

Canal & River Reinsurance DAC
Solvency and Financial Condition Report
For Financial Year Ended 31 March 2021 (the “reporting period”)

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Executive Summary

Canal & River Reinsurance DAC (“the Company”) 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 £160k 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 1 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. Since the beginning of 2020, there has been an outbreak of a new virus, the Coronavirus (Covid-19) which is ongoing and is causing significant financial market and social dislocation. As a result of Covid-19 and its associated global economic impact, restrictions on all regulated entities’ capital management policies were implemented by the Central Bank of Ireland and are expected to remain in place for the foreseeable future. The ultimate effects of the pandemic on the Company are uncertain, however, to date there has been no financial impact on the Company. The directors will continue to closely monitor the evolving situation to evaluate the potential risks to the Company on an ongoing basis and seek to minimise those risks where possible.

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.

Some figures in the tables in this report are rounded to the nearest GBP 1,000. Consequently, some totals may not be the sum of the individual items due to rounding.

Section A: Business and Performance

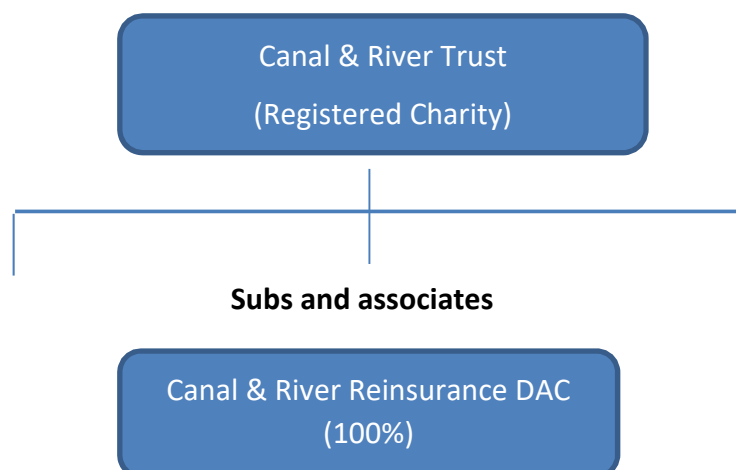
A.1 Business

- (a) The name and legal form of the Company is Canal & River Reinsurance Designated Activity Company.
- (b) The name and contact details of the supervisory authority responsible for financial supervision of the Company is the Insurance Supervision Division of the Central Bank of Ireland, New Wapping Street, 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 Company is Mrs. Martina Mahon (Audit Partner), Mazars Chartered Accountants and Statutory Audit Firm, Harcourt Centre, Block 3, Harcourt Road, Dublin 2, Ireland. Telephone +353 1 449 6468.
- (d) The Company is 100% owned by the Canal & River Trust.
- (e) Details of the Company'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 1 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 £328k over the reporting period, compared to an underwriting profit of £284k over the previous reporting period. An analysis of the performance is summarised as follows:

31 March 2021

Line of Business	Total	Liability	Property	Motor
Underwriting Income	-	-	-	-
Underwriting Expenses	320,795	308,486	12,310	-
Investment Return	7,430	-	-	-
Underwriting Profit	328,225			

31 March 2020

Line of Business	Total	Liability	Property	Motor
Underwriting Income	-	-	-	-
Underwriting Expenses	253,704	238,370	(1,769)	17,103
Investment Return	30,014	-	-	-
Underwriting Profit	283,718			

A.3 Investment Performance

- (a) The Company maintains its investments in short term deposits with UK and EU regulated credit institutions. The income on these investments over the reporting period was £7k compared to £30k over the previous reporting period.
- (b) The below table summarizes the deposits by counterparty together with interest income as reported in the financial statements.

	2021	2020	Variance
Bank 1 Call Account	72,303	89,030	(16,727)
Bank 1 Current Account	38,234	9,995	28,239
Bank 1 Deposit Accounts	347,428	499,555	(152,127)
Bank 2 Business Reserve	2,513,231	2,325	2,510,906
Bank 2 Deposit Accounts	-	2,503,496	(2,503,496)
Total	2,971,196	3,104,401	(133,205)
Interest Income	7,430	30,014	(22,584)

- (c) No gains or losses were recognised directly in equity.
- (d) 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 of Directors (“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 Quentin Pickford**, Non-Executive Director
- **Mr Steve Dainty**, Chairperson and Non-Executive Director

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 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.

- (b) No material changes in the system of governance have taken place over the reporting period.
- (c) 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.
- (d) 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 have participated in a Standard Model training session, during which many aspects of the Company’s risks and capital requirements were discussed and deliberated. Induction training is provided to all new Board members along with annual training sessions.

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.

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 Solvency Capital Requirement ("SCR") / Minimum Capital Requirement ("MCR") position as calculated in the latest ORSA projections using the Standard Formula:

£' 000	2021	2022	2023	2024	2025
SCR	516	450	406	376	349
Available Capital SCR	2,503	2,381	2,252	2,128	1,995
SCR Coverage Ratio	484.7%	529.2%	555.0%	565.3%	571.0%
SCR Margin	1,986	1,931	1,847	1,752	1,646
MCR	1,089	1,089	1,089	1,089	1,089
Available Capital MCR	2,503	2,381	2,252	2,128	1,995
MCR Coverage Ratio	229.7%	218.6%	206.7%	195.3%	183.1%
MCR Margin	1,413	1,292	1,163	1,039	906

The 31 March 2021 capital position is illustrated in the following table. Differences may arise from the ORSA projections due to the timing difference between projections.

£' 000	2021
SCR	255
Available Capital SCR	2,683
SCR Coverage Ratio	1051.3%
SCR Margin	2,428
MCR	1,023
Available Capital MCR	2,683
MCR Coverage Ratio	262.4%
MCR Margin	1,661

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	CSI Chartered Accountants Limited	Ireland
Compliance Function	Allied Risk Management Limited	Ireland
Risk Management Function	Allied Risk Insurance & Reinsurance Services Limited	Ireland

The person responsible in the Company for the outsourcing of all functions is Mr. Steve Dainty.

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. 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, 2018, 2019, 2020 or 2021 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:

31 March 2021

£'000	SCR
Premium Risk	-
Reserve Risk	71
Diversification Credit	
Premium and Reserve Risk	71
Catastrophe Risk	-
Non-life lapse	-
Diversification Credit	-
Non-life Underwriting Risk SCR	71

31 March 2020

£'000	SCR
Premium Risk	-
Reserve Risk	172
Diversification Credit	-
Premium and Reserve Risk	172
Catastrophe Risk	-
Non-life lapse	-
Diversification Credit	-
Non-life Underwriting Risk SCR	172

Lapse Risk and Catastrophe Risk are both zero as the Company is in run off and hence does not have any exposure to future risk periods.

(b) Market risk

The Company's investment assets are with two banks; both of which are well-rated.

(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 2021	
Financial institutions	2,971,196
Credit risk 2020	
Financial institutions	3,104,401

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 2021	
A-1	100%
	100%

	Financial investments and cash at bank
Credit ratings 2020	
A-1	100%
	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 and UK 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 MCR – c. GBP 1.3M

As the company is in run-off, the SCR is reducing throughout the projection period, as the SCR decreases below the MCR absolute floor, the MCR becomes the capital requirement. The largest loss the Company can absorb without breaching its Solvency II MCR is in the order of GBP 1.3M.

Quantitative Scenarios:

Scenario	Event	Description	Impact
Bank Credit Event	Downgrade	Downgrade of the Company's largest investment exposure in 2022 to BBB.	Increase in SCR in 2022 of c130k. No increase in MCR

The Company uses the Standard Formula dependency calibration of dependencies between the risks covered by the risk modules or sub-modules and of the Basic Solvency Capital Requirement; 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 31 March 2021, the Company held the following assets:

Canal & River Reinsurance Assets (GBP £'000)	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	347	347
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	347	347
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	0	0
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	2,624	2,624
Any Other Assets, Not Elsewhere Shown	46	46
Total assets	3,018	3,018

As at 31 March 2020

Canal & River Reinsurance Assets (£'000)	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	3,004	3,004
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	3,004	3,004
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	101	101
Any Other Assets, Not Elsewhere Shown	85	85
Total assets	3,191	3,191

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 are 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

31 March 2021

Line of Business (£'000)	Gross Best		Recoverables from	Total Technical
	Estimate Liability	Risk Margin	Reinsurance contracts and SPVs	Provisions net of Recoverables
Proportional Motor Vehicle Liability Reinsurance	-	-	-	-
Proportional Fire and Other Damage to Property Reinsurance	27	1	-	27
Proportional Liability Reinsurance	206	7	-	214
Total	233	8	-	241

31 March 2020

Line of Business (£'000)	Gross Best		Recoverables from	Total Technical
	Estimate Liability	Risk Margin	Reinsurance contracts and SPVs	Provisions net of Recoverables
Proportional Motor Vehicle Liability	-	-	-	-
Reinsurance				
Proportional Fire and Other Damage to Property Reinsurance	41	1	-	43
Proportional Liability Reinsurance	510	20	-	530
Total	551	22	-	573

Given the late stage in development and relative sparsity of open claims, a case-by-case approach for reserving was possible and more appropriate than a statistical reserving exercise.

The premium provision is zero as the Company is in run off.

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.

In calculating its technical provisions, the Company has not applied any of the following items:

- 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 31 March 2021, the Company recorded the following liabilities for solvency purposes:

Canal & River Reinsurance Liabilities (£'000)	Current Accounting Bases	SII Valuation Principles
Other Technical Provisions	-	-
Contingent Liabilities	-	-
Provisions Other Than Technical Provisions	-	-
Pension Benefit Obligations	-	-
Deposits from Reinsurers	-	-
Deferred Tax Liabilities	-	1
Derivatives	-	-
Debts owed to credit institutions	-	-
Financial liabilities other than debts owed to credit institutions	-	-
Insurance & intermediaries payables	29	3
Reinsurance payables	-	-
Payables (trade, not insurance)	-	-
Subordinated liabilities	-	-
Subordinated liabilities not in BOF	-	-
Subordinated liabilities in BOF	-	-
Any other liabilities, not elsewhere shown	90	90
Total liabilities	119	93

As at 31 March 2020:

Canal & River Reinsurance Liabilities (£'000)	Current Accounting Bases	SII Valuation Principles
Other Technical Provisions	-	-
Contingent Liabilities	-	-
Provisions Other Than Technical Provisions	-	-
Pension Benefit Obligations	-	-
Deposits from Reinsurers	-	-
Deferred Tax Liabilities	-	4
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	75	75
Total liabilities	75	79

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. However, there exists a deferred tax asset on the solvency basis due to the recognition of profits related to the margin for uncertainty held.

D.4 Any Other Disclosures

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

Section E: Capital Management

E.1 (a) Own funds

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 tier classification

Own Funds Item (£'000)	Value at 31 March 2021	Value at 31 March 2020
Tier 1 unrestricted	2,683	2,540
Tier 1 restricted	-	-
Tier 2 basic	-	-
Tier 2 ancillary	-	-
Tier 3	-	-
Tier 3 ancillary	-	-

E.1 (e) Material differences between financial statement and excess of assets over liabilities

The equity as shown in the Company's financial statements is £9k 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 (£'000)	31 March 2021	31 March 2020
Available Capital per Financial Statements	2,675	2,515
+/- tax adjustment	(1)	(4)
- Risk Margin	(8)	(22)
+ Prudence in Financial Statement reserves	50	79
+/- Discounting	1	3
- Solvency II Expense Provision	(33)	(32)
Total	2,683	2,540

E.1 (f) Transitional arrangements

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) Ancillary funds

The Company has no items of ancillary own funds.

E.1 (h) Any item deducted

The Company has no items deducted from own funds.

E.2 Minimum Capital Requirement and Solvency Capital Requirement

E.2 (a) SCR & MCR

As at 31 March 2021

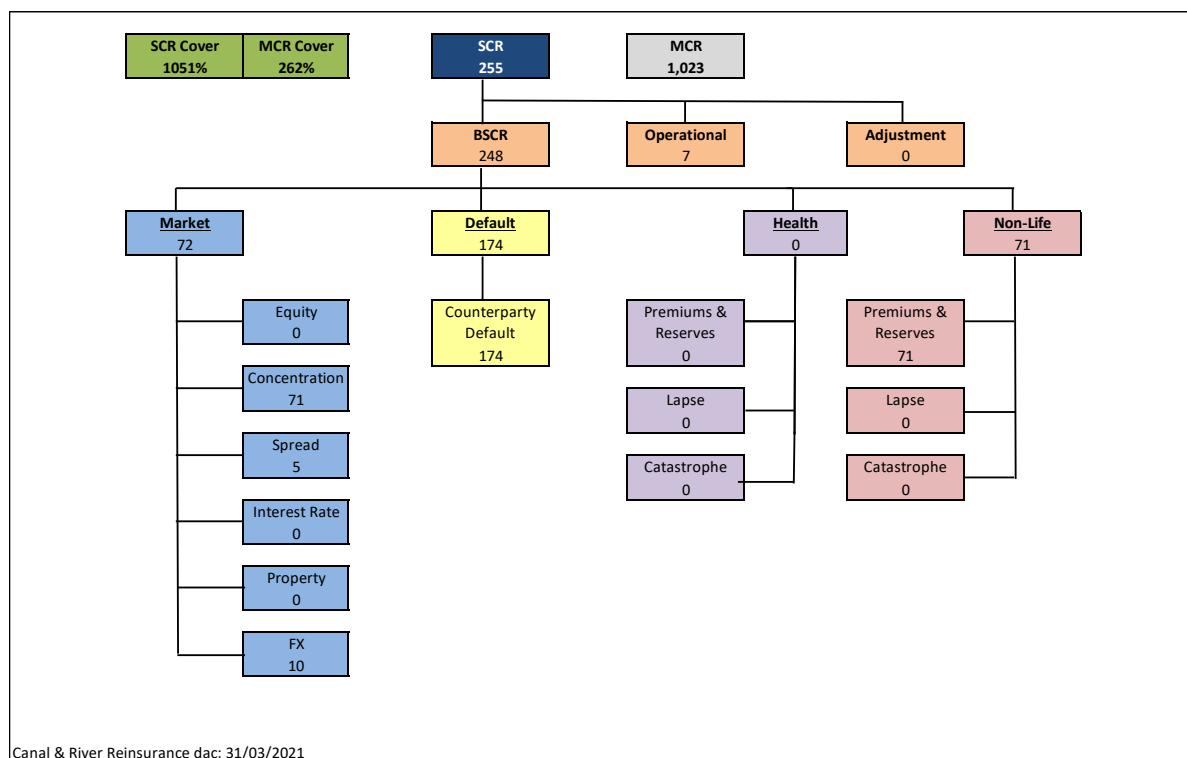
Solvency £'000	Capital requirement	Eligible capital	Solvency ratio
SCR	255	2,683	1051.3%
MCR	1,023	2,683	262.4%

As at 31 March 2020

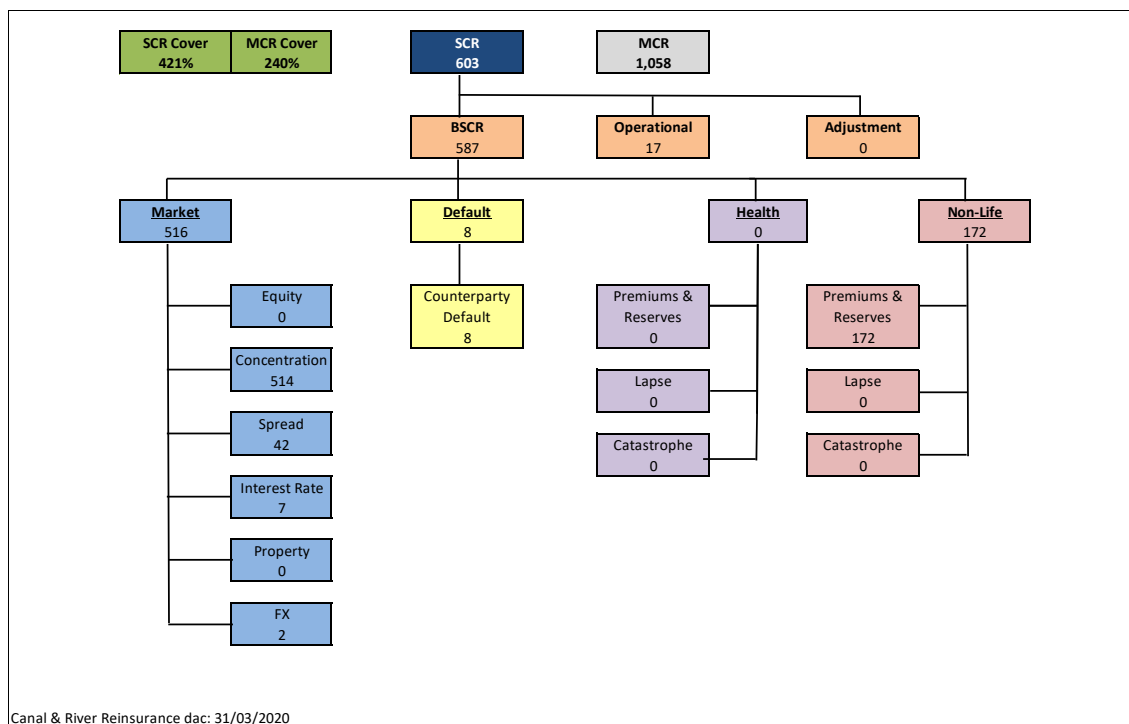
Solvency £'000	Capital requirement	Eligible capital	Solvency ratio
SCR	603	2,540	421.2%
MCR	1,058	2,540	240.1%

E.2 (b) Solvency Capital Requirement

As at 31 March 2021



As at 31 March 2020



E.2 (c) Simplified Calculation

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

E.2 (d) Article 104 (7) of Directive 2009/138/EC

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

E.2 (e) Article 110 of Directive 2009/138/EC

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) Inputs used to calculate the MCR

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

at 31 March 2021

Line of Business	Net Technical Provisions	Net Premium Written	Parameters		MCR NL
			α	β	
Motor Vehicle Liability	-	-	9%	9%	-
Fire & Other Damage to Property	27	-	9%	8%	2
General Liability	206	-	10%	13%	21
Total	233	-			24

As at 31 March 2020

Line of Business	Net Technical Provisions	Net Premium Written	Parameters		MCR NL
			α	β	
Motor Vehicle Liability	-	-	9%	9%	-
Fire & Other Damage to Property	41	-	9%	8%	4
General Liability	510	-	10%	13%	53
Total	551	-			57

Since the figure of £24k is less than the absolute minimum MCR of £1.023M, this amount is taken as the MCR.

The SCR has reduced due to the reduction of reserves due to the payment of claims..

E.3 Duration-based equity risk sub-module

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

E.4 Internal model

An internal model is not used by the Company.

E.5 Compliance with the MCR and SCR

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.

Appendix

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	347
R0080	
R0090	
R0100	
R0110	
R0120	
R0130	
R0140	
R0150	
R0160	
R0170	
R0180	
R0190	
R0200	347
R0210	
R0220	
R0230	
R0240	
R0250	
R0260	
R0270	
R0280	
R0290	
R0300	
R0310	
R0320	
R0330	
R0340	
R0350	
R0360	0
R0370	
R0380	
R0390	
R0400	
R0410	2,624
R0420	46
R0500	3,018

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	241
R0520	241
R0530	
R0540	233
R0550	8
R0560	
R0570	
R0580	
R0590	
R0600	
R0610	
R0620	
R0630	
R0640	
R0650	
R0660	
R0670	
R0680	
R0690	
R0700	
R0710	
R0720	
R0740	
R0750	
R0760	
R0770	
R0780	1
R0790	
R0800	
R0810	
R0820	3
R0830	
R0840	
R0850	
R0860	
R0870	
R0880	90
R0900	334
R1000	2,683

Annex I
S.05.01.02
Premiums, claims
and expenses by line
of business

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of business for:				Total
		Medical expense insurance	Income protection insurance	Workers' compensatio n insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneou s financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	
Premiums written																		
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				0			-12	-308									-321
Gross - Non-proportional reinsurance accepted	R0330																	
Reinsurers' share	R0340																	
Net	R0400				0			-12	-308									-321
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							145										145
Other expenses	R1200																	
Total expenses	R1300																	145

Annex I
S.17.01.02
Non-life Technical Provisions

[illegible]

Annex I

S.19.01.21

Non-life Insurance Claims Information

Total Non-Life Business

Accident year /
Underwriting year

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

Gross Claims Paid (non-cumulative)

(absolute amount)

	Year	Development year										In Current year	Sum of years (cumulative)
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	
Prior	R0100												
2008	R0160	162	121	125	143	192	208	39	-75				
2009	R0170	18	109	127	247	259	130	-1	12	2			
2010	R0180	9	103	13	10	11	45	-31	0				
2011	R0190	15	52	38	83	112	0	1					
2012	R0200	91	31	12	7								
2013	R0210	81	27	21	19	45							
2014	R0220												
2015	R0230												
2016	R0240												
2017	R0250												
Total												R0260	56
													2,622

Gross undiscounted Best Estimate Claims Provisions

(absolute amount)

	Year	Development year										Year end (discounted data)	
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	
Prior	R0100												
2008	R0160						116	90	8				
2009	R0170					393	260	91	122	148			
2010	R0180				64	335	229	106	0				
2011	R0190			139	101	44							
2012	R0200		220	6	59	17							
2013	R0210	754	581	303	263	86							
2014	R0220												
2015	R0230												
2016	R0240												
2017	R0250												
Total												R0260	233

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

	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	683	683			
R0140					
R0160					
R0180					
R0220					
R0230					
R0290	2,683	2,683			
R0300					
R0310					
R0320					
R0330					
R0340					
R0350					
R0360					
R0370					
R0390					
R0400					
R0500	2,683	2,683			
R0510	2,683	2,683			
R0540	2,683	2,683			
R0550	2,683	2,683			
R0580	255				
R0600	1,023				
R0620	1051.29%				
R0640	262.44%				

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)

	C0060
R0700	2,683
R0710	
R0720	
R0730	2,000
R0740	
R0760	683
R0770	
R0780	
R0790	

Annex I

S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
Market risk	R0010	72		
Counterparty default risk	R0020	174		
Life underwriting risk	R0030			
Health underwriting risk	R0040			
Non-life underwriting risk	R0050	71		
Diversification	R0060	-68		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	248		
Calculation of Solvency Capital Requirement		C0100		
Operational risk	R0130	7		
Loss-absorbing capacity of technical provisions	R0140			
Loss-absorbing capacity of deferred taxes	R0150			
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160			
Solvency capital requirement excluding capital add-on	R0200	255		
Capital add-on already set	R0210			
Solvency capital requirement	R0220	255		
Other information on SCR				
Capital requirement for duration-based equity risk sub-module	R0400			
Total amount of Notional Solvency Capital Requirement for remaining part	R0410			
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420			
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430			
Diversification effects due to RFF nSCR aggregation for article 304	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
	R0010	24

	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	
Income protection insurance and proportional reinsurance	R0030	
Workers' compensation insurance and proportional reinsurance	R0040	
Motor vehicle liability insurance and proportional reinsurance	R0050	
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	27
General liability insurance and proportional reinsurance	R0090	206
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			
	R0200				
			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				
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	24
SCR	R0310	255
MCR cap	R0320	115
MCR floor	R0330	64
Combined MCR	R0340	64
Absolute floor of the MCR	R0350	1,023
		C0070
Minimum Capital Requirement	R0400	1,023