

Canal & River Reinsurance DAC

Solvency and Financial Condition Report

For Financial Year Ended 31st March 2018 (the “reporting period”)

Executive Summary

Canal & River Reinsurance DAC (“the Company” or “the undertaking”) is a captive reinsurance company domiciled in Ireland, which forms part of the Canal & River Trust and is regulated by the Central Bank of Ireland.

The purpose of this report is to satisfy the public disclosure requirements under the European Union (Insurance & Reinsurance) Regulations 2015 including the applicable European Commission Delegated Regulations and European Commission Implementing Regulations.

The primary strategic objective and purpose of the Company is to support the risk management and risk transfer programs of the Canal & River Trust and its subsidiaries. As a captive reinsurance company, it is an efficient mechanism for the Canal & River Trust to retain risk, which they can afford to retain due to the size of their balance sheet and levels of sustainable profitability.

This report provides the reader with a more in depth look at the Company’s business and performance, systems of governance, risk profile and solvency and capital positions.

The Company has recorded a profit after tax of £42k over the reporting period. The Company has also complied with all aspects of the Solvency II Regulations.

The Company has chosen not to offer renewal terms for all programs from 1st April 2017, but will continue to manage the orderly run-off of all claims.

There have been no material changes to the Company’s business and performance, system of governance, risk profile, valuation for solvency purposes and capital management over the reporting period.

Where there is, limited detail provided in a particular section, a proportionate approach has been taken due to the scale, nature and complexity of the Company.

Section A: Business and Performance

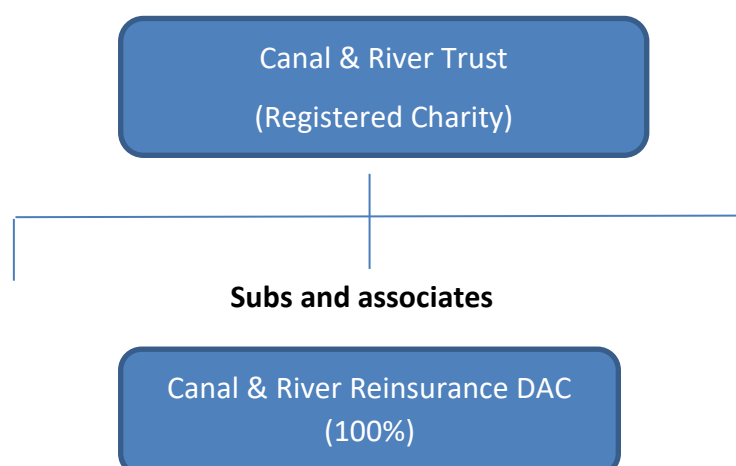
A.1 Business

- (a) The name and legal form of the undertaking is Canal & River Reinsurance Designated Activity Company.
- (b) The name and contact details of the supervisory authority responsible for financial supervision of the undertaking is the Insurance Supervision Division of the Central Bank of Ireland, North Wall Quay, Spencer Dock, PO Box 11517, Dublin 1, Ireland. Telephone: +353 1 224 6000.
- (c) The name and contact details of the external auditor of the undertaking is Mazars, Harcourt Centre, Block 3 Harcourt Road, Dublin 2, Ireland. Telephone +353 1 449 4400.
- (d) The undertaking is 100% owned by the Canal & River Trust.
- (e) Details of the undertaking's position within the legal structure of Canal & River Trust is summarised below;
- (f) The Company's material geographical area where it carries out its business is the United Kingdom and a summary of all licenced lines of business are:



- (g) The Company has chosen not to offer renewal terms for all programs from 1st April 2017, but will continue to manage the orderly run-off of all claims.

A.1.1 Group Structure



A.2 Underwriting Performance

The underwriting performance of the Company has been positive with underwriting profit reported of £212,440 over the reporting period, compared to an underwriting profit of £236,884 over the previous reporting period. As all lines of business are considered material an analysis of the performance is summarised as follows:

31st March 2018

Line of Business	Total	Liability	Property	Motor
Underwriting Income	-	-	-	-
Underwriting Expenses	169,175	109,139	38,421	21,615
Investment Return	43,264	-	-	-
Underwriting Profit	212,440	109,139	38,421	21,615

31st March 2017

Line of Business	Total	Liability	Property	Motor
Underwriting Income	879,000	571,000	178,000	130,000
Underwriting Expenses	(698,432)	(585,982)	(34,370)	(78,080)
Investment Return	56,316			
Underwriting Profit	236,884	(14,982)	143,630	51,920

A.3 Investment Performance

- (a) The Company maintains its investments in short term deposits with EU regulated credit institutions. The income on these investments over the reporting period was £43,264 compared to £56,316 over the previous reporting period.

The below table summarizes the deposits by counterparty together with interest income as reported in the financial statements.

	2018	2017	Variance
Bank 1 Call Account	69,720	53,311	16,409
Bank 1 Current Account	24,956	3,417	21,539
Bank 1 Deposit Accounts	1,197,643	860,717	336,926
Bank 2 Deposit Account	-	88,637	-88,637
Bank 3 Business Reserve	2,303	2,202	101
Bank 3 Deposit Accounts	3,918,886	4,562,046	-643,160
	5,213,508	5,570,330	-356,822
Interest Income	43,264	56,316	-13,052

- (b) No gains or losses were recognised directly in equity.

(c) The Company had no investments in securitisations, during the reporting period or previous reporting period.

A.4 Performance of other activities

There have been no other significant activities undertaken by the Company other than its captive reinsurance activities.

A.5 Any other information

There have been no other material developments regarding the business and performance of the Company during the reporting period.

Section B: System of Governance

B.1 General Information on the System of Governance

(a) As a captive reinsurance entity, the Company has no direct employees and all key functions, whilst outsourced, are the responsibility of the Board – refer to further paragraphs within this section for additional information on outsourcing. The Board consists of very senior individuals within the Canal & River Trust and an independent director who is a very experienced reinsurance professional. Given the size, nature and complexity of the Company, the establishment of Board Sub-committees has not been necessary.

The Company is classified as a Low Risk Impact firm under the Central Bank of Ireland risk-based framework for the supervision of regulated firms, known as PRISM (Probability Risk and Impact System). The Company is subject to the Central Bank of Ireland's Corporate Governance Requirements for Captive Insurance and Captive Reinsurance Undertakings 2015.

The Company's Board has ultimate responsibility for the oversight of the business and sets its strategy and risk appetite. The Board also has responsibility for ensuring that an adequate and effective system of internal controls is maintained in the Company. The Company is committed to high standards of Corporate Governance. The Company takes a risk based approach to the system of governance taking into consideration the nature, scale and complexity of its business.

The Board has three directors who meet formally at least twice annually and there is additional interaction between members of the Board throughout each financial year:

- **Mr James Deeny**, Independent Non-Executive Director
- **Mr Ian Jarvis**, Non-Executive Director
- **Ms Sandra Kelly**, Chairperson and Non-Executive Director
- **Mr Larry Sherin**, Non-Executive Director; Resigned 1st August 2017

A suite of policy documentation and checklists supports the corporate governance regime of the business ensuring robust procedures and a strong internal control environment at all times. Oversight controls around key business processes and outsourced activities are a focus of the work undertaken by the Internal Audit function.

The Board of Directors also undertakes completion of an annual Board performance questionnaire. The results of the questionnaire are tabled at the next Board meeting for discussion and consideration.

- (a) No material changes in the system of governance have taken place over the reporting period.
- (b) Due to the scale, nature and complexity of the Company, with no full-time employees, the Company has not required the establishment of a remuneration policy. Only independent directors are remunerated by the Company for their services as director. All directors are entitled to reimbursement by the Company of their reasonable normal business expenses.
- (c) As a captive reinsurance entity it is common to have material transactions with its shareholders. The Company has no direct transactions with its shareholder but does provide reinsurance to several insurance companies covering the Canal & River Trust and its subsidiaries.

B.2 Fit and Proper Requirements

(a) The Company has adopted a Fitness and Probity Policy which sets out the due diligence checks that must be performed in accordance with the Central Bank of Ireland's Guidance on Fitness and Probity Standards. The Company recognises the importance and value of the fit and proper requirements and it has a system in place to review the ability, competence, skills and integrity of candidates for a position on the Board or for other Key Functions.

Selection and recruitment process for Key Function Holders (referred to as Pre-Approval Control Functions or PCF's):

- A written job description outlining the duties and responsibilities for the role.
 - An assessment of the level of fitness and probity required for the role.
 - Capture fitness and probity due diligence referred to below.
 - Upon Central Bank of Ireland approval, letter of appointment issued and training provided.
- (b) The processes for assessing the fitness and the propriety of the persons in PCF positions is summarised as follows:
- The Company conducts its own fitness and probity due diligence before proposing a person for appointment to a PCF. The due diligence required is referenced within the Central Bank of Ireland's Guidance on Fitness and Probity Standards. The following is captured:
 - Evidence of a relevant professional qualification.
 - Confirmation of continuous professional development.
 - Evidence of professional membership of an organisation (where applicable).
 - Reference checks.
 - Review record of previous experience, including a review of curriculum vitae.

- Record of experience gained outside the State (where applicable) –consider the extent to which the person can demonstrate competency that relates specifically to the function within the State.
 - Review of list of directorships and concurrent responsibilities.
 - Checks are also undertaken with the Regulator, Companies House and a judgment debt check is performed.
 - Signed Fitness and Probity declarations.
 - Individual Questionnaire.
- A PCF holder from the Company will review the Individual Questionnaire, complete a declaration on behalf of the Company and submit the Individual Questionnaire to the Central Bank of Ireland for assessment.
 - As part of the continuing obligations, annual declarations are sought from all PCF's, each PCF file is reviewed and an annual PCF return is submitted to the Central Bank of Ireland via the online reporting system.

B.3 Risk Management System

- (a) The Company has established a number of risk management policies including: Risk Appetite Statement which includes an escalation procedure, Operational Risk Policy and Capital Risk and Capital Management Policy. The Company defines operational risk as the risk of loss arising from people, processes or systems, or external events. This includes risks such as regulatory risk and such operational risks of fraud risk, IT risk, market risk and reputational risk. It excludes quantifiable risks. Quantifiable risks are set out in the Company's Risk Appetite Statement. The Risk Appetite Statement is subject to a detailed annual review by the Board. The Company aims for zero operational risk loss events, and whilst such risk cannot be eliminated completely, the strategy is to minimise such risk through a robust governance framework, systems and controls.
- (b) The risk management system including the risk management function are implemented and integrated into the organisational structure and decision-making processes of the Company via:
- review and ongoing maintenance of risk related policies by the Board
 - adherence with and annual review of the Company's Risk Appetite Statement
 - adequately resourced critical functions of risk management, compliance and actuarial staffed by experienced professionals
 - adequately resourced internal audit function with a regular review cycle
 - business continuity planning
 - succession plan for key roles
 - quarterly underwriting and financial reporting

The management and monitoring of risks to the business is an on-going process which is integrated into the overall organisational structure of the Company. The Own Risk and Solvency Assessment process referred to in the following section is a key component in the Company's risk management and decision-making processes.

The primary strategic objective and purpose of the Company is to support the risk management and risk transfer programs of the Canal & River Trust and its subsidiaries. This objective has remained core to the business of the Company prior to making the decision to stop renewing group business effective 1 April 2017.

B.4 Own Risk and Solvency Assessment (“ORSA”)

ORSA Process

In line with the Company’s ORSA policy, a full ORSA is performed each year. A full or partial ORSA would also be performed in the event of a known or expected event that could cause the risk profile of the Company to change.

The objective of the ORSA process is to enable the Board to assess capital adequacy in light of the assessment of its risks and the potential impacts of its risk environment and enable it to make appropriate strategic decisions. The Board requires that the ORSA process produces meaningful reports on the adequacy of the Company’s capital and risk sensitivities so that the output can be used in shaping future strategy and risk appetite.

The ORSA process was completed to reflect the Company entering run-off effective 1 April 2017.

Risk Identification

The first step in the ORSA process was to consider and identify which risks should be assessed. The previous ORSA Processes were built upon in this regard. In addition, claims were assessed to identify any new or increasing areas of risk.

Standard Model Training

The Board participated in a Standard Model training session during 2016, during which many aspects of the Company’s risks and capital requirements were discussed and deliberated.

Financial Projections

The Profit and Loss Account and Balance Sheet of the Company were projected for each of the next 4 years. The accounts were projected on a GAAP basis and converted to Solvency II balance sheets to calculate the solvency capital requirements.

Using the projected Balance Sheet, the Company’s capital requirements were also calculated for each of the next 4 years on a Solvency II basis. The Board was then able to use these projections to see the medium-term position of the Company in relation to their capital requirements over the period. An outline of the results of these financial projections can be found below.

Stress & Scenario Testing

The third step of this ORSA process was for the Board and Management to examine the impact of a range of stresses and scenarios on the Company's solvency position. These included both quantitative and qualitative scenarios, and a reverse stress test approach to identify how severe a loss would have to be to result in a breach of solvency. The proposed stresses and scenario tests were circulated to the Board for consideration, with additions made following Board feedback.

A more detailed description of the approach taken for this exercise and an overview of its results is presented below.

Qualitative Discussion of Risks

The 2015 ORSA Process involved more qualitative discussion of risks than in 2014, and this is continued in the 2016 and 2017 ORSA Process. A qualitative consideration of Operational Risk was also added.

Board and Management Discussion and Review

The final step in the ORSA Process was the presentation of the Draft Projections, Stress and Scenario Tests to the Board and Management. This prompted further discussion and review of the Scenario and Stress Tests, with further scenarios being considered at the request of the Board.

Board Sign-off

Following this final iteration, the final ORSA Report was reviewed and approved by the Board.

Integration into Decision-making process

The results of the ORSA projections were used to inform, inter alia, dividend policy, limit and retention structure and investment policy. Recent examples include:

- Diversification of bank deposit holdings to reduce the Company's Market Risk;
- Establishment of a dividend policy to maintain an appropriate level of buffer over the SCR.

Results

The following table summarises the Company's forecast base case SCR / MCR position as calculated using the Standard Formula:

£' 000	2018	2019	2020	2021	2022
SCR	1,142	957	832	733	653
Available Capital SCR	3,528	3,349	3,242	3,131	3,018
SCR Coverage Ratio	309%	350%	390%	427%	462%
SCR Margin	2,387	2,392	2,410	2,399	2,364
MCR	1,054	1,081	1,081	1,081	1,081
Available Capital MCR	3,528	3,349	3,242	3,131	3,018
MCR Coverage Ratio	335%	310%	300%	290%	279%
MCR Margin	2,474	2,268	2,161	2,050	1,936

B.5 Internal control

Internal Control System

The principal control framework for the Company is its controls set at Board level. These controls include the Board approved policies, reports, terms of reference, schedule of matters, minutes of board meetings. The policies describe the Boards approach to key areas of the business. The Board is ultimately responsible for overseeing and maintaining the adequacy and effectiveness of the internal control system, however day-to-day oversight is provided by the Compliance Officer. In practice, other Directors and key role holders also participate in the management of the system. The Company's internal controls are part of its compliance framework. Various measures are incorporated into systems and processes to control day-to-day activities. The Company implements adequate controls to ensure compliance and to highlight any significant breakdown in controls or inadequacy of process.

The Compliance Officer is responsible for ensuring that all Company policies are fit for purpose. The relevant area of the business is responsible for ensuring that their procedures are up to date and reflect how the business operates. All amendments are submitted to the Board for approval. There is a compliance monitoring programme in place to review all of its regulatory requirements. This is completed by the Compliance Officer on a regular basis and forms part of the compliance report to the Board.

The Company has established the four key independent control functions required under the Corporate Governance Requirements for Captive Insurance and Captive Reinsurance Undertakings 2015 - actuarial, internal audit, compliance and risk management. These functions are responsible for providing oversight of and challenge to the business and for providing assurance to the Board in relation to the Company's control framework.

Where any functions or activities are outsourced, the Company expects that any outsourcing entity manages its control framework to the same standards as the Company and to adhere to the Company's policies and procedures and to employ fit and proper people in its controlled functions. The Company has a Service Level Agreement in place with each outsourced entity with Key Performance Indicators set to ensure regular reporting to the Board. Attestations are also received from the Service Provider in respect to the ongoing fitness and probity of its Key Control Functions. Any significant or material event that occurs requires immediate reporting to the Board.

Compliance Function

The Board supports the Compliance Function and shall make available such resource as is necessary. It provides access to all relevant documentation and information from the business for the Compliance Function to fulfil its role.

A Compliance Officer is appointed through a formal outsourcing arrangement with Allied Risk Management Limited who have responsibility for the Compliance Function. The Compliance Officer ensures the Company's continuing compliance in relation to its regulatory and legal obligations. It aims to minimise the risks to the Company of material financial loss or reputational damage arising from the potential failure to comply with legal or regulatory requirements. The Compliance Officer liaises with regulatory bodies and authorities and provides updates on changes in legislation and regulatory requirements.

The Compliance Officer has responsibility for the implementation of the Company's Compliance strategy and effective compliance processes and is responsible for the monitoring, managing and reporting of compliance risks to which the Company is exposed. It ensures that arrangements are sufficiently robust, proportionate, effective and efficient. The Compliance Officer is responsible for identifying and evaluating compliance risk, overseeing the implementation of controls for the risks identified, and monitoring their efficiency through Compliance monitoring.

Compliance auditing occurs to check that the Company are adhering to its obligations. Compliance reports are issued to the Board assessing the effectiveness and adequacy of compliance within the Company. The activities of the Compliance function are subject to periodic review by Internal Audit.

On an ongoing basis, the Compliance Officer strives to ensure that there is an organisational culture in place which promotes a high standard of integrity and regulatory compliance.

B.6 Internal audit function

The Internal Audit Function is governed by the Company's internal audit policy and is an integral part of the Company's internal control framework. It is implemented on an outsourced basis with Control Solutions Limited.

- The function provides independent and objective assurance services through a formal outsourcing arrangement in respect of the Company's processes with due regard to the adequacy of the governance, risk management and internal control framework;
- Audits are conducted with a Board approved Internal Audit Plan;
- The Head of Internal Audit reports to the Board which oversees the risk based Audit Plan and outcomes thereof;
- Internal Audit Reports can highlight any significant control failings or weaknesses identified and the impact they have had, or may have and the actions and timings which management have agreed to take to rectify them;
- Internal Audit prepare an annual report for the Board which provides a chosen assessment of the effectiveness of the Company's systems of risk management and internal controls during the reporting period.

It is the responsibility of the Internal Audit Function to independently, but proportionately, assess the effectiveness of the internal control system, governance and risk management systems and to provide to the Board an evaluation of the adequacy of such systems and controls. The Head of Internal Audit has a duty to highlight any significant control failings or weaknesses identified and the impact they have had, or may have and the actions and timings which management have agreed to take to rectify them.

It is the objective of the Internal Audit Function to provide independent assurance that risk management processes are operating effectively and in accordance with required legislation and regulation. To ensure that effective controls are in place to mitigate risks or reduce those risks to an acceptable level in accordance with the Company's defined risk appetite.

The Internal Audit Function has unrestricted access to senior management and the Board. It is independent from the day-to-day operations of the business which allows it maintain its independence and objectivity from the activities it reviews. The current structure enables the Head of Internal Audit to provide an independent opinion regarding a system, process or control.

B.7 Actuarial function

The Actuarial Function is outsourced to Allied Risk Management. Allied Risk Management's actuaries attend every board meeting and receive regular updates on claim activity. The Company's Technical Provisions are subject to quarterly review with a report presented annually detailing the Actuarial Function's Best Estimate claims reserves and Solvency II Technical Provisions.

The responsibilities of the Actuarial Function, in line with guidance from the Central Bank of Ireland and the Society of Actuaries, include, but are not limited to implementing/overseeing the following:

- coordinate the calculation of technical provisions;
- Ensure the appropriateness of the methodologies and underlying models used as well as the assumptions made in the calculation of technical provisions;
- Assess the sufficiency and quality of the data used in the calculation of technical provisions;
- Compare best estimates against experience;
- Inform the administrative, management or supervisory body of the reliability and adequacy of the calculation of technical provisions;
- Oversee the calculation of technical provisions in the cases set out in Article 82;
- Express an opinion on the overall underwriting policy;
- Express an opinion on the adequacy of reinsurance arrangements; and
- Contribute to the effective implementation of the risk-management system, in particular with respect to the risk modelling underlying the calculation of the capital requirements and assessment.

B.8 Outsourcing

The Company has an outsourcing policy the purpose of which is to establish the requirements for identifying, justifying, and implementing outsourcing arrangements for the Company's critical or important operational functions or activities. This policy has been approved by the Board. The Board ensures that an outsourcing arrangement shall not diminish the Company's ability to fulfil its regulatory obligations.

The Outsourcing Policy sets out the following:

- Definition of outsourcing
- Outsourcing risks
- Risk mitigation
- Board and management responsibility

- Assessment and due diligence on Outsourced Service Provider
- Essential requirements for inclusion in Service Level Agreements
- Management and oversight of Outsourced activities
- Reporting requirements
- Table of Outsourced Service Providers
- Business continuity and contingency planning

The Company only enters into an Outsourcing arrangement where there is a sound commercial basis for doing so and where it can be effectively managed. A full due diligence process is undertaken prior to any final decision being made as to whether to outsource a material business activity. In undertaking this assessment, the Company adheres to the Central Bank of Ireland Notification Process for (Re)Insurance Undertakings when outsourcing critical or important function or activities under Solvency II Regulations.

The following is a list of the critical or important functions the Company has outsourced and the jurisdiction in which the Outsourced Service Providers are located:

Outsourced Activity	Outsourced Provider	Jurisdiction
Actuarial Function	Allied Risk Insurance & Reinsurance Services Limited	Ireland
Internal Audit Function	Control Solutions Limited	Ireland
Compliance Function	Allied Risk Management Limited	Ireland
Risk Management Function	Allied Risk Management Limited	Ireland

The person responsible in the Company for the outsourcing of all functions is Ms. Sandra Kelly.

B.9 Assessment of the adequacy of the system of governance

Considering the nature, scale and complexity of the risks inherent in the business, the Company is very satisfied with its assessment of the adequacy and appropriateness of its system of governance.

B.10 Any other disclosures

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

Section C: Risk Profile

C.1 Risk Profile

The Group prides itself on its risk management and technical expertise. Some of the directors have also visited a number of sites in England and Wales.

Specific risk management measures relating to the Company's underwriting risks are referred to below.

The Company uses the Solvency II Standard Formula as its measure of economic capital in the quantitative assessment of risk presented below.

(a) Underwriting Risk

The Company has previously managed its underwriting risk by writing limits that are reasonable in the context of its free assets; the sum of the aggregate limits for all classes was approximately 45% of the Company's free assets.

Since the Company did not underwrite the April 2017 or April 2018 renewals, this risk is limited to the deterioration of claims experience on past exposure periods.

A quantitative breakdown of the underwriting risk as measured by the Solvency II Standard Formula is as follows:

£'000	SCR
Premium Risk	-
Reserve Risk	518
Diversification Credit	-
Premium and Reserve Risk	518
Catastrophe Risk	-
Non-life lapse	-
Diversification Credit	-
Non-life Underwriting Risk SCR	518

Lapse Risk and Catastrophe Risk are both zero as the Company did not write the 2018 renewal and hence does not have any exposure to future risk periods.

(b) Market risk

The Company's investment assets are with two banks. All are well-rated. Arising from the ORSA Process discussions the Board resolved to further diversify its bank deposit holdings to reduce the market risk SCR.

(c) Currency Risk

The Company's business is all denominated in GBP with the exception of a small working EUR current account to meet expenses which are denominated in EUR. Thus, its exposure to currency risk is negligible.

(d) Credit risk

Credit risk is the risk that a party to a financial instrument will fail to discharge an obligation, thus causing the Company to incur a financial loss.

	Financial investments and cash at bank
	£
Credit risk 2018	
Financial institutions	5,213,508
Credit risk 2017	
Financial institutions	5,570,330

The following table provides information regarding the aggregated credit risk exposure of financial assets per the Standard & Poor's rating agency using their short-term credit rating.

	Financial investments and cash at bank
Credit ratings 2018	
A-1	100%
A-2	
	100%

	Financial investments and cash at bank
Credit ratings 2017	
A-1	82%
A-2	18%
	100%

(e) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet cash commitments. Liquidity risk may result from the inability to sell financial assets quickly

at their fair values, a reinsurance liability falling due for payment earlier than expected or an inability to generate cash inflows as anticipated.

The Company maintains short term deposits with sufficient funds maturing and available each month to cover normal levels of claims and operation expenses. Should a claim arise at the maximum limit sufficient funds will become available from maturing deposits between notification of the claim and settlement. As such, the Company has determined that liquidity risk does not represent a significant risk to its business.

(f) Operational risk

The Company's operational risk is considered low but it's the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, including but not limited to the following risks:

- outsourcing
- business continuity planning
- reputational
- compliance and regulatory

As a reinsurance captive writing three treaties operational risk was historically very low. This risk was reduced further by the Company's decision not to underwrite the 2017 renewal. There is a relatively small number of claims each year. As such the operational risk is very limited (compared to a retail insurer for example).

The Company is managed by Allied Risk Management, a professional captive management company with over twenty years' experience in captive management. The Company has a full suite of governance policies and processes which further limit operational risk.

The introduction of Solvency II with its governance requirements (including the requirement for Internal Control, Internal Audit, Actuarial and Risk functions) assists in further reducing operational risk.

(g) Other material risks

There are no other material risks identified by the Company.

C.2 (A) Risk Measures

The Company uses the Solvency II Standard Formula as its measure for the quantitative assessment of risk as more detailed in the previous paragraphs. The Company also has an established Risk Appetite Statement to assess risks in the Company and a description of the

measures used therein are as follows: there have been no material changes over the reporting period:

Green	Green represents the Risk Appetite of the Company, it represents the level of risk the Company is willing and able to accept to satisfy its strategic objectives
Amber	Amber represents Risk Tolerances and acceptable variances which will be brought to the attention of Board and will require monitoring
Red	Red represents the Limit for each risk, (where possible) it indicates when action needs to be taken to stop or change a situation which is may result in an unacceptable level of risk to the Company

C.2 (B) The Nature of Material Risk Exposures

The material risk that the Company's exposed to is the risk of adverse claims experience across all lines of business. This is addressed under underwriting risk above and technical provisions below. There have been no material changes over the reporting period.

C.2 (C) Investments in Accordance with the 'Prudent Person Principle'

The Company is required to invest all assets and particularly assets used to cover the minimum capital requirement and the solvency capital requirement in accordance with the 'prudent person principle'. The prudent person principle defines that the assets must be invested in a manner acceptable to a 'prudent person' – that is the decisions are generally accepted as being sound for the average person.

The Company maintains its assets in cash equivalents and short-term deposits with EU regulated credit institutions.

C.3 The Nature of Material Risk Concentrations

The Company is not currently exposed to losses arising from future risk periods relating to new business as it has no live policies at 1 April 2017, however claims may be made on the policies in run-off. Notwithstanding this, concentration risk was historically managed through the limit system, whereby the Company cannot lose more than the event or aggregate limit on any one claim or series of claims.

The Company has a diversified investment portfolio and as such has no material investment risk concentration.

C.4 Risk Mitigation Practices

The Company's main risk mitigation technique is to control its exposure through event and aggregate limits.

C.5 Liquidity Risk

The expected profit in future premiums calculated in accordance with Article 260(2) of the Delegated Acts is nil.

C.6 Risk Sensitivities

In its ORSA Process the Company considered a number of both quantitative and qualitative stress and scenarios, including reverse stress tests. These were as follows:

Qualitative:

Qualitative scenarios considered in the ORSA Process related only to future risk exposure periods and are now moot given the Company's cessation of underwriting.

Reverse Stress tests:

- Loss required to breach SCR – c. GBP 2M
- Loss required to breach MCR – c. GBP 2M

Quantitative Scenarios:

Scenario	Event	Description	Impact
Bank Credit Event	Downgrade	Downgrade of the Company's largest investment exposure in 2019 to BBB.	Increase in SCR in 2019 of GBP 250k. Post-tax Solvency II SCR coverage ratio falls to 254%.

Further scenarios relating to large underwriting losses were also considered, however these are now no longer relevant given the Company's cessation of underwriting.

The Company uses the Standard Formula dependency calibration of dependencies between the risks covered by the risk modules or sub-modules and of the BSCR; due to its size and relatively low volume of data, this is a proportionate approach.

C.7 Any Other Disclosures

There is no other material information regarding the risk profile of the Company during the reporting period.

Section D: Regulatory Balance Sheet

D.1 (A) Assets

As at 31st March 2018, the Company held the following assets:

Canal & River Reinsurance Assets (GBP 000's)	Current Accounting Bases	SII Valuation Principles
Goodwill	-	-
Deferred Acquisition Costs	-	-
Intangible Assets	-	-
Deferred Tax Assets	-	-
Pension benefit surplus	-	-
Property, plant & equipment held for own use	-	-
Investments	5,150	5,150
Property (Other than Own Use)	-	-
Participations and related undertakings	-	-
Equities (Other than Participations)	-	-
Equities (Other than Participations) - Listed	-	-
Equities (Other than Participations) - Unlisted	-	-
Bonds	-	-
Government and Multilateral Banks	-	-
Corporate	-	-
Structured Notes	-	-
Collateralised Securities	-	-
Collective Investments Undertakings	-	-
Derivatives	-	-
Deposits other than cash equivalents	5,150	5,150
Other Investments	-	-
Mortgages and Loans Made	-	-
<i>Mortgages & loans to individuals</i>	-	-
<i>Other Mortgages & loans</i>	-	-
<i>Loans on Policies</i>	-	-
Reinsurance Recoverables	-	-
<i>Reinsurance share of TP - non-life excluding health</i>	-	-
<i>Reinsurance share of TP – health, similar to non-life</i>	-	-
Deposits to cedants	-	-
Insurance & Intermediaries Receivables	-	-
Reinsurance Receivables	-	-
Receivables (trade, not insurance)	-	-
Own Shares	-	-
Amounts due in respect of own fund items or initial fund called up but not yet paid in	-	-
Cash & Cash Equivalents	97	97
Any Other Assets, Not Elsewhere Shown	195	195
Total assets	5,443	5,443

As at 31st March 2017

Canal & River Reinsurance Assets (GBP 000's)	Current Accounting Bases	SII Valuation Principles
Goodwill	-	-
Deferred Acquisition Costs	-	-
Intangible Assets	-	-
Deferred Tax Assets	-	-
Pension benefit surplus	-	-
Property, plant & equipment held for own use	-	-
Investments	5,556	5,556
Property (Other than Own Use)	-	-
Participations and related undertakings	-	-
Equities (Other than Participations)	-	-
Equities (Other than Participations) - Listed	-	-
Equities (Other than Participations) - Unlisted	-	-
Bonds	-	-
Government and Multilateral Banks	-	-
Corporate	-	-
Structured Notes	-	-
Collateralised Securities	-	-
Collective Investments Undertakings	-	-
Derivatives	-	-
Deposits other than cash equivalents	5,556	5,556
Other Investments	-	-
Mortgages and Loans Made	-	-
<i>Mortgages & loans to individuals</i>	-	-
<i>Other Mortgages & loans</i>	-	-
<i>Loans on Policies</i>	-	-
Reinsurance Recoverables	-	-
<i>Reinsurance share of TP - non-life excluding health</i>	-	-
<i>Reinsurance share of TP – health, similar to non-life</i>	-	-
Deposits to cedants	-	-
Insurance & Intermediaries Receivables	-	-
Reinsurance Receivables	-	-
Receivables (trade, not insurance)	108	108
Own Shares	-	-
Amounts due in respect of own fund items or initial fund called up but not yet paid in	-	-
Cash & Cash Equivalents	59	59
Any Other Assets, Not Elsewhere Shown	96	96
Total assets	5,819	5,819

Recognition

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

Initial Measurement

All financial assets are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs).

Realised and unrealized gains and losses arising from changes in the fair value of investments are presented in the non-technical profit and loss account in the period in which they arise. Dividend and interest income is recognised when earned. Investment management and other related expenses are recognised when incurred.

D.1 (B)

There are no material differences between the bases, methods and main assumptions used for the valuation for solvency purposes and those used for its valuation in financial statements.

D.2 Technical Provisions

Line of Business	Gross Best Estimate Liability	Risk Margin	Recoverables from Reinsurance contracts and SPVs	Total Technical Provisions net of Recoverables
Proportional Motor Vehicle Liability Reinsurance	41,774	1,221	0	42,994
Proportional Fire and Other Damage to Property Reinsurance	227,294	7,352	0	234,646
Proportional Liability Reinsurance	1,487,939	52,846	0	1,540,786
Total	1,757,008	61,419	0	1,818,427

Given the relative sparsity of claims in the Company's history, Frequency x Severity, Bornhuetter Ferguson and Expected Loss Ratio methods were used to derive the claims provision for all classes.

The premium provision is zero as the Company has not underwritten the April 2017 renewal.

The main risk to the technical provisions is the emergence of a large claim or claims. In respect of the claims reserves this risk is considered reasonably low – an analysis of reporting delays for the Company has shown that these are short and liability claims have not emerged over time.

A second risk to the adequacy of the Company's reserves is the deterioration of an existing claim or claims. The Company reviews all open claims on a regular basis and takes an appropriate approach to claim reserving.

For all lines of business, the Company uses the undiscounted best estimate claims provision as a floor for the technical provisions booked in its Financial Statements, with an appropriate margin for prudence added to this figure.

The Company does not apply the matching adjustment referred to in Article 77b of Directive 2009/138/EC.

The Company does not use the volatility adjustment referred to in Article 77d of Directive 2009/138/EC.

The Company does not apply the transitional risk-free interest rate-term structure referred to Article 308c of Directive 2009/138/EC.

The Company does not apply the transitional deduction referred to in Article 308d of Directive 2009/138/EC.

The Company does not have any recoverables from reinsurance contracts or Special Purpose Vehicles (SPV).

There have been no material changes in the relevant assumptions made in the calculation of technical provisions compared to the prior year technical provisions calculations.

D.3 (A) Other liabilities

As at 31st March 2018, the Company recorded the following liabilities for solvency purposes

Canal & River Reinsurance Liabilities (GBP 000's)	Current Accounting Bases	SII Valuation Principles	Notes
Gross Technical Provisions – Non-Life (Excluding Health)	1,748	1,818	
<i>TP calculated as a whole (Best estimate + Risk margin)</i>	1,748		
<i>Best Estimate</i>		1,757	
<i>Risk Margin</i>		61	
Other Technical Provisions			
Contingent Liabilities		-	
Provisions Other Than Technical Provisions		-	
Pension Benefit Obligations		-	
Deposits from Reinsurers		-	
Deferred Tax Liabilities		20	<ul style="list-style-type: none"> • No deferred tax item on FS balance Sheet; The Solvency II value is the Deferred Tax item generated by the change in valuation
Derivatives		-	
Debts owed to credit institutions		-	
Financial liabilities other than debts owed to credit institutions		-	
Insurance & intermediaries payables	232	-	<ul style="list-style-type: none"> • Reallocated to technical provisions for solvency II
Reinsurance payables		-	
Payables (trade, not insurance)			
Subordinated liabilities	-	-	
Subordinated liabilities not in BOF		-	
Subordinated liabilities in BOF		-	
Any other liabilities, not elsewhere shown	76	76	
Total liabilities	2,056	1,914	

As at 31st March 2017

Canal & River Reinsurance Liabilities (GBP 000's)	Current Accounting Bases	SII Valuation Principles	Notes
Gross Technical Provisions – Non-Life (Excluding Health)	2,274	2,242	
<i>TP calculated as a whole (Best estimate + Risk margin)</i>	2,274		
<i>Best Estimate</i>		2,100	
<i>Risk Margin</i>		142	
Other Technical Provisions			
Contingent Liabilities		-	
Provisions Other Than Technical Provisions		-	
Pension Benefit Obligations		-	
Deposits from Reinsurers		-	
Deferred Tax Liabilities		23	<ul style="list-style-type: none"> • No deferred tax item on FS balance Sheet; The Solvency II value is the Deferred Tax item generated by the change in valuation
Derivatives		-	
Debts owed to credit institutions		-	
Financial liabilities other than debts owed to credit institutions		-	
Insurance & intermediaries payables	152	-	
Reinsurance payables		-	<ul style="list-style-type: none"> • Reallocated to technical provisions for solvency II
Payables (trade, not insurance)	48	48	
Subordinated liabilities	-	-	
Subordinated liabilities not in BOF		-	
Subordinated liabilities in BOF		-	
Any other liabilities, not elsewhere shown		-	
Total liabilities	2,474	2,313	

D.3 (B)

There are no material differences between the bases, methods and main assumptions used for the valuation for solvency purposes and those used for its valuation in financial statements.

D.4 Any Other Disclosures

There are no other disclosures for the Company under this section.

Section E: Capital Management

E.1 (A)

The Company has a documented Capital Management Policy and there is no appetite for losses resulting from a breach of the solvency margin. In addition, the ORSA process is an integral part of the Company's Capital Management process. The outputs of the Actuarial Function Report are also used in the Company's decision-making process in respect of capital management.

The Company is a single shareholder entity whose shares are fully paid up. It has no debt financing nor does it have any plans to raise debt through issue new shares in the short or medium term.

The Company's own funds are invested in cash or short-term money market deposits. There is no intention to change this methodology.

The medium-term capital management plan set by the Board is as follows:

- Own funds to be maintained at an agreed level in excess of the SCR (or MCR where relevant), currently 150% per the Company's Risk Appetite Statement, as informed by the ORSA;
- No capital is planned to be issued in the short or medium term; and
- Own fund items are to be invested in external bank deposits, cash or loaned to its parent group in accordance with the Board's approved counterparty limits as set out in the Company's Investment Policy.

E.1 (B), (C) and (D) Own funds

Own Funds Item	Value at 31 March 2018	Value at 31 March 2017
Tier 1 unrestricted	3,528	3,506
Tier 1 restricted	-	-
Tier 2 basic	-	-
Tier 2 ancillary	-	-
Tier 3	-	-
Tier 3 ancillary	-	-

E.1 (E)

The equity as shown in the undertaking's financial statements is GBP 141k less than the excess of assets over liabilities as calculated for solvency purposes; this difference is due mainly to fact that the technical provisions in the Financial Statements are calculated on a more prudent basis than the Solvency II Technical Provisions.

Reconciliation (GBP 000s)	
Available Capital per Financial Statements	3,387
+/- tax adjustment	-20
- Risk Margin	-61
+ Prudence in Financial Statement reserves	241
+/- Discounting	23
- Solvency II Expense Provision	-40
Total	3,528

E.1 (F)

The Company has no own-fund items subject to the transitional arrangements referred to in Articles 308b (9) and 308b (10) of Directive 2009/138/EC.

E.1 (G)

The Company has no items of ancillary own funds.

E.1 (H)

The Company has no items deducted from own funds.

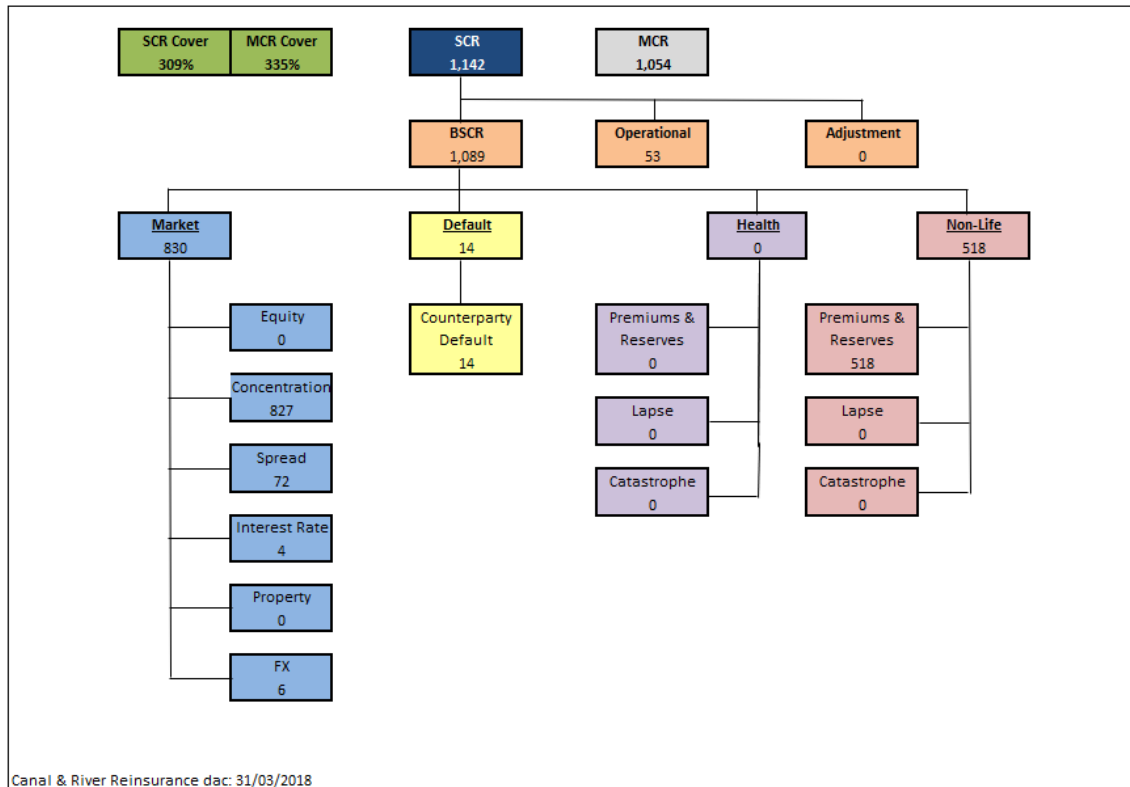
E.2 Minimum Capital Requirement and Solvency Capital Requirement

E.2 (A)

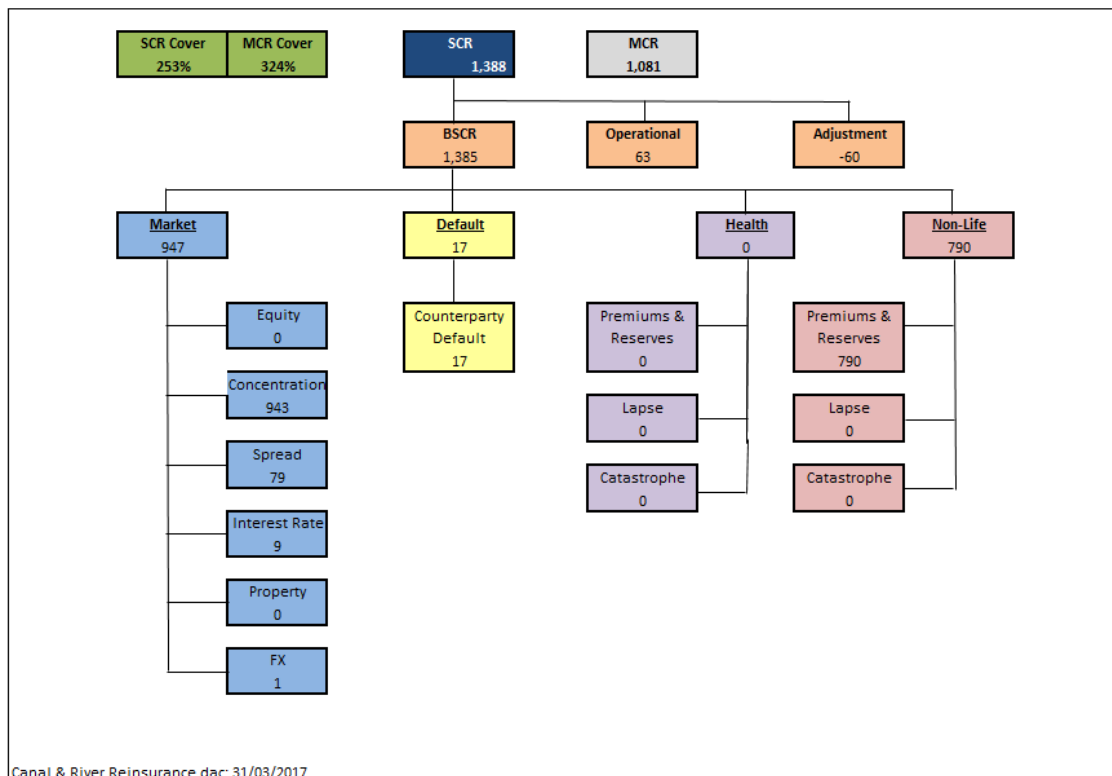
Solvency £'000	Capital requirement	Eligible capital	Solvency ratio
SCR	1,142	3,528	309.08%
MCR	1,054	3,528	334.69%

E.2 (B) Solvency Capital Requirement

As at 31st March 2018



As at 31st March 2017



E.2 (C)

The Company does not use simplified calculations for any risk modules or sub-modules of the Standard Formula.

E.2 (D)

The Company does not use undertaking-specific parameters pursuant to Article 104 (7) of Directive 2009/138/EC.

E.2 (E)

The Company is not required to apply any undertaking-specific parameters in accordance with Article 110 of Directive 2009/138/EC and is not subject to any capital add-on.

E.2 (F)

The MCR as calculated using premium volume is as follows (GBP '000):

Line of Business	Net Technical Provisions	Net Premium Written	Parameters		MCR NL
			α	β	
Motor Vehicle Liability	42	0	9%	9%	4
Fire & Other Damage to Property	227	0	9%	8%	21
General Liability	1,488	0	10%	13%	153
Total	1,757				178

Since the figure of GBP 178k is less than the absolute minimum MCR of GBP 1.054M, this amount is taken as the MCR.

There has been no material change in the Company's SCR or MCR over the reporting period.

E.3

The Company is not using the duration-based equity risk sub-module in the calculation of its SCR.

E.4

An internal model is not used by the Company.

E.5

There has been full compliance with Minimum Capital Requirement and the Solvency Capital Requirement.

E.6 Any Other Disclosures

There is no other material information regarding the capital management of the Company.

Means of Disclosure

The Company does not own or maintain a website related to its business, nor is it a member of a trade association. The Company will provide an electronic copy of this report to any person who requests a copy of this report.

Quantitative Reporting Templates

Annex I**S.02.01.02****Balance sheet****Assets**

Intangible assets

Deferred tax assets

Pension benefit surplus

Property, plant & equipment held for own use

Investments (other than assets held for index-linked and unit-linked contracts)

Property (other than for own use)

Holdings in related undertakings, including participations

Equities

Equities - listed

Equities - unlisted

Bonds

Government Bonds

Corporate Bonds

Structured notes

Collateralised securities

Collective Investments Undertakings

Derivatives

Deposits other than cash equivalents

Other investments

Assets held for index-linked and unit-linked contracts

Loans and mortgages

Loans on policies

Loans and mortgages to individuals

Other loans and mortgages

Reinsurance recoverables from:

Non-life and health similar to non-life

Non-life excluding health

Health similar to non-life

Life and health similar to life, excluding health and index-linked and unit-linked

Health similar to life

Life excluding health and index-linked and unit-linked

Life index-linked and unit-linked

Deposits to cedants

Insurance and intermediaries receivables

Reinsurance receivables

Receivables (trade, not insurance)

Own shares (held directly)

Amounts due in respect of own fund items or initial fund called up but not yet paid in

Cash and cash equivalents

Any other assets, not elsewhere shown

Total assets

	Solvency II value
	C0010
R0030	
R0040	
R0050	
R0060	
R0070	5,150
R0080	
R0090	
R0100	
R0110	
R0120	
R0130	
R0140	
R0150	
R0160	
R0170	
R0180	
R0190	
R0200	5,150
R0210	
R0220	
R0230	
R0240	
R0250	
R0260	
R0270	
R0280	
R0290	
R0300	
R0310	
R0320	
R0330	
R0340	
R0350	
R0360	
R0370	
R0380	
R0390	
R0400	
R0410	97
R0420	195
R0500	5,443

Annex I**S.02.01.02****Balance sheet****Liabilities**

Technical provisions – non-life

Technical provisions – non-life (excluding health)

TP calculated as a whole

Best Estimate

Risk margin

Technical provisions - health (similar to non-life)

TP calculated as a whole

Best Estimate

Risk margin

Technical provisions - life (excluding index-linked and unit-linked)

Technical provisions - health (similar to life)

TP calculated as a whole

Best Estimate

Risk margin

Technical provisions – life (excluding health and index-linked and unit-linked)

TP calculated as a whole

Best Estimate

Risk margin

Technical provisions – index-linked and unit-linked

TP calculated as a whole

Best Estimate

Risk margin

Contingent liabilities

Provisions other than technical provisions

Pension benefit obligations

Deposits from reinsurers

Deferred tax liabilities

Derivatives

Debts owed to credit institutions

Financial liabilities other than debts owed to credit institutions

Insurance & intermediaries payables

Reinsurance payables

Payables (trade, not insurance)

Subordinated liabilities

Subordinated liabilities not in BOF

Subordinated liabilities in BOF

Any other liabilities, not elsewhere shown

Total liabilities**Excess of assets over liabilities**

	Solvency II value
	C0010
R0510	1,818
R0520	1,818
R0530	
R0540	1,757
R0550	61
R0560	
R0570	
R0580	
R0590	
R0600	
R0610	
R0620	
R0630	
R0640	
R0650	
R0660	
R0670	
R0680	
R0690	
R0700	
R0710	
R0720	
R0740	
R0750	
R0760	
R0770	
R0780	20
R0790	
R0800	
R0810	
R0820	
R0830	
R0840	
R0850	
R0860	
R0870	
R0880	76
R0900	1,914
R1000	3,528

S.05.01.02

[illegible]

Annex I

S.05.02.01

Premiums, claims and expenses by country

		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
	R0010		GB					
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	R0110							
Gross - Proportional reinsurance accepted	R0120							
Gross - Non-proportional reinsurance accepted	R0130							
Reinsurers' share	R0140							
Net	R0200							
Premiums earned								
Gross - Direct Business	R0210							
Gross - Proportional reinsurance accepted	R0220							
Gross - Non-proportional reinsurance accepted	R0230							
Reinsurers' share	R0240							
Net	R0300							
Claims incurred								
Gross - Direct Business	R0310							
Gross - Proportional reinsurance accepted	R0320		-169					-169
Gross - Non-proportional reinsurance accepted	R0330							
Reinsurers' share	R0340							
Net	R0400		-169					-169
Changes in other technical provisions								
Gross - Direct Business	R0410							
Gross - Proportional reinsurance accepted	R0420							
Gross - Non- proportional reinsurance accepted	R0430							
Reinsurers' share	R0440							
Net	R0500							
Expenses incurred	R0550		165					165
Other expenses	R1200							
Total expenses	R1300							165

Annex I
S.17.01.02
Non-life Technical Provisions

Technical provisions calculated as a whole

Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole

Technical provisions calculated as a sum of BE and RM

Best estimate

Premium provisions

Gross

Total recoverable from reinsurance/SPV and Finite Re after the adjustment

for expected losses due to counterparty default

Net Best Estimate of Premium Provisions

Claims provisions

Gross

Total recoverable from reinsurance/SPV and Finite Re after the adjustment

for expected losses due to counterparty default

Net Best Estimate of Claims Provisions

Total Best estimate - gross

Total Best estimate - net

Risk margin

Amount of the transitional on Technical Provisions

Technical Provisions calculated as a whole

Best estimate

Risk margin

Technical provisions - total

Technical provisions - total

Recoverable from reinsurance contract/SPV and Finite Re after the

adjustment for expected losses due to counterparty default - total

Technical provisions minus recoverables from reinsurance/SPV and Finite

Re - total

Direct business and accepted proportional reinsurance								Accepted non-proportional reinsurance				Total Non-Life obligation
Medical expense insurance	Motor vehicle liability insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
C0020	C0050	C0070	C0080	C0090	C0100	C0120	C0130	C0140	C0150	C0160	C0170	C0180
R0010												
R0050												
R0060												
R0140												
R0150												
R0160	42		227	1,488								1,757
R0240												
R0250	42		227	1,488								1,757
R0260	42		227	1,488								1,757
R0270	42		227	1,488								1,757
R0280	1		7	53								61
R0290												
R0300												
R0310												
R0320	43		235	1,541								1,818
R0330												
R0340	43		235	1,541								1,818

Total Non-Life Business

Z0020	Underwriting year [UWY]
--------------	-------------------------

Total

(absolute amount)

Total

Annex I
S.23.01.01
Own funds

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

- Ordinary share capital (gross of own shares)
- Share premium account related to ordinary share capital
- Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings
- Subordinated mutual member accounts
- Surplus funds
- Preference shares
- Share premium account related to preference shares
- Reconciliation reserve
- Subordinated liabilities
- An amount equal to the value of net deferred tax assets
- Other own fund items approved by the supervisory authority as basic own funds not specified above

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

Deductions

- Deductions for participations in financial and credit institutions

Total basic own funds after deductions

Ancillary own funds

- Unpaid and uncalled ordinary share capital callable on demand
- Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand
- Unpaid and uncalled preference shares callable on demand
- A legally binding commitment to subscribe and pay for subordinated liabilities on demand
- Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC
- Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC
- Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC
- Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC
- Other ancillary own funds

Total ancillary own funds

Available and eligible own funds

- Total available own funds to meet the SCR
- Total available own funds to meet the MCR
- Total eligible own funds to meet the SCR
- Total eligible own funds to meet the MCR

SCR

MCR

Ratio of Eligible own funds to SCR

Ratio of Eligible own funds to MCR

Reconciliation reserve

- Excess of assets over liabilities
- Own shares (held directly and indirectly)
- Foreseeable dividends, distributions and charges
- Other basic own fund items
- Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds

Reconciliation reserve

Expected profits

- Expected profits included in future premiums (EPIFP) - Life business
- Expected profits included in future premiums (EPIFP) - Non- life business

Total Expected profits included in future premiums (EPIFP)

	Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
	C0010	C0020	C0030	C0040	C0050
R0010	2,000	2,000			
R0030					
R0040					
R0050					
R0070					
R0090					
R0110					
R0130	1,528	1,528			
R0140					
R0160					
R0180					
R0220					
R0230					
R0290	3,528	3,528			
R0300					
R0310					
R0320					
R0330					
R0340					
R0350					
R0360					
R0370					
R0390					
R0400					
R0500	3,528	3,528			
R0510	3,528	3,528			
R0540	3,528	3,528			
R0550	3,528	3,528			
R0580	1,142				
R0600	1,054				
R0620	309.08%				
R0640	334.69%				

	C0060	
R0700	3,528	
R0710		
R0720		
R0730	2,000	
R0740		
R0760	1,528	
R0770		
R0780		
R0790		

Annex I**S.25.01.21****Solvency Capital Requirement - for undertakings on Standard Formula**

Market risk

Counterparty default risk

Life underwriting risk

Health underwriting risk

Non-life underwriting risk

Diversification

Intangible asset risk

Basic Solvency Capital Requirement**Calculation of Solvency Capital Requirement**

Operational risk

Loss-absorbing capacity of technical provisions

Loss-absorbing capacity of deferred taxes

Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC

Solvency capital requirement excluding capital add-on

Capital add-on already set

Solvency capital requirement**Other information on SCR**

Capital requirement for duration-based equity risk sub-module

Total amount of Notional Solvency Capital Requirement for remaining part

Total amount of Notional Solvency Capital Requirements for ring fenced funds

Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios

Diversification effects due to RFF nSCR aggregation for article 304

	Gross solvency capital requirement	USP	Simplifications
	C0110	C0090	C0120
R0010	830		
R0020	14		
R0030			
R0040			
R0050	518		
R0060	-273		
R0070			
R0100	1,089		

	C0100
R0130	53
R0140	
R0150	
R0160	
R0200	1,142
R0210	
R0220	1,142
R0400	
R0410	
R0420	
R0430	
R0440	

Annex I
S.28.01.01
Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

MCR _{NL} Result		C0010			Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
	R0010	178			C0020	C0030
Medical expense insurance and proportional reinsurance	R0020					
Income protection insurance and proportional reinsurance	R0030					
Workers' compensation insurance and proportional reinsurance	R0040					
Motor vehicle liability insurance and proportional reinsurance	R0050	42				
Other motor insurance and proportional reinsurance	R0060					
Marine, aviation and transport insurance and proportional reinsurance	R0070					
Fire and other damage to property insurance and proportional reinsurance	R0080	227				
General liability insurance and proportional reinsurance	R0090	1,488				
Credit and suretyship insurance and proportional reinsurance	R0100					
Legal expenses insurance and proportional reinsurance	R0110					
Assistance and proportional reinsurance	R0120					
Miscellaneous financial loss insurance and proportional reinsurance	R0130					
Non-proportional health reinsurance	R0140					
Non-proportional casualty reinsurance	R0150					
Non-proportional marine, aviation and transport reinsurance	R0160					
Non-proportional property reinsurance	R0170					

Linear formula component for life insurance and reinsurance obligations

MCR _L Result		C0040			Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
	R0200				C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210					
Obligations with profit participation - future discretionary benefits	R0220					
Index-linked and unit-linked insurance obligations	R0230					
Other life (re)insurance and health (re)insurance obligations	R0240					
Total capital at risk for all life (re)insurance obligations	R0250					

Overall MCR calculation

		C0070
Linear MCR	R0300	178
SCR	R0310	1,142
MCR cap	R0320	514
MCR floor	R0330	285
Combined MCR	R0340	285
Absolute floor of the MCR	R0350	1,054
		C0070
Minimum Capital Requirement	R0400	1,054