis, which gives rise to a tax liability of £1.6 million, a Loss-Absorbing Capacity of Deferred Taxes (LAC DT) has been recognised on the basis of offset against the DTL of £1.6m on the Solvency II balance sheet, reducing AIL's Solvency Capital Requirement (SCR).

Operational risk has increased by c.£1.8 million due to it being capped at 30% of the Basic SCR (i.e. it has increased in line with the increases in the Basic SCR).

The overall impact to the SCR is an increase of c.£6 million.

The Eligible Own Funds have increased by c.£6.2m over the financial year due to profit on the retained earned premium; investment returns; and an increase in expected profit within the Technical Provisions

C.1 Underwriting Risk

Underwriting risk arises from the volume of business we underwrite, inadequacies in pricing, compared to the product benefits, or worse than expected claims experience. The majority of underwriting risk to which AIL is exposed is of a short-term nature in view of the lines of business which it writes.

Table 7 shows the Underwriting Risk charge for year ending 30th April 2025 and percentage of the undiversified Basic SCR with a comparison with the previous financial year.

| Underwriting Risk | FY25 | | FY24 | | Change | |
|--------------------------------|---------------|-------------|---------------|-------------|--------------|-----------|
| | £'000 | BSCR % | £'000 | BSCR % | £'000 | BSCR % |
| Non-life Underwriting risk | 14,023 | 78% | 8,826 | 74% | 5,197 | 4% |
| Health Underwriting Risk | 7,836 | 44% | 5,670 | 48% | 2,166 | -4% |
| Total Underwriting Risk | 21,859 | 122% | 14,496 | 122% | 7,363 | 1% |

Table 7 Underwriting Risk charge

C.1.1 Underwriting risk is mitigated by:

- Single source performance information produced on a regular basis, feeding into the underwriting and management processes and informing decision-making. AIL has also invested in improvements to its analytical processes.
- AIL is a specialist insurer focusing on Travel and ancillary personal lines insurance products. As well as pricing, AIL has additional controls to segment the market and target those risks it wishes to underwrite in close cooperation with its key affinity partners.
- Reinsurance contracts, both quota share and excess of loss, reduce exposure to large individual claims or aggregated losses from a single event and dampen the volatility in the underwriting result.
- A quarterly review of reserving loss ratios is undertaken, which sets the UK GAAP reserves. This is done by projecting claims to an ultimate position using underwriting year triangles. Back testing of recent experience against the expected premiums and claims emergence is performed between Reserving Committees where the analysis is challenged prior to sign off and booking. As the Best Estimate Technical Provisions (TPs) consist of Premium Provisions, Claims Provisions and Risk Margin, the booked UK GAAP reserves form an input into AIL's Best Estimate TPs Model.
- Underwriting Governance processes including the deal rooms pay particular attention to how much Underwriting Risk Capital is being consumed by the product or scheme under review and includes comparison of the scheme risk capital to the available capital headroom. Return on Capital calculations drive underwriting focus towards items which deliver an appropriate return on capital.

C.1.2 Underwriting risk is monitored by:

AIL has a Board-approved Risk Appetite Statement that includes the monitoring of the Underwriting metrics, which are monitored within appropriate governance fora. This monitoring provides assurance that AIL is ultimately operating within the Board-approved risk appetite and remains within the budgeted capital plan.

| Line of Business | Risk Metric | Green | Amber | Red |
|------------------|--|-------|---------|-----|
| Travel | Aggregated Commission Rate – movement from budgeted capital plan | ≤0% | 0% - 5% | >5% |
| Health | | ≤0% | 0% - 5% | >5% |

| | | | | |
|---------------------------------|---|--|-----------|---------|
| Multi-Lines | | ≤0% | 0% - 5% | >5% |
| Medical Expenses | Solvency II GWP MIX Actual Vs Capital Plan assumption - variance in proportional business mix Vs plan | ±5% | ±5% - 10% | ±≥10% |
| Income Protection | | ±5% | ±5% - 10% | ±≥10% |
| Other Motor | | ±5% | ±5% - 10% | ±≥10% |
| Fire & Other Damage to Property | | ±5% | ±5% - 10% | ±≥10% |
| Marine, aviation and transport | | ±5% | ±5% - 10% | ±≥10% |
| Assistance | | ±5% | ±5% - 10% | ±≥10% |
| Miscellaneous Financial Loss | | ±5% | ±5% - 10% | ±≥10% |
| Travel | | Financial Year loss ratio v current plan | <0% | 0% - 2% |
| Health | <0% | | 0% - 2% | >2% |
| Multi-Lines | <0% | | 0% - 2% | >2% |
| Travel | Combined Operating Ratio – FY26 Outturn | <99% | <100% | >100% |
| Health | | <99% | <100% | >100% |
| Multi-Lines | | <96% | <98% | >98% |

Table 8 Underwriting risk metrics.

C.2 Market Risk

Market risk arises from fluctuations in the market value of, or income from, AIL assets. AIL has invested its assets in investment funds which allows AIL to gain a reasonable return on its available assets to support the operations, while also ensuring adherence to the prudent person principle and adequate liquidity since a significant amount of these investments are callable within one day's notice.

AIL has exposure to the following types of market risk:

- Currency risk – AIL is exposed to currency risk in respect of liabilities under policies of insurance and reinsurance contracts denominated in currencies other than sterling. AIL manages its foreign exchange risk against its functional currency. Foreign exchange exposure arises when there is a mismatch in the value of the foreign currency assets and liabilities.
- Interest rate risk – AIL is exposed to interest rates in respect of duration of liabilities and assets mismatching with each other under different currencies. AIL manages its exposure to interest rate risk via quarterly Finance and Investment Working Group meetings to ensure the risk charge of interest rate risk is within its risk appetite.
- Spread risk and concentration risk – AIL is exposed to spread and concentration risk originated from its investment portfolio.

The standard formula is deemed to be an adequate measure of market risk given the size and complexity of AIL's market risk exposure. Cash exposures are considered within the Counterparty Default risk module.

Table 9 shows the Market Risk charge for year ending 30th April 2025 and percentage of the undiversified base SCR with a comparison to the previous financial year.

| | FY25 | | FY24 | | Change | |
|-------------|-------|--------|-------|--------|--------|--------|
| | £'000 | BSCR % | £'000 | BSCR % | £'000 | BSCR % |
| Market risk | 3,405 | 19% | 2,310 | 19% | 1,095 | 0% |

Table 9 Market risk charge

AIL does not directly use derivative instruments to manage exposure to foreign currencies, instead its ongoing monitoring of non-Sterling asset and liability exposure and rebalancing any surplus / deficit positions allows AIL to control currency exposure. During FY25, AIL transitioned from a 100% Money Market Fund allocation to a more diversified portfolio, comprising approximately 64% money market instruments and 36% short-duration fixed income assets. These included investment grade credit, high yield, and credit-enhanced strategies, selected to enhance yield, improve duration matching, and optimise solvency capital efficiency.

AIL is required, and strictly follows, the prudent person principle to invest its assets to cover the respective MCRs and SCRs. The prudent person principle defines that the assets must be invested in a manner that a 'prudent person' would – that is that the decisions are based on sound judgement, avoid excessive risk and speculation and must focus on longer terms objectives than short term gain.

C.2.1 Market Risk is mitigated by:

- The Investment Strategy defines the currencies in which underlying investment assets may be held.
- Surplus currency bank and cash positions are monitored and rebalanced by the finance function when any surplus or deficit positions arise.
- The Finance and Investment Working Group monitors the level of AIL's exposure to foreign currency against risk appetite and the approved business plan.
- The Finance and Investment Working Group also monitors the level of AIL's exposure to asset liability mismatching against risk appetite and the approved business plan.
- The overall level of current and forecast exposure to foreign currencies across the AIL balance sheet and the impact this has, or may have, on the regulatory capital of AIL is monitored by the RCC.
- AIL does not currently use derivatives to manage currency exposure.
- The banks used by AIL currently have a credit rating of A or higher.
- The amount of cash held by AIL is also monitored and ensured to be within the limit approved in the business plan.

C.2.2 Market risk is monitored by:

Regular monitoring of cash balances and concentration limits is managed by the Operational Cash Management team reporting to the Finance leadership team. This assists with remaining within risk appetite and acts as an early warning to potential stress events. AIL has a Board-approved Risk Appetite Statement that includes the monitoring of the Market, Investment and Liquidity risk metrics below, which are reviewed within appropriate governance forums. This monitoring provides assurance that AIL is ultimately operating within the Board approved risk appetite and remaining within the budgeted capital plan.

| Risk Metric | Green | Amber | Red |
|---|-----------|------------------|---------|
| Market risk: 'Solvency II Market risk charge' / 'Asset Under Management' (AUM) | ≤10% | 10% to 12.5% | > 12.5% |
| Concentration risk: 'Solvency II Concentration risk charge' / AUM | ≤0.5% | 0.5% to ≤ 1% | > 1% |
| Credit risk – 'Solvency II Credit risk charge' / AUM | ≤6% | 6% to ≤ 7.5% | > 7.5% |
| Credit quality - % of AUM that is rated Investment Grade (IG) | ≥ 80% | 75% to 80% | < 75% |
| Investment return – Outperform the risk-free (RF) benchmark (Sterling Overnight Index Average) over a rolling 3-year period | ≥ RF+0.5% | RF to < RF +0.5% | < RF |
| Solvency II Currency Risk Charge | <£350k | £350k - £500k | >£500k |

| | | | |
|---|-------|---------------|--------|
| Solvency II Interest Rate Risk Charge / Assets Under Management (AUM) | ≤1.5% | 1.5% to 2.25% | >2.25% |
|---|-------|---------------|--------|

Table 10 Market Risk metrics

C.3 Credit Risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. Key areas where AIL is exposed to credit risk are:

- Reinsurer’s share of insurance liabilities.
- Amounts due from reinsurers in respect of claims already paid.
- Amounts due from policyholders.
- Amounts due from insurance intermediaries.
- Cash held with banks.

Table 11 shows the Counterparty Risk charge for year ending 30th April 2025 and percentage of the undiversified base SCR with a comparison with the previous financial year.

| | FY25 | | FY24 | | Change | |
|-------------------|-------|--------|-------|--------|--------|--------|
| | £'000 | BSCR % | £'000 | BSCR % | £'000 | BSCR % |
| Counterparty risk | 691 | 4% | 757 | 6% | (66) | -2% |

Table 11 Counterparty risk charge.

C.3.1 Counterparty risk is mitigated by:

AIL manages the level of credit risk it accepts by placing limits on its exposure to a single counterparty, or groups of counterparties and to geographic and industry segments. Such risks are subject to regular review.

- AIL has a minimum required reinsurer credit rating agency (A.M. Best) of A- with its principal Quota Share reinsurer currently having a rating of A+.
- The Excess of Loss reinsurance panel comprises of reinsurers with a minimum credit rating of A. The panel is comprised primarily of Lloyd’s reinsurers.
- The Board policy is to maintain intercompany debt with other Collinson entities at a minimum, so reducing AIL’s counterparty credit exposure.
- Exposure to credit risk in respect of amounts due from policyholders is mitigated by AIL’s large customer base and the low average level of individual balances outstanding. AIL is not exposed to concentrations of credit risk in respect of policyholders.
- The RCC meets on a quarterly basis and is responsible for monitoring these risks to ensure they remain within risk appetite.

C.3.2 Counterparty risk is monitored by:

Regular monitoring of cash balances and concentration limits are managed by the Operational Cash Management team reporting to the Finance leadership team. This team assists with ensuring AIL remains within risk appetite and acts as an early warning to potential stress events. AIL has a Board-approved risk appetite statement that includes the monitoring of the Credit risk (including Counterparty) risk metrics below, which are monitored within appropriate governance forums. This monitoring provides assurance that AIL is ultimately operating within the Board-approved risk appetite and remains within the budgeted capital plan.

| Risk Metric | Green | Amber | Red |
|--|---------|----------------|--------|
| Counterparty rating (Reinsurer) | >A1 | BBB | <BBB |
| Amount of Reinsurance Counterparty debt over 90 days overdue | <£100k | £100k - £250k | £250k |
| Inward aged debt charge (Premium) | <£0.55m | £0.55m - £0.7m | >£0.7m |

Table 12 Counterparty risk metrics

C.4 Liquidity Risk

Liquidity risk is the risk that AIL although solvent or profitable, either does not have available sufficient financial resources to enable it to meet its obligations as they fall due or can secure such resources only at excessive cost.

Liquidity risk is not explicitly included within the standard formula SCR calculation and is not considered a material risk to AIL as the assets to support its risks and capital requirements are largely held in cash deposits with banks with a current credit rating of A or higher as well as highly rated and diversified money market funds. AIL considers the composition of its assets in terms of their nature and liquidity to be appropriate and sufficient to meet its obligations as they fall due.

AIL manages the level of liquidity risk:

- Liquidity and Asset Liability Management Policies in place.
- Monthly cash forecast.
- Monthly report of cash and liquid balances presented to the Board.
- ALM (currency) forecast on quarterly basis.
- Set guidelines on asset allocations, portfolio limit structures and maturity profiles of assets, to ensure sufficient funding available to meet insurance contract obligations.

During the period ended 30th April 2025 AIL was not exposed to significant liquidity risk.

| Risk Metric | Green | Amber | Red |
|--|--------|-----------------|--------|
| Liquidity Buffer – Ratio of very liquid assets (cash and Money Market Investments) against the value of 2 months of outgoings. | > 150% | >125% and <150% | < 125% |
| Lowest cash balance in month as a ratio of 1 week of 'claims paid'. | ≥ 80% | 50% to < 80% | < 50% |
| Liquidity Ratio of assets - % of AUM (Assets Under Management) that can be liquidated ≤ T+3. | ≥ 85% | ≥ 80% to < 85% | < 80% |

Table 13 Liquidity risk metrics

C.5 Operational Risk

Operational Risk Level 1 Class in AIL's Risk Universe and is defined as 'the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events'. This definition includes legal risk but excludes strategic and reputational risk. To operate efficiently AIL recognises that it needs to have a robust framework in place to manage operational risk.

The framework is underpinned by a Risk Management Policy. The following are the Board Policy Statements that have been implemented to manage Operational Risk:

Risk Culture: The Board and Executive Management will seek to lead AIL in delivering a strong risk management culture.

Risk Framework: The Risk function will seek to develop, implement, and maintain a risk framework and standards that align to regulatory requirements.

Risk Identification: AIL will seek to use appropriate risk management tools to identify actual, potential, or emerging risks in all material products, activities, processes, and systems.

Risk Assessment: AIL will seek to use appropriate risk management tools to assess risks in all material products, activities, processes, and systems to ensure that risks are properly understood.

Risk Control: AIL will seek to use appropriate internal controls e.g., policies, processes and systems and appropriate risk mitigation and transfer strategies to manage its operational risks.

Risk Events: AIL will seek to ensure that incidents are identified, escalated, and effectively managed within agreed parameters.

New Product Approval: AIL will seek to ensure that new products, material changes to existing products and associated operational implications are assessed for risk.

Risk Reporting: AIL will seek to regularly monitor its risk profile and material exposure to losses.

Operational Resilience: AIL will seek to maintain robust operational, cyber, and technological resilience for both its in-house processes and activities and those undertaken by its partners.

As a standard formula company, the Operational Risk SCR charge is primarily driven by premium volumes especially premium volume growth. Table 14 shows the Operational Risk charge for year ending 30th April 2025, which has been capped at 30% of the Basic SCR with a comparison with the previous financial year.

| | FY25 | | FY24 | | Change | |
|------------------|-------|--------|-------|--------|--------|-------|
| | £'000 | BSCR % | £'000 | BSCR % | £'000 | SCR % |
| Operational Risk | 5,374 | 30% | 3,580 | 30% | 1,794 | 0% |

Table 14 Operational risk charge

C.5.1 Operational risk is monitored by:

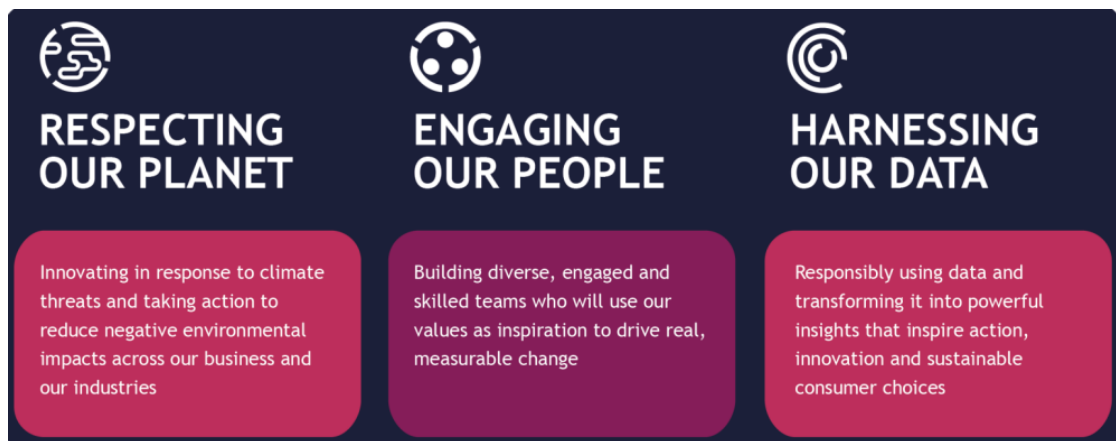
AIL seeks to mitigate the risk with the implementation of a robust operational risk framework which is consistent, effective, economic and proportionate to the nature, scale and structure of the business. The framework is supported by a Risk Management Policy and procedures detailing clear roles and responsibilities to support staff in undertaking their business-as-usual activities whilst managing the day-to-day operational risks.

C.6 Other Material Risks

Other risks that could impact AIL’s ability to meet its business plan are:

Economic, Social and Governance (ESG)

AIL has established a Working Group to develop an insurance strategy that aligns with The Collinson Group’s sustainability goals. Membership of this Working Group is taken from cross key business areas and representatives from the UK, Malta, Cape Town, and Ireland. ESG delivery is sponsored by the CEO and led by the Head of Risk. Several initiatives have been set under three pillars:



AIL has a defined set of risk appetite statements for ESG and associated KRIs, which are monitored and reported via the ESG dashboard. Financial risks arising from climate change (FRCC) continue to be monitored through the ORSA process and the stress and scenario testing

Table 15 highlights the risk management approach to managing FRCC and how exposure is monitored.

| Component | Risk Management Approach | Related Risk Appetite(s) | ORSA Scenario(s) |
|---------------------------------|---|---|--|
| Physical risk – Direct | <ul style="list-style-type: none"> ➤ Monitor via risk appetite metrics detailed. ➤ Update Financial risk from Climate Change risk assessment if exposure changes ➤ Include within Stress and Scenario landscape | <ul style="list-style-type: none"> ➤ Solvency II GWP MIX Actual Vs Capital Plan assumption - variance in proportional business mix Vs plan | Not included as very minimal direct physical risk due to the product lines written within the Insurance division. Very minimal amount of Home Emergency insurance written within the Multi-lines line of business. |
| Physical risk – Indirect | <ul style="list-style-type: none"> ➤ Monitor via risk appetite metrics detailed. ➤ Update Financial risk from Climate Change risk assessment if exposure changes ➤ Include within Stress and Scenario landscape | <ul style="list-style-type: none"> ➤ Counterparty Rating. ➤ Amount of Reinsurance. ➤ Counterparty debt over 90 days overdue. ➤ Inward Aged debt charge. ➤ New suppliers / partners with pre contract DD. ➤ High risk due diligence issues for new OSP partner. ➤ Annual Capability Review (ACR) completed. | <p>The below stress and scenarios are planned for the Own Risk and Solvency Assessment (ORSA) that potentially relate to financial risk from climate change:</p> <ul style="list-style-type: none"> ✓ Climate change scenario. <p>Single Factor Sensitivities</p> <ul style="list-style-type: none"> ✓ Counterparty stress (non-payment). <p>Economic Scenarios</p> <p>Economic Recession scenario</p> <p>Reverse Stress Test</p> <ul style="list-style-type: none"> ✓ The lead reinsurer is no longer able to provide the current reinsurance to the level assumed in the capital plan. |
| Transition risk | <ul style="list-style-type: none"> ➤ Ongoing consideration to ESG fund investments. ➤ Update Financial risk from Climate Change risk assessment if exposure changes ➤ Include within Stress and Scenario landscape | <ul style="list-style-type: none"> ➤ We are willing to accept calculated investment risk to achieve a targeted return on capital investment and support the growth objectives. ➤ We have a low appetite regarding the management of Financial Risk from Climate Change (physical, liability and transitional) where reasonably avoidable. | |
| Liability risk | <ul style="list-style-type: none"> ➤ Monitor via risk appetite metrics detailed. ➤ Update Financial risk from Climate Change risk assessment if exposure changes ➤ Include within Stress and Scenario landscape | <ul style="list-style-type: none"> ➤ Liquidity Buffer (stressed cashflow scenarios) ➤ Forward looking SCR Coverage Ratio over planning horizon | |

Table 15 Managing FRCC

The Board has considered that the capital charge within the Standard Formula adequately captures all the risks of AIL and do not believe an additional capital charge is required for FRCC following this assessment. The Board are confident that the robust control framework and monitoring in place reduces the probability of risks crystallising in this area and that no additional management action is considered necessary to reduce the risks further.

Strategic Risk is defined as ‘failure to set and implement an appropriate strategy’, has been assessed as within AIL’s risk appetite. To this extent, whilst not explicitly modelled, the consequences of inappropriate strategic decisions will be assessed within each risk contributing to the SCR.

Group Risk - AIL is dependent upon on the wider Collinson Group for the provision of the following services directly associated with the sale of insurance and servicing of policy obligations, including:

- Underwriting and pricing.
- Claims handling.
- Policy administration.
- Investment management and treasury.
- Finance, accounting, reserving and tax.

In addition, Collinson Group provides services which indirectly support the sale of insurance and servicing of policy obligations, including:

- Property and infrastructure.
- People and Culture.
- Information systems.
- Data management.

Operating Costs (non-technical) AIL's current and planned operating model, over the current three-year forecast cycle, is to outsource the provision of key operational activities, including:

- Underwriting and pricing.
- Claims handling.
- Finance, actuarial, reserving and taxation.
- Policy administration.
- Investment management and treasury.

The current outsourcing arrangement in respect of operating costs (non-technical in nature) is with CISL. CISL is the legal entity through which the Collinson Group performs managing agency business in the UK. CISL also acts as a service company to AIL along with other divisional legal entities. These divisional entities perform a range of services such as insurance brokerage, claims management and policy administration.

There is a separate profit commission agreement between AIL and CISL covering the respective arrangements in place for the profit commission paid to CISL for the provision of insurance administration services to AIL. The basis of this profit commission is AIL retain a 4.5% fronting fee on retained net earned business written, with the balance of underwriting profit being paid as profit commission to CISL. (Note: there is a guaranteed profit commission of 10% to CISL and in effect a corridor, of 85.5% to 61%, where the profit commission paid is restricted. Typically, our loss ratio is 75% and the corridor limits are not breached).

This model means, that subject to the upper corridor limit (85.5%) not being breached, then AIL will make a profit before FX and interest. This is reflected in the future forecasts which show a steady profit stream and increase in own funds, within well capitalised funds. For CISL, the profit commission received is variable depending on underwriting performance of the overall portfolio.

AIL therefore has a significant inter-dependence with CISL to enable AIL to deliver the services to its ultimate clients, including the provision of insurance administration services. AIL works closely with CISL to satisfy itself that it continues to have the economic and operational resources to continue to meet its obligations.

Emerging risks

AIL defines Emerging risk as **“newly developing or evolving risks that are typically characterised by significant uncertainty in terms of impact and likelihood. This uncertainty is often underpinned by restricted data, changes in the environment, technology or societal factors”**. Emerging risks represent areas where AIL knowledge and understanding are limited, requiring proactive monitoring, intelligence gathering, and scenario development to assess and mitigate potential impacts.

AIL uses an Emerging Risk Radar to enable the timely identification, assessment and proactive management of material business risks that have the potential to adversely impact strategic delivery. This approach considers risks in four thematic groups:

- **Climate & ESG:** Material Risks that can affect business performance, long-term sustainability and regulatory and / or legal changes that will impact AIL strategy.
- **Technological:** Material Risks like system failures, data breaches and disruptions to business operations.
- **Talent:** Material Risk in attracting, retaining, and developing the right people.

- **Economic & Political:** Material Risks to the financial performance of AIL e.g. macroeconomic conditions, while political risk arises from political instability, policy changes, or events like wars or elections.

It is a dynamic and iterative tool that is subject to regular review and challenge by Executive management and the Board.

C.7 Any other information

An embedded stress testing and scenario analysis framework is used to understand possible impacts across all major risks. The following stress tests are used to identify risk exposure:

- Counterparty stress in relation to non payment
- Cyber attack scenario
- Climate change scenario
- Economic Stagnation
- Geopolitical escalation
- Loss of key client
- Sustainability of business model

AIL examines a range of extreme events as identified above, which intend to stress its capital position.

The RCC and Board, are informed of results of stress tests performed, including whether the results fall within relevant approved risk tolerances and limits. Based on the above factors considered all risks are deemed to be well managed and within risk appetite, as reported via the Risk Dashboard and ORSA report to the RCC and Board.

D. Valuation for Solvency Purposes

The Group Companies each prepare Solo accounts on a UK GAAP basis. The Group and Solo balance sheets have been prepared in accordance with PRA fair value valuation principles.

The structure and underlying assets and liabilities within the consolidated AIHL/AIL (Group) and AIL (Solo) GAAP and balance sheets are identical except for a single asset position held in the group balance sheet of a receivable of £0.1k (2023: £0.1k) which is due from a Collinson Group undertaking.

Accordingly for clarity and to avoid duplication this section (Section D) is based on the AIL (Solo) GAAP balance sheet. AIHLs balance sheet is reported within the appendix.

D.1 Assets

Under the valuation rules prescribed under Solvency II balance sheet AIHL/AIL values all assets and liabilities at fair value within the balance sheet. Fair value is the value at which knowledgeable and willing parties could exchange assets and liabilities in an arm's length transaction. Fair value for financial assets and liabilities is best demonstrated by reference to quoted market prices. Where, due to a lack of liquidity in the market for a class of asset, fair value cannot be established from market prices, an alternative valuation approach to determine fair value is required. As of 30 April 2025, AIHL/AIL did not hold any financial investments, the fair value of which could not be determined from market prices. Where assets and liabilities not actively traded in markets are to be settled by payment or receipt of cash, fair value is calculated by means of discounting future cash flows by a risk adjusted discount rate. Where the impact of discounting is not material, cash flows are not discounted.

Deferred acquisition costs (DAC) of £61,147k, reflected as an asset on the UK GAAP balance sheet, is not recognised as an asset on the Solvency II balance sheet, as DAC does not have the capacity to absorb losses.

Where cash flows from insurance receivables are not yet due, the value of these cash flows is reclassified from insurance receivables and included in technical provisions.

Table 16 shows AIL's summary Solvency II balance sheet alongside the balance sheet under UK GAAP with the differences in asset and liability valuations and presentation between the two regimes presented in the final column. Consolidated UK GAAP financial statements are not currently prepared and accordingly the Group UK GAAP balance sheet has not been presented.

| Assets | Solvency II | UK GAAP | Variance |
|---|----------------|----------------|------------------|
| | £'000 | £'000 | £'000 |
| Deferred acquisition costs | | 61,147 | (61,147) |
| Deferred tax assets | | - | - |
| Financial investments | 89,474 | 89,275 | 199 |
| Reinsurance assets (Reinsurers share of TP's) | (948) | 75,621 | (76,569) |
| Receivables insurance | 7,677 | 30,451 | (22,774) |
| Receivables reinsurance | 468 | 735 | (267) |
| Receivables trade not insurance | | 199 | (199) |
| Cash and cash equivalents | 4,365 | 4,365 | - |
| Other Assets | 77 | 77 | - |
| Total assets | 101,113 | 261,870 | (160,757) |

Table 16 AIL summary balance sheet.

Financial investments

Comprise short term liquid financial investments valued at fair value, are readily convertible to known amounts of cash and subject to relatively low risk of a change in value.

Reinsurance assets

The reinsurance balances under solvency II are combined and reviewed on an economic basis, whereas under UK GAAP they reflect the expected recoveries from reinsurers based on accounting accruals.

Cash and cash equivalents

Consist of cash at bank and in hand and are valued at fair value.

Receivables insurance

Receivables insurance represent cash flows from intermediaries and policyholders which are due or have become overdue. Within the solvency II balance sheet these future due cashflows are presented in technical provisions non-life.

Receivables trade not insurance

The £199k of trade receivables is wholly in respect of interest accrued on our investments. Under Solvency II this is included within the value of the Investments rather than as a separate asset under UK GAAP.

D.2 Technical Provisions

Table 17 details the Technical Provisions (TPs) for AIHL / AIL:

| £'000 | Medical Expenses | Income Protection | Other Motor | Fire & Other Damage | Assistance | Marine, aviation and transport | Miscellaneous Financial Loss | Total |
|--|------------------|-------------------|--------------|---------------------|---------------|--------------------------------|------------------------------|---------------|
| Claims Provisions | 10,815 | 2,271 | 1,439 | 2,851 | 6,150 | 7 | 829 | 24,362 |
| Premium Provisions | 4,356 | (1,736) | 2,877 | 1,563 | 6,356 | (6) | 890 | 14,300 |
| Total Best Estimate | 15,171 | 535 | 4,316 | 4,414 | 12,506 | 1 | 1,719 | 38,662 |
| Risk Margin | 155 | 57 | 98 | 123 | 151 | - | 60 | 644 |
| Technical Provisions – Total | 15,326 | 592 | 4,414 | 4,537 | 12,657 | 1 | 1,779 | 39,306 |
| Total Recoverable from Reinsurance | 400 | 26 | 114 | 83 | 284 | - | 41 | 948 |
| Technical Provisions – Net of Reinsurance | 15,726 | 618 | 4,528 | 4,620 | 12,941 | 1 | 1,820 | 40,254 |

Table 17 AIHL / AIL TPs.

The detailed valuation is carried out in accordance with requirement of the PRA Rulebook, specifically valuation and technical provisions (TPs). TPs are the sum of the best estimate liabilities (BEL) and the risk margin. Best estimate corresponds to the probability-weighted average of future cash flows, taking into account the time-value of money using the relevant risk-free rate term structure. The bases, methods and assumptions used for the valuation of TPs do not materially differ by line of business and are as follows.

Calculation Basis

- Calculations are carried out on a going-concern basis.
- Insurance exposure is split into one of seven lines of business; Medical Expenses, Assistance, Marine, aviation and transport insurance, Miscellaneous Financial Loss, Fire & Other Damage to Property, Income Protection and Other Motor.
- TPs are calculated as best estimate cash flow projections of all inflows and outflows required to settle liabilities.
- The time horizon for the calculations includes all cashflows within the contract boundary including BBNI.
- Cash flows are discounted using the PRA's basic risk-free rates (without the matching adjustment and volatility adjustment). It is assumed that, on average, cash flows occur in the middle of each month.

- Best estimate calculations are at homogenous risk group level by scheme and scheme year and are based on up-to-date credible information and realistic assumptions. The quality and sufficiency of data underlying the calculation is compliant with regulatory standards.

Best Estimate

- The TPs, so far as concerns this element, are on a best estimate basis.
- The best estimate consists of a claims provision and premium provision for business on risk at the valuation date.

Claim Provisions

- The claims provisions are calculated as the discounted best estimate of all future cash flows relating to existing claims that occurred on or prior to the valuation date i.e. claims on earned business.
- The provision for claims outstanding is the underlying best estimate, as calculated within the UK GAAP reserves using a combination of actuarial and statistical techniques, including Chain Ladder and Bornhuetter-Ferguson techniques.

The difference between calculating the best estimate claims provision under Solvency II is to:

- Remove any management margin within held reserves.
- Allow for low probability high severity events, referred to as Events Not In Data (ENIDs) where applicable.
- Include expenses required for the run-off of reserves where applicable.
- Discount cash flows.

Premium Provisions

- The premium provisions are calculated as the discounted best estimate of all future cash flows relating to claims for projected future events on existing business (i.e. claims on the unearned business).
- The premium provisions also include the discounted best estimate of all future cashflows on bound but not incepted (BBNI) business.
- Cash flows are projected in line with all insurance obligations related to future exposure until contract boundaries, and lapses and mid-term cancellations are allowed for as per business expectations.

The difference between calculating the best estimate premium provision under Solvency II is to:

- Allow for ENIDs where applicable.
- Include expenses required for the run-off of reserves where applicable, and
- Discount cash flows.

Risk Margin

- The Risk Margin is included as a component of the technical provisions to ensure that the value of total technical provisions is equivalent to the amount that another insurance or reinsurance undertaking would be expected to require to take over and meet the insurance and reinsurance obligations.
- The Risk Margin has been calculated in accordance with Technical Provisions Part 4 of the PRA Rulebook as restated under the UK's Insurance and Reinsurance Undertakings (Prudential Requirements) Regulations 2023 and Amended Regulations. This calculation assumes the SCR will proportionally decrease based on the run-off pattern of net claims payments. The Cost of Capital rate is 4% in accordance with "The Insurance and Reinsurance Undertakings (Prudential Requirements) (Risk Margin) Regulations 2023".

Reinsurance Recoverables

- TPs are calculated gross, and the reinsurance recoverable asset is calculated using a similar corresponding approach, consistent with the boundaries of the inwards contracts to which those relate. Additionally, future reinsurance costs are adjusted where necessary to allow for contractual obligations of non-proportional reinsurance contracts.

- The reinsurance recoverable asset has been adjusted to allow for the best estimate probability of reinsurer default. Reinsurance recoverables relate to insurance liabilities ceded to A rated reinsurers for quota share, and a panel of A-rated reinsurers for excess of loss reinsurance.
- No credit is taken for reinsurance recoveries against claims not included in gross TPs, while UK GAAP allows deferred reinsurance expenses that can be significantly reduced under Solvency II.

Level of uncertainty associated with the amount of TP's

The key assumptions that may impact the Technical Provisions are detailed below along with the comments regarding the materiality of these assumptions.

- **Assumed loss ratio:** Loss ratios are calculated by scheme and reviewed and approved by the Reserving Committee.
- **Settlement period:** Claims settlement patterns are calculated by scheme and based on historical data. The settlement patterns feed into the Technical Provisions to split out the future cashflows by period.
- **Discount rate:** The risks underwritten by AIL are short tailed so there is limited discounting benefit.
- **Expenses:** The relevant expenses involved in the operation of AIL are included within the calculation of the technical provisions.
- **Reinsurance:** It is assumed that the reinsurance will perform as expected, although the technical provisions include an allowance for bad debt.
- **ENIDs:** Are calculated based on scenario analysis for each product underwritten by AIL. The amount calculated is small compared with other elements in the calculation of the technical provisions.

| £'000 | UK GAAP Value | | | | | | | | Solvency II Value | | | | | | | |
|----------------------------------|-----------------|-------------------|-------------|---------------------|------------|--------------------------------|----------------------|----------|-------------------|-------------------|-------------|---------------------|------------|--------------------------------|----------------------|--------|
| | Medical Expense | Income Protection | Other Motor | Fire & Other Damage | Assistance | Marine, aviation and transport | Misc. Financial Loss | Total | Medical Expense | Income Protection | Other Motor | Fire & Other Damage | Assistance | Marine, aviation and transport | Misc. Financial Loss | Total |
| Provision for claims outstanding | 11,343 | 2,435 | 1,466 | 2,902 | 6,319 | 7 | 841 | 25,313 | | | | | | | | |
| Provision for unearned premium | 28,359 | 5,719 | 35,276 | 7,595 | 23,086 | 7 | 3,790 | 103,832 | | | | | | | | |
| Best estimate Claims Provision | | | | | | | | | 10,815 | 2,271 | 1,439 | 2,851 | 6,150 | 7 | 829 | 24,362 |
| Best estimate Premium Provision | | | | | | | | | 4,356 | (1,736) | 2,877 | 1,563 | 6,356 | (6) | 890 | 14,300 |
| Risk Margin | | | | | | | | | 155 | 57 | 98 | 123 | 151 | 0 | 60 | 644 |
| Gross Technical Provisions | 39,701 | 8,154 | 36,742 | 10,497 | 29,405 | 14 | 4,632 | 129,145 | 15,326 | 592 | 4,415 | 4,536 | 12,657 | 1 | 1,779 | 39,306 |
| Recoverables from Reinsurance | (21,678) | (3,846) | (26,972) | (6,000) | (14,649) | (13) | (2,462) | (75,621) | 400 | 26 | 113 | 83 | 284 | 0 | 41 | 948 |
| Net Technical Provisions | 18,023 | 4,307 | 9,769 | 4,497 | 14,756 | 1 | 2,169 | 53,524 | 15,726 | 618 | 4,528 | 4,619 | 12,942 | 1 | 1,820 | 40,254 |

Table 18 Comparison between UK GAAP and valuations.

- TPs within the UK GAAP financial statements consist of a provision for claims outstanding and provision for unearned premium.
- The provision for claims outstanding is an estimate of the ultimate cost of settling all claims which have occurred up to the statement of financial position date. Claims incurred but not yet paid are included based on a best estimate value plus any general provisions for adverse development (prudent margin) if applicable.

- The provision for unearned premium represents the proportion of premiums written but not yet earned for the unexpired elements of the underlying risks.

Figure 10 illustrates the reconciliation from UK GAAP to valuations as at 30th April 2025 – Net of Reinsurance

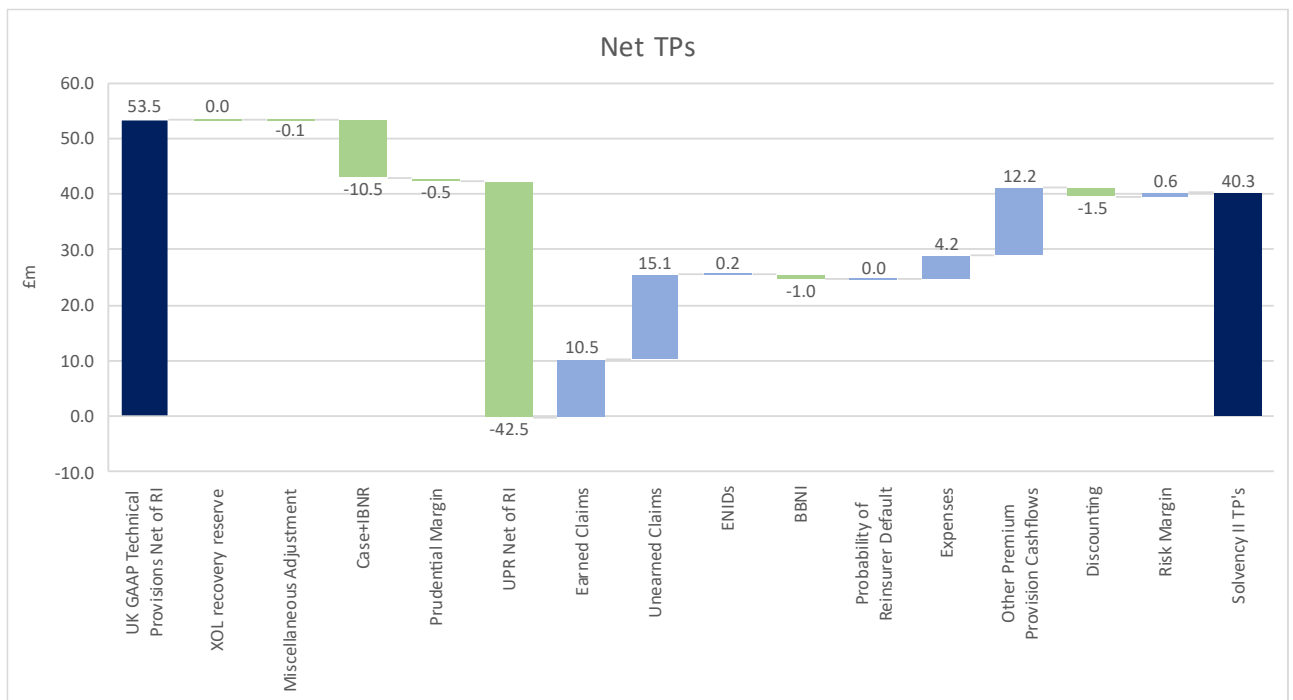


Figure 9 Movement from UK GAAP to valuations.

Key for waterfalls:

increase in TP's

reduction in TP's

Please note that within the above waterfall the UK GAAP Technical provisions value of £53,524k is net of reinsurer's share of UK GAAP technical provisions and gross of DAC. The difference between UK GAAP and valuations are caused by the adjustments between the bases, methods, and main assumptions used. In particular, the following adjustments are made to convert UK GAAP provisions to the best estimate:

- Remove prudent margin.
- Adjust the provision for unearned premium to represent proportion of unearned premiums that relate to the unearned claims only (best estimate view).
- Allow for ENIDs.
- Allow for BBNI.
- Allow for the probability of reinsurer defaulting.
- Provide for run-off expenses.
- Movement in other premium provisions cash flows, includes future expected net cash flows in respect of premium instalments, commissions, profit shares, and reinsurance.
- Movement in creditors/debtors.
- Discount the cash flows.
- Include a risk margin.

Matching adjustment, volatility adjustment and transitional provisions

AIL does not utilise any of these arrangements.

Changes to technical provisions from previous reporting period

Figure 10 shows the walk from year end 2024 TPs to year end 2025 TPs.

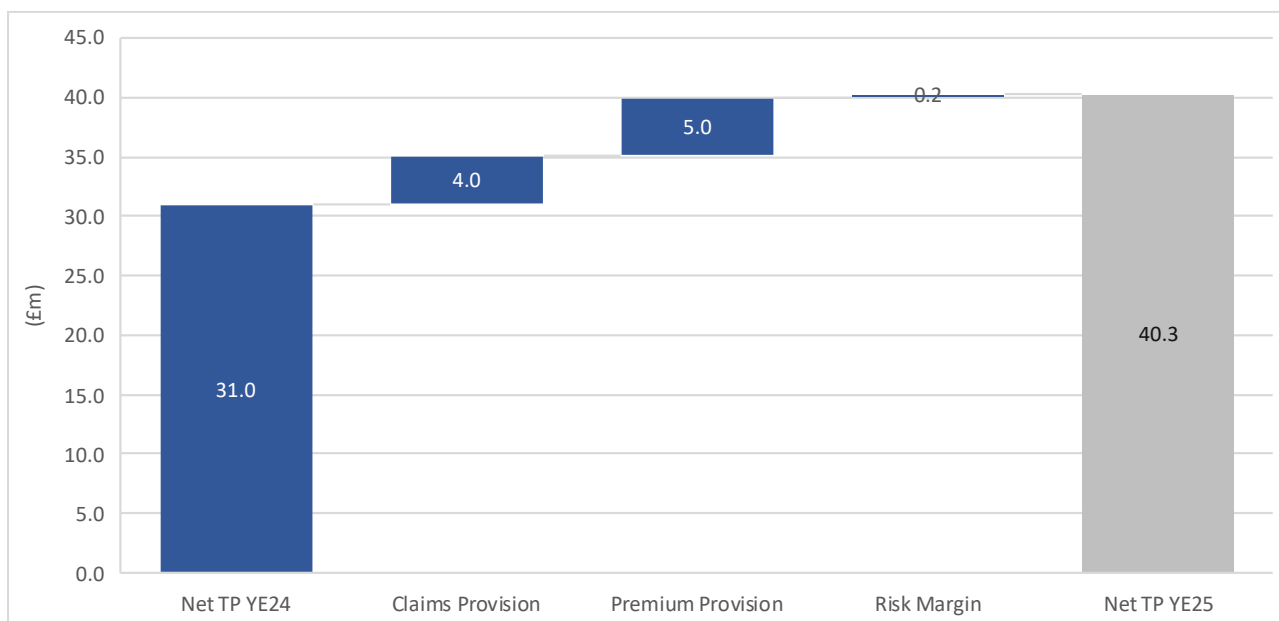


Figure 10 TP FY 24 to FY 25 net of reinsurance.

Reinsurance

AIL's reinsurance program comprises of two components – Risk Excess of Loss (XOL) and Quota Share (QS) reinsurance. The Company has two XOL treaties, one covering International Private Medical and another for Travel Insurance as ordinarily these are the only products exposed to large losses. The treaties are placed predominantly into the Lloyd's and London reinsurance market. For the QS programme we strictly adhere to our appetite in terms of security of reinsurers with all our reinsurers being A-rated or better. This year, there is an additional Re-insurer – Swiss Re in addition to Hannover Re and Axis Re that is in run off.

Claims Management Procedures

Claims management procedures utilised by AIL are broadly similar year on year and incorporate both direct and indirect costs associated with the management and settlement of claims.

D.3 Other Liabilities – balance sheet

| Liabilities | Solvency II | UK GAAP | Variance |
|-----------------------------------|---------------|----------------|------------------|
| | £'000 | £'000 | £'000 |
| Technical provisions non-life | 39,307 | 129,145 | (89,838) |
| Deferred tax liabilities | 1,693 | - | 1,693 |
| Insurance payables | 5,820 | 8,298 | (2,478) |
| Reinsurance payables | 687 | 75,900 | (75,213) |
| Payables trade not insurance | 15,580 | 15,580 | - |
| Total liabilities | 63,087 | 228,923 | (165,836) |
| Excess of assets over liabilities | 38,026 | 32,947 | 5,079 |

Table 19 Liabilities.

Insurance Payables

This balance represents cash flows to intermediaries and policyholders which are now due, profit share payable in future periods is restated under technical provisions non-life in the solvency II balance sheet.

Reinsurance Payables

The reinsurance balances under solvency II are combined and reviewed on an economic basis, whereas under UK GAAP they reflect the expected recoveries from reinsurers based on accounting accruals. Under solvency II the remaining balance represents payments due as at year end.

Deferred Tax Liability

A deferred tax liability of £1.6m is recognised within the balance sheet. A deferred tax liability is recognised on the differences between the valuations of assets and liabilities and their corresponding tax base.

Payables trade not insurance

Consist of amounts due to other Collinson Group companies including CISL in respect of administration and support services, the settlement of which is expected to occur imminently. In the valuation of liabilities other than technical provisions, there has been no adjustment in the valuation for changes in the credit standing of AIHL/AIL or AIL on a standalone basis.

D.4 Alternative methods for valuation

AIHL/AIL do not use any alternative methods for valuation of assets or liabilities.

D.5 Any other information / disclosures

There are no other material information relating to valuation of assets or other liabilities, and there have been no material changes in the valuation of assets or liabilities during the year.

E. Capital Management

E.1 Own Funds

AIHL/ AIL's objectives when managing capital are to comply with the insurance capital requirements required by the regulatory authorities and safeguard the Company's ability to provide adequate return to shareholders and benefits to other stakeholders by pricing insurance contracts commensurate with the level of risk. While recognising that the interests of both parties are different, we manage these by maintaining robust capital adequacy and optimising risk adjusted returns, while ensuring transparent engagement with both stakeholders,

AIHL/ AIL have in place financial planning and analysis procedures with respect to capital planning, issuance of capital and distribution of dividends. The main objective is to ensure that, through its capital management, both AIHL and AIL maintain sufficient capital to always cover regulatory capital requirements. This is attained through the yearly development of a business plan, summarising the goals and objectives for the following three years. As part of the strategic plan, the Board and Senior Management set financial targets and plans with respect to capital management.

AHIL/AIL both use the standard formula as the basis for calculating the SCR. There are no significant restrictions on the use or transfer of eligible own funds within the group to cover the group SCR. The funds are fully available and can be moved between group entities as needed. This is also noted in section E.2

In respect of the underwriting activities AIHL and AILs position are identical and therefore the MCR position presented below is that of AILs, but it would be identical for AIHL.

As at 30 April 2025, the Company closed with excess of assets over liabilities of £38,026K as per Solvency II valuation basis and an SCR coverage ratio of 176%. AIHL closed with excess of assets over liabilities of £38,026K as per Solvency II valuation basis and an SCR coverage ratio of 176%.

The own funds of the Company are made up of fully paid-up ordinary share capital and retained earnings which are both classified as unrestricted Tier 1 capital. These have been assessed in line with Chapters 3A and 3B of the Own Funds Part of the PRA Rulebook: SII: Solvency II UK Firms. As a result, the full amount of own funds is readily available to fully absorb any losses that should arise and are free of encumbrances. The Company does not have any transitional arrangements and does not currently have any ancillary own funds.

The own funds for AIHL is calculated on the consolidated data of AIHL and AIL, following method 1 under Chapter 11 of the Group Supervision part of the PRA Rulebook. There are **no material limitations or restrictions** affecting the transferability of own funds or fungibility of assets within the group.

The Company has no intention of changing the current structure of own funds.

AIHL/AIL classifies its own funds as Tier 1, Tier 2 or Tier 3 depending on the characteristics of the capital. Tier 1 capital is the best form of capital for the purposes of absorbing losses. In all cases below, the reconciliation reserve represents the Solvency II excess over assets over liabilities less the issued share capital.

For 2025 own funds for covering both the MCR and SCR as shown in Table 20 are £38,026k. For 2025 own funds consist entirely of Tier 1 capital.

| Analysis of basic own funds (AIL) | 2025 | 2024 | Variance |
|-------------------------------------|--------|--------|----------|
| | £'000 | £'000 | £'000 |
| Share capital issued and fully paid | 16,000 | 16,000 | - |
| Reconciliation reserve | 22,026 | 15,785 | 6,241 |
| Basic own funds to cover the MCR | 38,026 | 31,785 | 6,241 |
| Deferred tax asset | - | - | - |
| Basic own funds to cover the SCR | 38,026 | 31,785 | 6,241 |

Table 20 AIL own funds.

| Analysis of basic own funds (AIHL) | 2025 | 2024 | Variance |
|---|---------------|---------------|--------------|
| | £'000 | £'000 | £'000 |
| Share capital issued and fully paid | 23,615 | 23,615 | - |
| Reconciliation reserve | 14,411 | 8,170 | 6,241 |
| Basic own funds to cover the MCR | 38,026 | 31,785 | 6,241 |
| Deferred tax asset | - | - | - |
| Basic own funds to cover the SCR | 38,026 | 31,785 | 6,241 |

Table 19 AIHL own funds.

The movement between share capital and reserves as reflected in the AIL UK GAAP balance sheets as at 30th April 2025 and the excess of assets over liabilities as presented in the Group and Company balance sheets as at 30th April 2024 is presented in table 22.

| Analysis of basic own funds (AIL) | 2025 | 2024 |
|--|---------------|---------------|
| UK GAAP | £'000 | £'000 |
| Issued share capital | 16,000 | 16,000 |
| Retained earnings | 16,947 | 12,658 |
| Total capital and reserves | 32,947 | 28,658 |
| Adjustments to move to SII valuation: | | |
| Technical provisions & DAC, difference in valuation GAAP vs. SII | 5,079 | 3,896 |
| GAAP assets not recognised on the Solvency II balance sheet | - | (769) |
| GAAP liabilities not recognised on the Solvency II balance sheet | - | - |
| SII asset surplus (i.e. SII assets less SII liabilities) | 38,026 | 31,785 |

Table 22 Analysis of basic own funds

Cash, cash equivalents and investments supporting own funds are valued at fair value, are readily convertible to known amounts of cash and are subject to insignificant risk of a change in value.

No own funds items are subject to transitional arrangements. At 30th April 2025 and at 30th April 2024, AIHL or AIL did not have any ancillary own funds. There are no restrictions affecting the transferability of own funds at a Group level.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

In the Executive Summary and Risk Profile sections of this document it is highlighted that the risk profile and underlying businesses of the Group and Company are the same, accordingly for the remainder of this section of the document no distinction between Group and Company is made.

Table 23 summaries the components of the MCR, as at 30th April 2025.

| Minimum Capital Requirement (AIL) | FY25 | FY24 | Variance |
|-----------------------------------|--------------|--------------|--------------|
| | £'000 | £'000 | £'000 |
| Absolute floor MCR | 3,495 | 3,495 | 0 |
| Linear MCR | 12,380 | 7,986 | 4,394 |
| Lower Bound of MCR Corridor | 5,399 | 3,879 | 1,520 |
| Upper Bound of MCR Corridor | 9,718 | 6,981 | 2,737 |
| MCR | 9,718 | 6,981 | 2,737 |

Table 23 Components of the MCR

Table 23.1 summaries the information on the inputs used by the firm to calculate the MCR

| Minimum Capital Requirement (AIL) | Net Written Premium in Previous 12 months (t-1 to t0) | Net Best Estimate Technical Provisions |
|-------------------------------------|---|--|
| | £'000 | £'000 |
| Medical Expenses | 39,141 | 15,571 |
| Income Protection | 9,814 | 560 |
| Other Motor | 19,894 | 4,430 |
| Marine, Aviation and Transportation | 8 | 1 |
| Fire & Other Damage to Property | 15,773 | 4,496 |
| Assistance | 25,827 | 12,790 |
| Miscellaneous Financial Loss | 4,648 | 1,760 |

Table 23.1 inputs used in the calculation of the MCR

As at 30 April 2025, the linear Minimum Capital Requirement (MCR), calculated based on the Net Written Premium over the previous 12 months and the Net Best Estimate Technical Provisions, amounts to £12.38m.

In accordance with Solvency II requirements, the MCR is subject to a prescribed corridor ranging from 25% to 45% of the Solvency Capital Requirement (SCR), which equates to a lower bound of £5.40m and an upper bound of £9.72m. As the linear MCR exceeds the upper limit of this corridor, the final MCR is capped at £9.72m in line with regulatory provisions.

AHIL/AIL has £38,026k of unrestricted own funds to cover the MCR, which generates a MCR coverage ratio of 391%.

AHIL/AIL both use the standard formula as the basis for calculating the SCR. During the year both the Group and the Company continue to keep under review the assumptions underpinning the standard formula and assessment that the continued use of the standard formula to calculate the SCR remains appropriate. No simplifications are applied to the standard formula.

AHIL/AIL's solvency position is calculated using method 1 (accounting consolidation-based method). No Group diversification effects arose on consolidation. Both the Group and Company held £38,026k of eligible unrestricted own funds to cover the SCR at 30 April 2025 (the SCR at 30 April 2025 is the same for both the Group and Company), both the Group and Company held sufficient capital to cover the SCR throughout the reporting period. The final amount of the SCR remains subject to supervisory assessment.

Table 24 contains the risk modules that comprise the Company's SCR of £21,595k as at 30 April 2025 (30 April 2024: £15,514k), after taking diversification credit. Own funds were £38,026k as at 30th April 2025 providing an SCR coverage ratio of 176%.

| Solvency Capital Requirement | FY25 | FY24 | Variance |
|------------------------------|---------------|---------------|--------------|
| | £'000 | £'000 | £'000 |
| Non-Life Underwriting | 14,023 | 8,826 | 5,197 |
| Health Underwriting | 7,836 | 5,670 | 2,166 |
| Market Risk | 3,405 | 2,310 | 1,095 |
| Counterparty Default | 691 | 757 | (66) |
| Undiversified BSCR | 25,955 | 17,563 | 8,392 |
| Diversification | (8,041) | (5,630) | (2,411) |
| Basic SCR | 17,914 | 11,933 | 5,981 |
| Operational Risk | 5,374 | 3,580 | 1,794 |
| LAC DT | (1,693) | - | (1,693) |
| SCR | 21,595 | 15,513 | 6,082 |
| Own Funds | 38,026 | 31,785 | 6,241 |
| SCR Coverage Ratio | 176% | 205% | (29%) |

Table 24 Risk modules

The SCR coverage ratio has reduced by 29% during the financial year to 30th April 2025.

Based on the risk profile of AIL, the MCR calculated by using the liner method exceeds the MCR corridor, whose maximum is capped as 45% of the SCR. Therefore, the MCR increased from FY24 to FY25 due to the increase in the SCR itself.

Underwriting Specific Parameters (USPs) The Group/Company did not use any underwriting specific parameters in the standard formula calculation.

Capital add-on Neither AIL nor AIHL have a capital add on, as their risk profiles do not deviate significantly from the assumptions underpinning the calibration of the standard formula.

Loss absorbing capacity of deferred tax AIL's assets and liabilities are valued on a Solvency II basis, which gives rise to a tax liability of £1.6 million, a Loss-Absorbing Capacity of Deferred Taxes (LAC DT) has been recognised on the basis of offset against the DTL of £1.6m on the Solvency II balance sheet, reducing AIL's Solvency Capital Requirement (SCR).

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

An internal model has not been used by AIHL/AIL or AIL on a standalone basis. The standard formula has been used to calculate the SCR.

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

During the financial year ended 30 April 2025 there were no instances during which the AIHL/AIL or AIL on a standalone basis were not compliant with both the MCR and SCR.

E.5 Any other information

Neither AIL, nor AIHL, have other material information to disclose.

Statement of Directors' Responsibilities

Approval by the Board of Directors, Financial year ended 30th April 2025.

The Directors are responsible for preparing the SFCR in accordance with the PRA rules. Each of the Directors, whose names and functions are listed in the Directors' Report section of the Report and Accounts, certify:

- a) that the SFCR has been prepared in all material respects in accordance with the PRA rules,
- b) we are satisfied that:
 - I. throughout the financial year in question, the Group companies, Astrenska Insurance Limited and Astrenska Insurance Holdings Limited have complied in all material respects with the requirements of the PRA rules as applicable to the Group, and
 - II. it is reasonable to believe that the Group has continued so to comply with the requirements of the PRA rules and will continue so to comply in future.

Approved by the AIL Board and signed on its behalf:

Paul Escott, Finance Director
Astrenska Insurance Holdings Limited / Astrenska Insurance Limited

Auditor's Report and Opinion

Report of the independent external auditor to the Directors of Astrenska Insurance Holdings Limited ('the Group') pursuant to Rule 4.1(2) of the External Audit Part of the PRA Rulebook applicable to Solvency II firms

Report on the Audit of the relevant elements of the Group Solvency and Financial Condition Report

Opinion

Except as stated below, we have audited the following documents prepared by Astrenska Insurance Holdings Limited ('the Group'), comprising of Astrenska Insurance Holdings Limited and the authorised insurance entity Astrenska Insurance Limited ('the Company') as at 30 April 2025:

- The 'Valuation for Solvency Purposes' and 'Capital Management' sections of the Group Solvency and Financial Condition Report of the Group as at 30 April 2025, ('the Narrative Disclosures subject to audit'); and
- Group templates IR.02.01.02, IR.23.01.04, IR.25.04.22, IR.32.01.22 ('the Group Templates subject to audit'); and
- Company templates of Astrenska Insurance Limited IR.02.01.02, IR.17.01.02, IR.23.01.01, and IR.25.04.21 and IR.28.01.01 ('the Company Templates subject to audit').

The Narrative Disclosures subject to audit and the Group and Company Templates subject to audit are collectively referred to as the 'relevant elements of the Group Solvency and Financial Condition Report'.

We are not required to audit, nor have we audited, and as a consequence do not express an opinion on the Other Information which comprises:

- The 'Summary', 'Business and Performance', 'System of Governance' and 'Risk Profile' sections of the Group Solvency and Financial Condition Report;
- Group templates IR.05.02.01 and IR.05.04.02;
- Company templates IR.05.02.01, IR.05.04.02, and IR.19.01.21; and
- The written acknowledgement by management of their responsibilities, including for the preparation of the Group Solvency and Financial Condition Report ('the Responsibility Statement').

To the extent the information subject to audit in the relevant elements of the Group Solvency and Financial Condition Report includes amounts that are totals, sub-totals or calculations derived from the Other Information, we have relied without verification on the Other Information.

In our opinion, the information subject to audit in the relevant elements of the Group Solvency and Financial Condition Report of Astrenska Insurance Holding Limited as at 30 April 2025 is prepared, in all material respects, in accordance with the financial reporting provisions of the Prudential Regulation Authority ('PRA') Rules

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) including 'ISA (UK) 800 (Revised) Special Considerations – Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks' and 'ISA (UK) 805(Revised) Special Considerations - Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement', and applicable law. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the relevant elements of the Group Solvency and Financial Condition Report* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the relevant elements of the Group Solvency and Financial Condition Report in the UK, including the FRC's Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the relevant elements of the Group Solvency and Financial Condition Report, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the Group Solvency and Financial Condition Report is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included

- confirming our understanding of management's going concern assessment process and obtaining management's assessment which covers the period to 30 April 2027 and considering whether key factors were considered in their assessment;
- verifying the accuracy and reasonableness of management's analysis by testing the inputs and its completeness, as well as the clerical accuracy of the models used;
- reviewing and challenging management's going concern financial model, including assessing key assumptions within the financial plan and forecasts, together with an assessment of a range of other financial metrics including solvency, capital and liquidity positions;
- understanding and considering management's assessment of, and conclusion on, appropriate realistic downside stressed scenarios, including evaluating the reasonableness of management's forecast analysis to understand how severe downside scenarios would have to be to result in the elimination of solvency and liquidity headroom. This included assessing:
 - the company's operational, liquidity and capital support relationships with other entities within the Collinson Group, including the FCA regulated insurance distribution firm Collinson Insurance Services Limited, and the service company Collinson IG (Management) Limited as well as other group entities; and
 - the sources of liquid funds available to the wider Collinson Group, together with mitigating actions that could be taken in the event of realistic downside stress scenarios, and assessing the plausibility of available management actions to mitigate the impact of such key risks;
- performing enquiries of management and those charged with governance to identify risks or events that may impact the company's ability to continue as a going concern. We also reviewed management's assessment approved by the Board, minutes of meetings of the Board.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Companies' ability to continue as a going concern for a period of 12 months from when the relevant elements of the Group Solvency and Financial Condition Report are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group and Companies' ability to continue as a going concern.

Emphasis of matter – basis of accounting and restriction on use

We draw attention to the 'Valuation for Solvency Purposes' and 'Capital Management' sections the Group Solvency and Financial Condition Report, which describe the basis of accounting. The Group Solvency and Financial Condition Report is prepared in compliance with the financial reporting provisions of the PRA Rules, and therefore in accordance with a special purpose financial reporting framework. The Group Solvency and Financial Condition Report is required to be published, and intended users include but are not limited to the Prudential Regulation Authority. As a result, the Group Solvency and Financial Condition Report may not be suitable for another purpose.

This report is made solely to the Directors of the Group in accordance with Rule 2.1 of the External Audit Part of the PRA Rulebook for Solvency II firms. Our work has been undertaken so that we might report to the Directors those matters that we have agreed to state to them in this report and for no other purpose.

Our opinion is not modified in respect of these matters.

Other information

The Directors are responsible for the Other Information contained within the Group Solvency and Financial Condition Report.

Our opinion on the relevant elements of the Group Solvency and Financial Condition Report does not cover the Other Information and we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the relevant elements of the Group Solvency and Financial Condition Report, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the relevant elements of the Group Solvency and Financial Condition Report themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Group Solvency and Financial Condition Report

The Directors are responsible for the preparation of the Group Solvency and Financial Condition Report in accordance with the financial reporting provisions of the PRA Rules.

The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of a Group Solvency and Financial Condition Report that is free from material misstatement, whether due to fraud or error.

In preparing the Group Solvency and Financial Condition Report, the Directors are responsible for assessing the Group and Companies' ability to continue in operation, disclosing as applicable, matters related to its ability to continue in operation and using the going concern basis of accounting unless the Directors either intend to cease to operate the Group or Companies, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group and Companies' financial reporting process.

Auditor's responsibilities for the audit of the relevant elements of the Group Solvency and Financial Condition Report

It is our responsibility to form an independent opinion as to whether the relevant elements of the Group Solvency and Financial Condition Report are prepared, in all material respects, with the financial reporting provisions of the PRA Rules.

Our objectives are to obtain reasonable assurance about whether the relevant elements of the Group Solvency and Financial Condition Report are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decision making or the judgement of the users taken on the basis of the relevant elements of the Group Solvency and Financial Condition Report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Group and Companies and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are the direct laws and regulations related to elements of Company law and taxation legislation, and the financial reporting framework. Our considerations of other laws and regulations that may have a material impact on the financial statements included regulatory and supervisory requirements of the PRA and the Financial Conduct Authority ('FCA').

- We understood how the Group is complying with those frameworks by obtaining a general understanding of how the Group complies with these legal and regulatory frameworks by making enquiries of management and through discussion with the Board. We also reviewed correspondence between the Group and UK regulatory bodies; reviewed minutes of the Board and the Audit Committee; and gained an understanding of the Group's approach to governance, demonstrated by the Board's approval of the Group's governance framework.
- For direct laws and regulations, we considered the extent of compliance with those laws and regulations as part of our procedures on the related items in the relevant elements of the Solvency and Financial Condition Report.
- For both direct and other laws and regulations, our procedures involved: making enquiry of those charged with governance and senior management for their awareness of any non-compliance with laws or regulations, inquiring about the policies that have been established to prevent non-compliance with laws and regulations by officers and employees, inquiring about the Group's methods of enforcing and monitoring compliance with such policies and inspecting significant correspondence with the FCA and PRA.
- The Group operates in the insurance industry which is a highly regulated environment. As such the Senior Statutory Auditor responsible for the audit considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities, which included the use of specialists where appropriate.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's Report on the Group Solvency and Financial Condition Report.

Report on Other Legal and Regulatory Requirements

In accordance with Rule 4.1 (3) of the External Audit Part of the PRA Rulebook for Solvency II firms we are also required to consider whether the Other Information is materially inconsistent with our knowledge obtained in the audit of Astrenska Insurance Holdings Limited and Astrenska Insurance Limited statutory financial statements. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Ernst & Young LLP
London
06 August 2025

Appendix

Appendix 1 - Quantitative Reporting Templates (QRTs)

Astrenska Insurance Holdings Limited (AIHL)

| General Information | |
|---|---|
| Participating Undertaking name | Astrenska Insurance Holdings Limited |
| Group identification code | LEI/213800GWL93FZHBJ7H18 |
| Country of the group supervisor | GB |
| Sub-group information | No Sub-group information |
| Language of reporting | EN |
| Reporting reference date | 30/04/2024 |
| Currency used for reporting | GBP |
| Accounting standards | This Group is using UK GAAP |
| Method of Calculation of the group SCR | Standard formula |
| Use of group specific parameters | No use of Group specific parameters |
| Method of group solvency calculation | Method 1 is used exclusively |
| 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 the technical provisions |

| List of Reported Templates (AIHL) | |
|-----------------------------------|--|
| IR.02.01.02 | Balance Sheet |
| IR.05.02.01 | Premiums, claims and expenses by country |
| IR.05.04.02 | Non-life income and expenditure |
| IR.23.01.04 | Own Funds |
| IR.25.04.22 | Solvency Capital Requirement |
| IR.32.01.22 | Undertakings in the scope of the group |

Balance sheet

IR.02.01.02

| | | Solvency II value |
|---|-------|-------------------|
| | | C0010 |
| Assets | | |
| Goodwill | R0010 | |
| Deferred acquisition costs | R0020 | |
| Intangible assets | R0030 | 0 |
| Deferred tax assets | R0040 | 0 |
| Pension benefit surplus | R0050 | 0 |
| Property, plant & equipment held for own use | R0060 | 0 |
| Investments (other than assets held for index-linked and unit-linked contracts) | R0070 | 89,474 |
| Property (other than for own use) | R0080 | 0 |
| Holdings in related undertakings, including participations | R0090 | 0 |
| Equities | R0100 | 0 |
| Equities - listed | R0110 | 0 |
| Equities - unlisted | R0120 | 0 |
| Bonds | R0130 | 0 |
| Government Bonds | R0140 | 0 |
| Corporate Bonds | R0150 | 0 |
| Structured notes | R0160 | 0 |
| Collateralised securities | R0170 | 0 |
| Collective Investments Undertakings | R0180 | 89,474 |
| Derivatives | R0190 | 0 |
| Deposits other than cash equivalents | R0200 | 0 |
| Other investments | R0210 | 0 |
| Assets held for index-linked and unit-linked contracts | R0220 | 0 |
| Loans and mortgages | R0230 | 0 |
| Loans on policies | R0240 | 0 |
| Loans and mortgages to individuals | R0250 | 0 |
| Other loans and mortgages | R0260 | 0 |
| Reinsurance recoverables from: | R0270 | -948 |
| Non-life and health similar to non-life | R0280 | -948 |
| Life and health similar to life, excluding index-linked and unit-linked | R0315 | 0 |
| Life index-linked and unit-linked | R0340 | 0 |
| Deposits to cedants | R0350 | 0 |
| Insurance and intermediaries receivables | R0360 | 7,677 |
| Reinsurance receivables | R0370 | 468 |
| Receivables (trade, not insurance) | R0380 | 0 |
| Own shares (held directly) | R0390 | 0 |

| | | |
|--|--------------|----------------|
| Amounts due in respect of own fund items or initial fund called up but not yet paid in | R0400 | 0 |
| Cash and cash equivalents | R0410 | 4,365 |
| Any other assets, not elsewhere shown | R0420 | 77 |
| Total assets | R0500 | 101,113 |
| Liabilities | | |
| Technical provisions - total | R0505 | 39,307 |
| Technical provisions - non-life | R0510 | 39,307 |
| Technical provisions - life | R0515 | 0 |
| Best estimate - total | R0542 | 38,662 |
| Best estimate - non-life | R0544 | 38,662 |
| Best estimate - life | R0546 | 0 |
| Risk margin - total | R0552 | 645 |
| Risk margin - non-life | R0554 | 645 |
| Risk margin - life | R0556 | 0 |
| Transitional (TMTP) - life | R0565 | 0 |
| Other technical provisions | R0730 | |
| Contingent liabilities | R0740 | 0 |
| Provisions other than technical provisions | R0750 | 0 |
| Pension benefit obligations | R0760 | 0 |
| Deposits from reinsurers | R0770 | 0 |
| Deferred tax liabilities | R0780 | 1,693 |
| Derivatives | R0790 | 0 |
| Debts owed to credit institutions | R0800 | 0 |
| Financial liabilities other than debts owed to credit institutions | R0810 | 0 |
| Insurance & intermediaries payables | R0820 | 5,820 |
| Reinsurance payables | R0830 | 687 |
| Payables (trade, not insurance) | R0840 | 15,580 |
| Subordinated liabilities | R0850 | 0 |
| Subordinated liabilities not in Basic Own Funds | R0860 | 0 |
| Subordinated liabilities in Basic Own Funds | R0870 | 0 |
| Any other liabilities, not elsewhere shown | R0880 | 0 |
| Total liabilities | R0900 | 63,087 |
| Excess of assets over liabilities | R1000 | 38,026 |

Premiums, claims and expenses by country

Non-life obligations

IR.05.02.01

| | | Country (by amount of gross premiums written) - non-life obligations | | Total Top 5 and home country |
|---|-------|--|-------|------------------------------|
| | | Home country | CH | |
| | | C0080 | C0090 | C0140 |
| Premiums written | | | | |
| Gross - Direct Business | R0110 | 295,850 | 0 | 295,850 |
| Gross - Proportional reinsurance accepted | R0120 | 0 | 1,335 | 1,335 |
| Gross - Non-proportional reinsurance accepted | R0130 | 0 | 0 | 0 |
| Reinsurers' share | R0140 | 181,342 | 737 | 182,079 |
| Net | R0200 | 114,508 | 598 | 115,106 |
| Premiums earned | | | | |
| Gross - Direct Business | R0210 | 273,511 | 0 | 273,511 |
| Gross - Proportional reinsurance accepted | R0220 | 0 | 1,017 | 1,017 |
| Gross - Non-proportional reinsurance accepted | R0230 | 0 | 0 | 0 |
| Reinsurers' share | R0240 | 176,497 | 599 | 177,096 |
| Net | R0300 | 97,014 | 418 | 97,432 |
| Claims incurred | | | | |
| Gross - Direct Business | R0310 | 89,609 | 0 | 89,609 |
| Gross - Proportional reinsurance accepted | R0320 | 0 | 155 | 155 |
| Gross - Non-proportional reinsurance accepted | R0330 | 0 | 0 | 0 |
| Reinsurers' share | R0340 | 54,077 | 91 | 54,168 |
| Net | R0400 | 35,532 | 64 | 35,596 |
| Net expenses incurred | R0550 | 59,619 | 312 | 59,931 |

Non-life income and expenditure

IR.05.04.02

| | | All business (including annuities stemming from accepted non-life insurance and reinsurance contracts) | | | | | | | | |
|---|-------|---|---------|---------------------------|-----------------------------|--|--|--|------------|------------------------------|
| | | All non-life business (ie excluding annuities stemming from accepted insurance and reinsurance contracts) | | | | | | | | |
| | | Line of business for non-life insurance and accepted proportional reinsurance obligations | | | | | | | | |
| | | C0010 | C0015 | C0110 | C0120 | C0150 | C0160 | C0170 | C0250 | C0260 |
| | | | | Medical expense insurance | Income protection insurance | Motor vehicle other motor insurance - personal lines | Marine, aviation and transport insurance | Fire and other damage to property insurance - personal | Assistance | Miscellaneous financial loss |
| Income | | | | | | | | | | |
| Gross written premiums | R0110 | | 297,186 | 92,830 | 20,422 | 77,396 | 83 | 35,303 | 59,735 | 11,427 |
| Gross written premiums - insurance (direct) | R0111 | | 295,850 | 91,962 | 20,422 | 77,396 | 83 | 35,303 | 59,263 | 11,427 |
| Gross written premiums - accepted reinsurance | R0113 | | 1,336 | 868 | 0 | 0 | 0 | 0 | 467 | 0 |
| Net written premiums | R0160 | | 115,106 | 39,141 | 9,814 | 19,894 | 8 | 15,773 | 25,827 | 4,648 |
| Premiums earned and provision for unearned | | | | | | | | | | |
| Gross earned premiums | R0210 | | 274,528 | 91,673 | 16,170 | 67,919 | 76 | 31,194 | 56,384 | 10,111 |
| Net earned premiums | R0220 | | 97,432 | 34,999 | 7,318 | 16,205 | 8 | 13,436 | 21,694 | 3,772 |
| Expenditure | | | | | | | | | | |
| Claims incurred | | | | | | | | | | |
| Gross (undiscounted) claims incurred | R0610 | | 89,763 | 39,509 | 2,651 | 8,969 | 30 | 9,725 | 24,880 | 3,983 |
| Gross (undiscounted) claims incurred - insurance (direct) | R0611 | | 89,609 | 39,404 | 2,651 | 8,969 | 30 | 9,725 | 24,826 | 3,983 |
| Gross (undiscounted) claims incurred - accepted reinsurance | R0612 | | 155 | 100 | 0 | 0 | 0 | 0 | 54 | 0 |
| Net (undiscounted) claims incurred | R0690 | | 35,596 | 15,566 | 1,397 | 3,260 | 1 | 3,991 | 9,821 | 1,563 |
| Net (discounted) claims incurred | R0730 | 25,595 | 35,596 | | | | | | | |
| Analysis of expenses incurred | | | | | | | | | | |
| Technical expenses incurred net of reinsurance ceded | R0910 | 59,931 | | | | | | | | |
| Acquisition costs, commissions, claims management | R0955 | 59,931 | 59,931 | 18,611 | 6,128 | 12,705 | 2 | 9,014 | 11,264 | 2,205 |
| Other expenditure | R1140 | 34 | | | | | | | | |
| Total expenditure | R1310 | 97,044 | | | | | | | | |

Own funds

IR.23.01.04

| | | Total | Tier 1 - unrestricted | Tier 1 - restricted | Tier 2 | Tier 3 |
|--|-------|--------|-----------------------|---------------------|--------|--------|
| | | C0010 | C0020 | C0030 | C0040 | C0050 |
| Basic own funds | | | | | | |
| Ordinary share capital (gross of own shares) | R0010 | 23,615 | 23,615 | | | |
| Non-available called but not paid in ordinary share capital at group level | R0020 | 0 | | | | |
| Share premium account related to ordinary share capital | R0030 | 0 | | | | |
| Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings | R0040 | 0 | | | | |
| Subordinated mutual member accounts | R0050 | 0 | | | | |
| Non-available subordinated mutual member accounts at group level | R0060 | 0 | | | | |
| Surplus funds | R0070 | 0 | | | | |
| Non-available surplus funds at group level | R0080 | 0 | | | | |
| Preference shares | R0090 | 0 | | | | |
| Non-available preference shares at group level | R0100 | 0 | | | | |
| Share premium account related to preference shares | R0110 | 0 | | | | |
| Non-available share premium account related to preference shares at group level | R0120 | 0 | | | | |
| Reconciliation reserve | R0130 | 14,411 | 14,411 | | | |
| Subordinated liabilities | R0140 | 0 | | | | |
| Non-available subordinated liabilities at group level | R0150 | 0 | | | | |
| An amount equal to the value of net deferred tax assets | R0160 | 0 | | | | |
| The amount equal to the value of net deferred tax assets not available at the group level | R0170 | 0 | | | | |
| Other items approved by the supervisory authority as basic own funds not specified above | R0180 | 0 | | | | |
| Non available own funds related to other own funds items approved by supervisory authority | R0190 | 0 | | | | |
| Minority interests (if not reported as part of a specific own fund item) | R0200 | 0 | | | | |
| Non-available minority interests at group level | R0210 | 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 | | | | | | |
| Own funds from the financial statements that should not be represented by the reconciliation | R0220 | | | | | |

| | | | | | | | |
|---|-------|--------|--------|---|---|---|---|
| reserve and do not meet the criteria to be classified as Solvency II own funds | | | | | | | |
| Deductions | | | | | | | |
| Deductions for participations where there is non-availability of information | R0250 | 0 | | | | | |
| Deduction for participations included by using D&A when a combination of methods is used | R0260 | 0 | | | | | |
| Total of non-available own fund items | R0270 | 0 | | | | | |
| Total deductions | R0280 | 0 | | | | | |
| Total basic own funds after deductions | R0290 | 38,026 | 38,026 | 0 | 0 | 0 | 0 |
| Ancillary own funds | | | | | | | |
| Unpaid and uncalled ordinary share capital callable on demand | R0300 | 0 | | | | | |
| Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand | R0310 | 0 | | | | | |
| Unpaid and uncalled preference shares callable on demand | R0320 | 0 | | | | | |
| A legally binding commitment to subscribe and pay for subordinated liabilities on demand | R0330 | 0 | | | | | |
| Letters of credit and guarantees | R0340 | 0 | | | | | |
| Letters of credit and guarantees other | R0350 | 0 | | | | | |
| Supplementary members calls | R0360 | 0 | | | | | |
| Supplementary members calls - other | R0370 | 0 | | | | | |
| Non available ancillary own funds at group level | R0380 | 0 | | | | | |
| Other ancillary own funds | R0390 | 0 | | | | | |
| Total ancillary own funds | R0400 | 0 | | | 0 | 0 | 0 |
| Own funds of other financial sectors | | | | | | | |
| Credit institutions, investment firms, financial institutions, alternative investment fund managers, UCITS management companies - total | R0410 | 0 | | | | | |
| Institutions for occupational retirement provision | R0420 | 0 | | | | | |
| Non regulated entities carrying out financial activities | R0430 | 0 | | | | | |
| Total own funds of other financial sectors | R0440 | | | | | | |
| Own funds when using the D&A, exclusively or in combination of method 1 | | | | | | | |
| Own funds aggregated when using the D&A and combination of method | R0450 | | | | | | |
| Own funds aggregated when using the D&A and combination of method net of IGT | R0460 | | | | | | |
| Total available own funds to meet the consolidated group SCR (excluding own funds from other | R0520 | 38,026 | 38,026 | 0 | 0 | 0 | 0 |

| | | | | | | |
|--|-------|--------|--------|---|---|--|
| financial sector and from the undertakings included via D&A) | | | | | | |
| Total available own funds to meet the minimum consolidated group SCR | R0530 | | | | | |
| 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) | R0560 | 38,026 | 38,026 | | | |
| Total eligible own funds to meet the minimum consolidated group SCR | R0570 | 38,026 | 38,026 | 0 | | |
| Consolidated Group SCR | R0590 | 21,595 | | | | |
| Minimum consolidated Group SCR | R0610 | 9,718 | | | | |
| Ratio of Eligible own funds to the consolidated Group SCR (excluding other financial sectors and the undertakings included via D&A) | R0630 | 1.76 | | | | |
| Ratio of Eligible own funds to Minimum Consolidated Group SCR | R0650 | 3.91 | | | | |
| Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A) | R0660 | 38,026 | 38,026 | 0 | 0 | |
| SCR for entities included with D&A method | R0670 | | | | | |
| Group SCR | R0680 | 21,595 | | | | |
| Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A | R0690 | 1.76 | | | | |

Reconciliation reserve

IR.23.01.04.02

| | | c |
|---|-------|--------|
| | | C0060 |
| Reconciliation reserve | | |
| Excess of assets over liabilities | R0700 | 38,026 |
| Own shares (held directly and indirectly) | R0710 | |
| Foreseeable dividends, distributions and charges | R0720 | |
| Deductions for participations in financial and credit institutions | R0725 | |
| Other basic own fund items | R0730 | 23,615 |
| Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds | R0740 | |
| Other non available own funds | R0750 | |
| Reconciliation reserve | R0760 | 14,411 |

Solvency Capital Requirement

IR.25.04.22

| | | c |
|---|-------|--------|
| | | C0010 |
| Net of loss-absorbing capacity of technical provisions | | |
| Market risk | R0140 | 3,405 |
| Interest rate risk | R0070 | 522 |
| Equity risk | R0080 | 10 |
| Property risk | R0090 | 0 |
| Spread risk | R0100 | 3,314 |
| Concentration risk | R0110 | 492 |
| Currency risk | R0120 | 23 |
| Other market risk | R0125 | 0 |
| Diversification within market risk | R0130 | -956 |
| Counterparty default risk | R0180 | 691 |
| Type 1 exposures | R0150 | 689 |
| Type 2 exposures | R0160 | 2 |
| Other counterparty risk | R0165 | 0 |
| Diversification within counterparty default risk | R0170 | 0 |
| Life underwriting risk | R0270 | 0 |
| Mortality risk | R0190 | 0 |
| Longevity risk | R0200 | 0 |
| Disability-Morbidity risk | R0210 | 0 |
| Life-expense risk | R0220 | 0 |
| Revision risk | R0230 | 0 |
| Lapse risk | R0240 | 0 |
| Life catastrophe risk | R0250 | 0 |
| Other life underwriting risk | R0255 | 0 |
| Diversification within life underwriting risk | R0260 | 0 |
| Total health underwriting risk | R0320 | 7,836 |
| Health SLT risk | R0280 | 0 |
| Health non SLT risk | R0290 | 7,688 |
| Health catastrophe risk | R0300 | 527 |
| Other health underwriting risk | R0305 | 0 |
| Diversification within health underwriting risk | R0310 | -379 |
| Non-life underwriting risk | R0370 | 14,023 |
| Non-life premium and reserve risk (ex catastrophe risk) | R0330 | 13,542 |
| Non-life catastrophe risk | R0340 | 1,548 |
| Lapse risk | R0350 | 625 |
| Other non-life underwriting risk | R0355 | 0 |
| Diversification within non-life underwriting risk | R0360 | -1,692 |
| Intangible asset risk | R0400 | 0 |
| Operational and other risks | R0430 | 5,374 |
| Operational risk | R0422 | 5,374 |

| | | |
|--|-------|----------|
| Other risks | R0424 | 0 |
| Total before all diversification | R0432 | 34,356 |
| Total before diversification between risk modules | R0434 | 31,329 |
| Diversification between risk modules | R0436 | -8,041 |
| Total after diversification | R0438 | 23,288 |
| Loss-absorbing capacity of technical provisions | R0440 | 0 |
| Loss-absorbing capacity of deferred taxes | R0450 | -1,693 |
| Other adjustments | R0455 | 0 |
| Solvency capital requirement including undisclosed capital add-on | R0460 | 21,595 |
| Disclosed capital add-on - excluding residual model limitation | R0472 | 0 |
| Disclosed capital add-on - residual model limitation | R0474 | 0 |
| Solvency Capital Requirement including capital add-on | R0480 | 21,595 |
| Biting interest rate scenario | R0490 | Increase |
| Biting life lapse scenario | R0495 | 0 |
| Information on other entities | | |
| Capital requirement for other financial sectors (Non-insurance capital requirements) | R0500 | 0 |
| Capital requirement for other financial sectors (Non-insurance capital requirements) - Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies | R0510 | 0 |
| Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational retirement provisions | R0520 | 0 |
| Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement for non- regulated entities carrying out financial activities | R0530 | 0 |
| Capital requirement for non-controlled participation requirements | R0540 | 0 |
| Capital requirement for residual undertakings | R0550 | 0 |
| Overall SCR | | |
| Solvency capital requirement (consolidation method) | R0555 | 21,595 |
| SCR for undertakings included via D and A | R0560 | 0 |
| SCR for sub-groups included via D and A | R0565 | 0 |
| Solvency capital requirement | R0570 | 21,595 |

Undertakings in the scope of the group
IR.32.01.22

| Identification code and type of code of the undertaking | Country | 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 establishment of consolidated accounts | % voting rights | Other criteria | Level of influence | Proportional share used for the group solvency calculation | Yes/No | Date of decision if excluded | Method used and under method 1, treatment of the undertaking |
| C0020 | C0010 | C0040 | C0050 | C0060 | C0070 | C0080 | C0180 | C0190 | C0200 | C0210 | C0220 | C0230 | C0240 | C0250 | C0260 |
| LE#2138008DN13KQ | GB | Astrenska Insurance Limited | Non-life insurance | Companies limited by shares | Non mutual | Prudential Regulation | 100.00 | 100.00 | 100.00 | | 1 | 100.00 | 1 | | Method 1: Full consolidation |
| LE#213800GWL93F | GB | Astrenska Insurance Holdings Limited | Insurance holding company as defined in the Glossary part of | Companies limited by shares | Non mutual | | | | | | | | 1 | | Method 1: Full consolidation |

Astrenska Insurance Limited (AIL)

Display currency: GBP

| List of Reported Templates (AIL) | |
|----------------------------------|---|
| IR.02.01.02 | Balance Sheet |
| IR.05.02.01 | Premiums, claims and expenses by country |
| IR.05.04.02 | Non-life income and expenditure |
| IR.17.01.02 | Non-life Technical Provisions |
| IR.19.01.21 | Non-life Insurance Claims Information |
| IR.23.01.01 | Own funds |
| IR.25.04.21 | Solvency Capital Requirement |
| IR.28.01.01 | Minimum Capital Requirement - Only non-life insurance or reinsurance activity |

Balance sheet

IR.02.01.02

| | | Solvency II value |
|--|--------------|-------------------|
| | | C0010 |
| Assets | | |
| Goodwill | R0010 | |
| Deferred acquisition costs | R0020 | |
| Intangible assets | R0030 | 0 |
| Deferred tax assets | R0040 | 0 |
| Pension benefit surplus | R0050 | 0 |
| Property, plant & equipment held for own use | R0060 | 0 |
| Investments (other than assets held for index-linked and unit-linked contracts) | R0070 | 89,474 |
| Property (other than for own use) | R0080 | 0 |
| Holdings in related undertakings, including participations | R0090 | 0 |
| Equities | R0100 | 0 |
| Equities - listed | R0110 | 0 |
| Equities - unlisted | R0120 | 0 |
| Bonds | R0130 | 0 |
| Government Bonds | R0140 | 0 |
| Corporate Bonds | R0150 | 0 |
| Structured notes | R0160 | 0 |
| Collateralised securities | R0170 | 0 |
| Collective Investments Undertakings | R0180 | 89,474 |
| Derivatives | R0190 | 0 |
| Deposits other than cash equivalents | R0200 | 0 |
| Other investments | R0210 | 0 |
| Assets held for index-linked and unit-linked contracts | R0220 | 0 |
| Loans and mortgages | R0230 | 0 |
| Loans on policies | R0240 | 0 |
| Loans and mortgages to individuals | R0250 | 0 |
| Other loans and mortgages | R0260 | 0 |
| Reinsurance recoverables from: | R0270 | -948 |
| Non-life and health similar to non-life | R0280 | -948 |
| Life and health similar to life, excluding index-linked and unit-linked | R0315 | 0 |
| Life index-linked and unit-linked | R0340 | 0 |
| Deposits to cedants | R0350 | 0 |
| Insurance and intermediaries receivables | R0360 | 7,677 |
| Reinsurance receivables | R0370 | 468 |
| Receivables (trade, not insurance) | R0380 | 0 |
| Own shares (held directly) | R0390 | 0 |
| Amounts due in respect of own fund items or initial fund called up but not yet paid in | R0400 | 0 |
| Cash and cash equivalents | R0410 | 4,365 |
| Any other assets, not elsewhere shown | R0420 | 77 |
| Total assets | R0500 | 101,113 |
| Liabilities | | |
| Technical provisions - total | R0505 | 39,307 |

| | | |
|--|-------|--------|
| Technical provisions - non-life | R0510 | 39,307 |
| Technical provisions - life | R0515 | 0 |
| Best estimate - total | R0542 | 38,662 |
| Best estimate - non-life | R0544 | 38,662 |
| Best estimate - life | R0546 | 0 |
| Risk margin - total | R0552 | 645 |
| Risk margin - non-life | R0554 | 645 |
| Risk margin - life | R0556 | 0 |
| Transitional (TMTP) - life | R0565 | 0 |
| Other technical provisions | R0730 | |
| Contingent liabilities | R0740 | 0 |
| Provisions other than technical provisions | R0750 | 0 |
| Pension benefit obligations | R0760 | 0 |
| Deposits from reinsurers | R0770 | 0 |
| Deferred tax liabilities | R0780 | 1,693 |
| Derivatives | R0790 | 0 |
| Debts owed to credit institutions | R0800 | 0 |
| Financial liabilities other than debts owed to credit institutions | R0810 | 0 |
| Insurance & intermediaries payables | R0820 | 5,820 |
| Reinsurance payables | R0830 | 687 |
| Payables (trade, not insurance) | R0840 | 15,580 |
| Subordinated liabilities | R0850 | 0 |
| Subordinated liabilities not in Basic Own Funds | R0860 | 0 |
| Subordinated liabilities in Basic Own Funds | R0870 | 0 |
| Any other liabilities, not elsewhere shown | R0880 | 0 |
| Total liabilities | R0900 | 63,087 |
| Excess of assets over liabilities | R1000 | 38,026 |

Premiums, claims and expenses by country

Non-life obligations

IR.05.02.01

| | | Home country | | Country (by amount of gross premiums written) - non-life obligations | | Total Top 5 and home country |
|---|-------|--------------|-------|--|---------|------------------------------|
| | | C0080 | CH | C0090 | C0140 | |
| | | | | | | |
| Premiums written | | | | | | |
| Gross - Direct Business | R0110 | 295,850 | 0 | 0 | 295,850 | |
| Gross - Proportional reinsurance accepted | R0120 | 0 | 1,335 | 0 | 1,335 | |
| Gross - Non-proportional reinsurance accepted | R0130 | 0 | 0 | 0 | 0 | |
| Reinsurers' share | R0140 | 181,342 | 737 | 0 | 182,079 | |
| Net | R0200 | 114,508 | 598 | 0 | 115,106 | |
| Premiums earned | | | | | | |
| Gross - Direct Business | R0210 | 273,511 | 0 | 0 | 273,511 | |
| Gross - Proportional reinsurance accepted | R0220 | 0 | 1,017 | 0 | 1,017 | |
| Gross - Non-proportional reinsurance accepted | R0230 | 0 | 0 | 0 | 0 | |
| Reinsurers' share | R0240 | 176,497 | 599 | 0 | 177,096 | |
| Net | R0300 | 97,014 | 418 | 0 | 97,432 | |
| Claims incurred | | | | | | |
| Gross - Direct Business | R0310 | 89,609 | 0 | 0 | 89,609 | |
| Gross - Proportional reinsurance accepted | R0320 | 0 | 155 | 0 | 155 | |
| Gross - Non-proportional reinsurance accepted | R0330 | 0 | 0 | 0 | 0 | |
| Reinsurers' share | R0340 | 54,077 | 91 | 0 | 54,168 | |
| Net | R0400 | 35,532 | 64 | 0 | 35,596 | |
| Net expenses incurred | R0550 | 59,619 | 312 | 0 | 59,931 | |

Non-life income and expenditure

IR.05.04.02

| | | All business (including annuities stemming from accepted non-life insurance and reinsurance contracts) | | | | | | | | | |
|---|-------|--|---------|-----------------------------|--------|---|-------|--|--------|------------|------------------------------|
| | | All non-life business (excluding annuities stemming from accepted insurance and reinsurance contracts) | | | | | | | | | |
| | | Medical expense insurance | | Income protection insurance | | Line of business for non-life insurance and accepted proportional reinsurance obligations | | Fire and other damage to property insurance - personal | | Assistance | Miscellaneous financial loss |
| | | 00050 | 00055 | 00150 | 00155 | 00150 | 00155 | 00160 | 00170 | 00250 | 00260 |
| Income | | | | | | | | | | | |
| Premiums written | | | | | | | | | | | |
| Gross written premiums | R0110 | | 297,384 | 92,830 | 20,422 | 77,396 | 83 | 35,303 | 59,735 | 11,417 | |
| Gross written premiums - insurance (direct) | R0111 | | 295,850 | 91,962 | 20,422 | 77,396 | 83 | 35,303 | 59,268 | 11,417 | |
| Gross written premiums - accepted reinsurance | R0113 | | 1,336 | 868 | 0 | 0 | 0 | 0 | 467 | 0 | |
| Net written premiums | R0140 | | 115,106 | 39,141 | 9,814 | 19,894 | 8 | 15,773 | 29,827 | 4,648 | |
| Premiums earned and provision for unearned | | | | | | | | | | | |
| Gross earned premiums | R0210 | | 274,528 | 91,673 | 16,170 | 67,919 | 76 | 32,195 | 56,384 | 10,111 | |
| Net earned premiums | R0210 | | 97,482 | 34,999 | 7,318 | 16,205 | 8 | 13,436 | 21,694 | 3,772 | |
| Expenditure | | | | | | | | | | | |
| Claims incurred | | | | | | | | | | | |
| Gross (undiscounted) claims incurred | R0610 | | 89,763 | 39,525 | 2,651 | 8,989 | 30 | 9,725 | 24,880 | 3,983 | |
| Gross (undiscounted) claims incurred - insurance (direct) | R0611 | | 89,609 | 39,404 | 2,651 | 8,989 | 30 | 9,725 | 24,826 | 3,983 | |
| Gross (undiscounted) claims incurred - accepted reinsurance | R0612 | | 155 | 100 | 0 | 0 | 0 | 0 | 54 | 0 | |
| Net (undiscounted) claims incurred | R0690 | | 35,595 | 15,566 | 1,397 | 3,250 | 3 | 3,991 | 9,823 | 1,568 | |
| Net (undiscounted) claims incurred | R0730 | | 35,595 | | | | | | | | |
| Analysis of expenses incurred | | | | | | | | | | | |
| Technical expenses incurred net of reinsurance ceded | R0910 | | 59,586 | | | | | | | | |
| Acquisition costs, commissions, claims management | R0985 | | 59,931 | 18,611 | 6,128 | 12,705 | 2 | 9,016 | 11,264 | 2,205 | |
| Other expenditure | | | | | | | | | | | |
| Other expenses | R1140 | | 34 | | | | | | | | |
| Total expenditure | R1310 | | 97,048 | | | | | | | | |

Non-life technical provisions

IR.17.01.02

| | | Direct business and accepted proportional reinsurance | | | | | | | Total Non-Life obligation |
|---|-------|---|--------|-----------------------------|--------|-----------------------|--------|--|---------------------------|
| | | Medical expense insurance | | Income protection insurance | | Other motor insurance | | Marine, aviation and transport insurance | |
| | | 00050 | 00055 | 00060 | 00070 | 00080 | 00120 | 00130 | |
| Best estimate | | | | | | | | | |
| Premium provisions | | | | | | | | | |
| Gross - Total | R0060 | | 4,356 | -1,736 | 2,877 | -6 | 1,563 | 6,356 | 890 |
| Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default | R0140 | | -6,897 | -1,117 | -1,029 | -7 | -1,650 | -8,974 | -513 |
| Net Best Estimate of Premium Provisions | R0150 | | 11,254 | -619 | 3,907 | 1 | 3,183 | 10,330 | 1,403 |
| Claims provisions | | | | | | | | | |
| Gross - Total | R0160 | | 10,815 | 2,271 | 1,439 | 7 | 2,851 | 6,150 | 829 |
| Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default | R0240 | | 6,497 | 1,091 | 916 | 7 | 1,557 | 3,690 | 472 |
| Net Best Estimate of Claims Provisions | R0250 | | 4,318 | 1,180 | 523 | 1 | 1,313 | 2,461 | 357 |
| Total Best estimate - gross | R0260 | | 15,171 | 534 | 4,317 | 1 | 4,434 | 12,506 | 1,719 |
| Total Best estimate - net | R0270 | | 15,571 | 580 | 4,430 | 1 | 4,496 | 12,790 | 1,760 |
| Risk margin | R0280 | | 155 | 57 | 98 | 0 | 123 | 151 | 60 |
| Technical provisions - total (best estimate plus risk margin) | | | | | | | | | |
| Technical provisions - total recoverable from reinsurance/counterparty and finite re after the adjustment for expected losses due to counterparty default | R0320 | | 15,326 | 592 | 4,413 | 1 | 4,536 | 12,657 | 1,779 |
| Technical provisions minus RECOVERAB from reinsurance/SPV and Finite Re - total | R0340 | | -400 | -26 | -113 | 0 | -83 | -284 | -41 |
| Technical provisions minus RECOVERAB from reinsurance/SPV and Finite Re - total | R0340 | | 15,726 | 618 | 4,528 | 1 | 4,619 | 12,942 | 1,820 |

Total (no breakdown by currency)
 Non-life claim development
 01.19.01.21

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

| Pctnr | Rf/Rd | Development Year | | | | | | | | | | | |
|-------|-------|------------------|--------|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11+ |
| | | C0030 | C0030 | C0030 | C0030 | C0030 | C0030 | C0030 | C0030 | C0030 | C0030 | C0030 | C0030 |
| N-10 | Rf050 | 191 | 3.534 | 10.653 | 417 | 344 | 52 | 73 | -5 | 5 | 10 | 0 | 0 |
| N-9 | Rf060 | 323 | 17.327 | 5.591 | 1.761 | 430 | 35 | 13 | 24 | 2 | -23 | 0 | 0 |
| N-8 | Rf070 | 576 | 12.808 | 10.381 | 2.522 | 104 | -39 | 5 | 3 | 0 | 0 | 0 | 0 |
| N-7 | Rf080 | 501 | 10.634 | 3.274 | 1.019 | 36 | 23 | 16 | 11 | 0 | 0 | 0 | 0 |
| N-6 | Rf090 | 415 | 3.632 | 5.639 | 1.751 | 41 | 3 | -20 | 0 | 0 | 0 | 0 | 0 |
| N-5 | Rf000 | 198 | 2.231 | 4.527 | 988 | -11 | 4 | 0 | 0 | 0 | 0 | 0 | 0 |
| N-4 | Rf010 | 429 | 3.302 | 0.681 | 1.250 | 225 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| N-3 | Rf000 | 790 | 31.746 | 31.177 | 2.434 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| N-2 | Rf030 | 636 | 48.481 | 29.309 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| N-1 | Rf040 | 1.207 | 51.955 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| N | Rf020 | 1.629 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Gross undiscounted Best Estimate Claims Provisions - Development year (absolute amount)

| Pctnr | Rf/Rd | Development Year | | | | | | | | | | | |
|-------|-------|------------------|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11+ |
| | | C0200 | C0210 | C0220 | C0230 | C0240 | C0250 | C0260 | C0270 | C0280 | C0290 | C0300 | C0300 |
| N-10 | Rf050 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| N-9 | Rf060 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 10 | 0 |
| N-8 | Rf070 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3 | 0 |
| N-7 | Rf080 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 203 | 0 | 0 | 0 |
| N-6 | Rf090 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| N-5 | Rf000 | 0 | 0 | 0 | 0 | 0 | 0 | 13 | 0 | 0 | 0 | 0 | 0 |
| N-4 | Rf010 | 0 | 0 | 0 | 0 | 0 | 158 | 0 | 0 | 0 | 0 | 0 | 0 |
| N-3 | Rf020 | 0 | 0 | 0 | 743 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| N-2 | Rf030 | 0 | 0 | 2.529 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| N-1 | Rf040 | 0 | 17.529 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| N | Rf020 | 3.600 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Gross Claims Paid (non-cumulative) - Current year, sum of years (cumulative)

| Pctnr | Rf/Rd | In Current year | | Sum of years (cumulative) | |
|-------|-------|-----------------|-----------|---------------------------|------------|
| | | C0030 | C0030 | C0030 | C0030 |
| N-10 | Rf050 | 0.00 | 0.00 | 0.00 | 0.00 |
| N-9 | Rf060 | 0.00 | 0.00 | 21.329.00 | 21.329.00 |
| N-8 | Rf070 | -21.00 | -21.00 | 24.203.00 | 24.203.00 |
| N-7 | Rf080 | 0.00 | 0.00 | 26.358.00 | 26.358.00 |
| N-6 | Rf090 | 11.00 | 11.00 | 21.775.00 | 21.775.00 |
| N-5 | Rf000 | -30.00 | -30.00 | 13.644.00 | 13.644.00 |
| N-4 | Rf010 | 4.00 | 4.00 | 7.588.00 | 7.588.00 |
| N-3 | Rf020 | 2.225.00 | 2.225.00 | 15.887.00 | 15.887.00 |
| N-2 | Rf030 | 2.434.00 | 2.434.00 | 67.547.00 | 67.547.00 |
| N-1 | Rf040 | 23.309.00 | 23.309.00 | 78.405.00 | 78.405.00 |
| N | Rf020 | 51.955.00 | 51.955.00 | 53.025.00 | 53.025.00 |
| Total | Rf000 | 1.629.00 | 1.629.00 | 1.629.00 | 1.629.00 |
| Total | Rf000 | 85.525.00 | 85.525.00 | 331.713.00 | 331.713.00 |

Gross discounted Best Estimate Claims Provisions - Current year

| Pctnr | Rf/Rd | Year end (discounted data) | |
|-------|-------|----------------------------|-----------|
| | | C0160 | C0160 |
| N-10 | Rf050 | 2.02 | 2.02 |
| N-9 | Rf060 | 10.00 | 10.00 |
| N-8 | Rf070 | 1.02 | 1.02 |
| N-7 | Rf080 | 203.00 | 203.00 |
| N-6 | Rf090 | 0.00 | 0.00 |
| N-5 | Rf000 | 13.00 | 13.00 |
| N-4 | Rf010 | 158.00 | 158.00 |
| N-3 | Rf020 | 724.00 | 724.00 |
| N-2 | Rf030 | 2.491.00 | 2.491.00 |
| N-1 | Rf040 | 17.282.00 | 17.282.00 |
| N | Rf020 | 3.495.00 | 3.495.00 |
| Total | Rf000 | 24.382.00 | 24.382.00 |

Own funds
IR.23.01.01

| | | Total | Tier 1 - unrestricted | Tier 1 - restricted | Tier 2 | Tier 3 |
|--|--------------|---------------|--------------------------|---------------------|----------|----------|
| | | C0010 | C0020 | C0030 | C0040 | C0050 |
| Basic own funds | | | | | | |
| Ordinary share capital (gross of own shares) | R0010 | 16,000 | 16,000 | | 0 | |
| Share premium account related to ordinary share capital | R0030 | 0 | 0 | | 0 | |
| Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings | R0040 | 0 | 0 | | 0 | |
| Subordinated mutual member accounts | R0050 | 0 | | 0 | 0 | 0 |
| Surplus funds | R0070 | 0 | 0 | | | |
| Preference shares | R0090 | 0 | | 0 | 0 | 0 |
| Share premium account related to preference shares | R0110 | 0 | | 0 | 0 | 0 |
| Reconciliation reserve | R0130 | 22,026 | 22,026 | | | |
| Subordinated liabilities | R0140 | 0 | | 0 | 0 | 0 |
| An amount equal to the value of net deferred tax assets | R0160 | 0 | | | | 0 |
| Other own fund items approved by the supervisory authority as basic own funds not specified above | R0180 | 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 | | | | | | |
| 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 | 0 | | | | |
| Total basic own funds | R0290 | 38,026 | 38,026 | 0 | 0 | 0 |
| Ancillary own funds | | | | | | |
| Unpaid and uncalled ordinary share capital callable on demand | R0300 | 0 | | | 0 | |
| Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand | R0310 | 0 | | | 0 | |
| Unpaid and uncalled preference shares callable on demand | R0320 | 0 | | | 0 | 0 |
| A legally binding commitment to subscribe and pay for subordinated liabilities on demand | R0330 | 0 | | | 0 | 0 |
| Letters of credit and guarantees | R0340 | 0 | | | 0 | |
| Letters of credit and guarantees other | R0350 | 0 | | | 0 | 0 |
| Supplementary members calls | R0360 | 0 | | | 0 | |
| Supplementary members calls - other | R0370 | 0 | | | 0 | 0 |

| | | | | | | |
|---|-------|--------|--------|---|---|---|
| Other ancillary own funds | R0390 | 0 | | | 0 | 0 |
| Total ancillary own funds | R0400 | 0 | | | 0 | 0 |
| Available and eligible own funds | | | | | | |
| Total available own funds to meet the SCR | R0500 | 38,026 | 38,026 | 0 | 0 | 0 |
| Total available own funds to meet the MCR | R0510 | 38,026 | 38,026 | 0 | 0 | |
| Total eligible own funds to meet the SCR | R0540 | 38,026 | 38,026 | 0 | 0 | 0 |
| Total eligible own funds to meet the MCR | R0550 | 38,026 | 38,026 | 0 | 0 | |
| SCR | R0580 | 21,595 | | | | |
| MCR | R0600 | 9,718 | | | | |
| Ratio of Eligible own funds to SCR | R0620 | 1.76 | | | | |
| Ratio of Eligible own funds to MCR | R0640 | 3.91 | | | | |

| |
|-------------------------------|
| Reconciliation reserve |
|-------------------------------|

IR.23.01.01.02

| | | |
|---|-------|--------|
| | | c |
| | | C0060 |
| Reconciliation reserve | | |
| Excess of assets over liabilities | R0700 | 38,026 |
| Own shares (held directly and indirectly) | R0710 | 0 |
| Foreseeable dividends, distributions and charges | R0720 | 0 |
| Deductions for participations in financial and credit institutions | R0725 | 0 |
| Other basic own fund items | R0730 | 16,000 |
| Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds | R0740 | 0 |
| Reconciliation reserve | R0760 | 22,026 |

| Solvency Capital Requirement | | |
|---|-------|--------|
| IR.25.04.21 | | |
| | | C0010 |
| Net of loss-absorbing capacity of technical provisions | | |
| Market risk | R0140 | 3,405 |
| Interest rate risk | R0070 | 522 |
| Equity risk | R0080 | 10 |
| Property risk | R0090 | 0 |
| Spread risk | R0100 | 3,314 |
| Concentration risk | R0110 | 492 |
| Currency risk | R0120 | 23 |
| Other market risk | R0125 | 0 |
| Diversification within market risk | R0130 | -956 |
| Counterparty default risk | R0180 | 691 |
| Type 1 exposures | R0150 | 689 |
| Type 2 exposures | R0160 | 2 |
| Other counterparty risk | R0165 | 0 |
| Diversification within counterparty default risk | R0170 | 0 |
| Life underwriting risk | R0270 | 0 |
| Mortality risk | R0190 | 0 |
| Longevity risk | R0200 | 0 |
| Disability-Morbidity risk | R0210 | 0 |
| Life-expense risk | R0220 | 0 |
| Revision risk | R0230 | 0 |
| Lapse risk | R0240 | 0 |
| Life catastrophe risk | R0250 | 0 |
| Other life underwriting risk | R0255 | 0 |
| Diversification within life underwriting risk | R0260 | 0 |
| Total health underwriting risk | R0320 | 7,836 |
| Health SLT risk | R0280 | 0 |
| Health non SLT risk | R0290 | 7,688 |
| Health catastrophe risk | R0300 | 527 |
| Other health underwriting risk | R0305 | 0 |
| Diversification within health underwriting risk | R0310 | -379 |
| Non-life underwriting risk | R0370 | 14,023 |
| Non-life premium and reserve risk (ex catastrophe risk) | R0330 | 13,542 |
| Non-life catastrophe risk | R0340 | 1,548 |
| Lapse risk | R0350 | 625 |
| Other non-life underwriting risk | R0355 | 0 |
| Diversification within non-life underwriting risk | R0360 | -1,692 |
| Intangible asset risk | R0400 | 0 |
| Operational and other risks | R0430 | 5,374 |
| Operational risk | R0422 | 5,374 |
| Other risks | R0424 | 0 |
| Total before all diversification | R0432 | 34,356 |
| Total before diversification between risk modules | R0434 | 31,329 |
| Diversification between risk modules | R0436 | -8,041 |
| Total after diversification | R0438 | 23,288 |
| Loss-absorbing capacity of technical provisions | R0440 | 0 |

| | | |
|---|-------|----------|
| Loss-absorbing capacity of deferred taxes | R0450 | -1,693 |
| Other adjustments | R0455 | 0 |
| Solvency capital requirement including undisclosed capital add-on | R0460 | 21,595 |
| Disclosed capital add-on - excluding residual model limitation | R0472 | 0 |
| Disclosed capital add-on - residual model limitation | R0474 | 0 |
| Solvency capital requirement including capital add-on | R0480 | 21,595 |
| Biting interest rate scenario | R0490 | Increase |
| Biting life lapse scenario | R0495 | |

Minimum Capital Requirement - Only life or only non-life activity
Minimum Capital Requirement - Only life or only non-life activity - Linear formula component

IR.28.01.01

| | | MCR components |
|--------------|-------|----------------|
| | | C0010 |
| MCRNL Result | R0010 | 12,380 |

Background information

| | | Background information | |
|--|-------|---|---|
| | | Net (of reinsurance/SPV) best estimate and TP calculated as a whole | Net (of reinsurance) written premiums in the last 12 months |
| | | C0020 | C0030 |
| Medical expense insurance and proportional reinsurance | R0020 | 15,571 | 39,159 |
| Income protection insurance and proportional reinsurance | R0030 | 560 | 9,814 |
| Workers' compensation insurance and proportional reinsurance | R0040 | 0 | 0 |
| Motor vehicle liability insurance and proportional reinsurance | R0050 | 0 | 0 |
| Other motor insurance and proportional reinsurance | R0060 | 4,430 | 19,894 |
| Marine, aviation and transport insurance and proportional reinsurance | R0070 | 1 | 8 |
| Fire and other damage to property insurance and proportional reinsurance | R0080 | 4,496 | 15,762 |
| General liability insurance and proportional reinsurance | R0090 | 0 | 0 |
| Credit and suretyship insurance and proportional reinsurance | R0100 | 0 | 0 |
| Legal expenses insurance and proportional reinsurance | R0110 | 0 | 0 |
| Assistance and proportional reinsurance | R0120 | 12,790 | 25,838 |
| Miscellaneous financial loss insurance and proportional reinsurance | R0130 | 1,760 | 4,648 |
| Non-proportional health reinsurance | R0140 | 0 | 0 |
| Non-proportional casualty reinsurance | R0150 | 0 | 0 |
| Non-proportional marine, aviation and transport reinsurance | R0160 | 0 | 0 |
| Non-proportional property reinsurance | R0170 | 0 | 0 |

Minimum Capital Requirement - Only life or only non-life activity - Linear formula component

| | | c |
|-------------|-------|-------|
| | | C0040 |
| MCRL Result | R0200 | 0 |

Total capital at risk for all life (re)insurance obligations

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

Minimum Capital Requirement - Only life or only non-life activity - Overall MCR calculation

| | | c |
|-----------------------------|-------|--------|
| | | C0070 |
| Linear MCR | R0300 | 12,380 |
| SCR | R0310 | 21,595 |
| MCR cap | R0320 | 9,718 |
| MCR floor | R0330 | 5,399 |
| Combined MCR | R0340 | 9,718 |
| Absolute floor of the MCR | R0350 | 3,500 |
| Minimum Capital Requirement | R0400 | 9,718 |

Glossary

| Item | Description |
|-----------|--------------------------------------|
| AFR | Actuarial Function Report |
| AIHL | Astrenska Insurance Holdings Limited |
| AIL | Astrenska Insurance Limited |
| AOF | Ancillary Own Funds |
| AP | Approved Persons |
| AR's | Appointed Representatives |
| ARCC | Audit, Risk and Compliance Committee |
| BBNI | Bound But Not Incepted |
| BEL | Best Estimate Liabilities |
| Board | AIL / AIHL Board |
| BOF | Basic Own Funds |
| BSCR | Base Solvency Capital Requirement |
| CF | Controlled Function |
| CIEL | Collinson Insurance Europe Limited |
| CIHL | Collinson Insurance Holdings Limited |
| CISL | Collinson Insurance Services Limited |
| Collinson | The Collinson Group |
| COO | Chief Operating Officer |
| CV | Curriculum Vitae |
| DBS | Disclosure and Barring Services |
| EBS | Economic Balance Sheet |

| | |
|------|---|
| ENID | Events Not In Data |
| FCA | Financial Conduct Authority |
| FLOD | First Line of Defence |
| GWP | Gross Written Premium |
| FRS | Financial Reporting Standards |
| GAAP | UK General Accepted Accounting Principles |
| I&A | Insurance and Assistance Division |
| MCR | Minimum Capital Requirement |
| MI | Management Information |
| NED | Non-Executive Director |
| ORSA | Own Risk and Solvency Assessment |
| PGC | Product Governance Committee |
| PRA | Prudential Regulation Authority |
| QRT | Quantitative Reporting Template |
| SCR | Solvency Capital Requirement |
| SII | Solvency II |
| SIMF | Senior Insurance Manager Function |
| SLOD | Second Line of Defence |
| SPV | Special Purpose Vehicle |
| TP's | Technical Provision |
| UEPR | Unearned Premium |
| UK | United Kingdom |
| USP | Undertaking Specific Parameters |

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