

Wausau Insurance Company (U.K.) Limited

Solvency and Financial Condition Report

31 December 2022

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Approval by the Wausau Insurance Company (U.K.) Limited Board of Directors
of the Solvency and Financial Condition Report (“SFCR”)
For the financial year ended 31 December 2022

The Directors are responsible for preparing the SFCR in accordance with the Prudential Regulation Authority (“PRA”) rules and Solvency II (“SII”) Regulations.

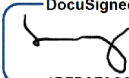
The PRA Rulebook for SII firms in Rule 6.1(2) and Rule 6.2(1) of the Reporting Part requires that the Company must have in place a written policy ensuring the ongoing appropriateness of any information disclosed and that the Company must ensure that its SFCR is subject to approval by the Directors.

Each of the Directors, whose names and functions are listed in Directors’ Report of the UK Generally Accepted Accounting Practice (“UK GAAP”) financial statements, confirm that, to the best of their knowledge:

(a) Throughout the financial year in question, the Company has complied in all material respects with the requirements of the PRA rules and SII Regulations as applicable; and

(b) It is reasonable to believe that, at the date of the publication of the SFCR, the Company continues to comply, and will continue to comply in future.

On behalf of the Board.

DocuSigned by:

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S R McMurray

Director

24 March 2023

About this document

This document fulfils the requirements for the submission of information to national competent authorities in the relevant European Insurance and Occupational Pensions Authority's ("EIOPA") Guidelines on Submission of Information to National Competent Authorities (EIOPA CP 13/010).

The document follows the same structure as the SFCR reporting set out in the Delegated Acts as adopted by the European Commission in October 2014.

The content of this SFCR has also been guided by the Prudential Regulation Authority's SS4/13.

Summary

SFCR for Wausau Insurance Company (UK) Limited for the year ended 31 December 2022.

The SFCR provides public reporting on the following key areas:

Business and Performance

Company Summary

Wausau Insurance Company (U.K.) Limited (“Wausau”) or (the “Company”) formerly underwrote marine, aviation, transport and non-marine business through Willis Faber Underwriting Management Ltd Pool. The Company ceased underwriting this business in 1991 and has completed the run-off for nearly all of those liabilities. The Company retains the potential for some residual liabilities in respect of employer’s liability cover provided prior to 1991.

However, in line with our knowledge and understanding of the risks underwritten, along with the claims history, we are confident that there will be no further claims made.

As such, the Company’s strategy has been aligned to the nature of the business, performing a predominantly administrative role in the management of its business assets and liabilities. The Company will remain in run-off, with no plans to underwrite any further insurance risks.

Wausau’s investment portfolio is made up of cash and cash equivalent balances.

There have not been any significant events resulting in a material effect on the Company’s solvency and financial condition that have occurred during the reporting period.

System of Governance

The Board of Wausau (“the Board”) is responsible for the governance of the Company. The Board supervises the management of the business and the affairs of the Company ensuring the run-off of the business, in line with the run-off strategy and plan. During the year ended 31 December 2022, the Directors of Wausau were:

- Nigel Davenport
- Steve McMurray (Appointed on 18 July 2022)
- James Reeves (Resigned on 11 February 2022)

Details on the System of Governance are set out in B.1 below.

As Wausau does not directly employ staff, any staff that are engaged on Wausau matters are covered under other Liberty legal entity remuneration policies where appropriate. The ‘Fit and Proper’ requirements are considered and are leveraged from Liberty Specialty Markets (“LSM”).

Wausau has a risk management system in place that includes conducting an Own Risk and Solvency Assessment (“ORSA”) at least once a year.

Risk Profile

Wausau has a relatively benign risk profile given the small scale and simplicity of the business. Furthermore, all insurance risks are ceded in full to a third party.

Wausau is exposed to the following risks:

- **Foreign exchange risk** which relates to holding cash and cash equivalents in Pounds Sterling and in US Dollars;

- **Counterparty risk** in relation to the bank accounts held with one bank (HSBC) and a reinsurance arrangement held with one reinsurance provider (Nationwide Indemnity Company (“Nationwide”)).
- **Outsourcing risk**, which is driven by outsourced service providers.

Valuation for Solvency Purposes

Wausau’s Solvency II (“SII”) balance sheet is made up of cash and cash equivalents, technical provisions (“TPs”) and other liabilities (accruals), which consist of audit fees and PricewaterhouseCoopers (“PwC”) consulting fees. These items are relatively simple to value.

Capital Management

At 31 December 2022, Wausau has a Solvency Capital Requirement (“SCR”) ratio of 1,873%, noting that the business does not use the Volatility Adjustment or Matching Adjustment. The ratio to the Minimum Capital Requirement (“MCR”), the active solvency measure and binding capital constraint, is 150%. Wausau only holds Tier 1 own funds which are made up of a reconciliation reserve, share premium and share capital.

31.12.2022	\$
SCR	317,975
MCR	3,965,600
Total Eligible Own Funds to Cover SCR (Tier 1)	5,954,400
Total Eligible Own Funds to Cover MCR (Tier 1)	5,954,400

The SCR calculated for Wausau is significantly below the minimum MCR of €4.0m¹ for a liability insurer. As such, we note that Wausau holds capital at above the minimum MCR level, which translates to \$4.0m at the EIOPA defined exchange rate for 31 December 2022. We acknowledge that, following the UK’s exit from the EU, the PRA continues to adopt EIOPA rates where relevant.

There have been no instances of non-compliance with the MCR and SCR by Wausau in 2022.

During the 2022 financial year, there were no material changes to the business, its performance, systems of governance, risk profile or valuation for solvency purposes.

No changes have been made in the year to the capital management processes undertaken by the business.

¹ Article 129(1)(d)(i) – (iii)

A. Business and Performance

A1. Business

Company Information:

Wausau Insurance Company (U.K.) Limited: 20 Fenchurch Street
London
EC3M 3AW
Company Number: 1230968
Firm Reference Number: 2020127
Legal Entity Identifier: 2138005BZ4Z6CP6U3L69

External auditors: Crowe UK LLP
3rd floor The Lexicon
Mount Street
Manchester
M2 5NT
England

Regulator (financial supervision): Prudential Regulation Authority
Bank of England
Threadneedle St
London
EC2R 8AH

Regulator (conduct supervision): Financial Conduct Authority
25 The North Colonnade
London
E14 5HS

The immediate parent of Wausau Insurance Company (U.K.) Limited is Liberty International Netherlands V.O.F. (V.O.F), a general partnership formed under the laws of the Netherlands. Liberty International Holdings Inc. (LIHI). and Liberty International Europe LLC (LIEL) as partners of V.O.F have 86% and 14% ownership respectively.

Wausau formerly underwrote marine, aviation, transport and non-marine business through the Willis Faber Underwriting Management Ltd ("WFUM") Pool. The Company ceased underwriting this business in 1991 and has completed the run-off for nearly all of those liabilities. The Company retains the potential for some residual liability in respect of employers' liability cover provided prior to 1991. The Company has no plans to resume underwriting. Wausau is a limited liability company incorporated in England, with its registered office based in London.

The ultimate parent undertaking and controlling party is Liberty Mutual Holding Company Inc, a company incorporated in the United States. The ultimate controlling entity's accounts are available on application to the company secretary at:

175 Berkeley Street
Boston, Massachusetts 02116,
USA

Phone: +1-617-357-9500

Also at: www.libertymutualgroup.com

Wausau's functional currency and reporting currency is the US Dollar.

A2. Underwriting Performance

Wausau is a closed book of business. Wausau originally sold a wide range of general insurance products, but the only remaining business on its books is General Liability insurance. The business was primarily sold to small shops and businesses in the United Kingdom.

Wausau stopped writing all new business and entered into run-off in 1991. There have been no known claims observed in the book since the early 1990s.

All risks are reinsured in full to a third party and should any claims arise, they would be dealt with under a claims handling agreement between Wausau and the reinsurer.

A3. Investment Performance

At 31 December 2022, Wausau's investment portfolio is made up of cash balances which are held in both Pounds Sterling and US Dollars; these assets total \$6,556,732 for 2022 (2021: Cash at bank \$6,885,066). Over the year the investment portfolio has earned investment income of \$8,323 (2021: \$2,810) from interest received.

All financial assets held by Wausau are in cash following closure of a cash deposit account during the reporting period and no investments are held in securitisations.

A4. Performance of other activities

Wausau does not receive any other material income. The only expenses relate to fees paid for regulatory and external audit services.

A5. Any other information

There is no other material information for Wausau to disclose on the insurer's business and its performance.

COVID-19

The ongoing COVID-19 global pandemic has made 2022 another challenging period for our people, our customers and economies around the world.

Since Wausau is in run-off this challenging time has not affected it unfavourably. Internally, Liberty continue to support our staff.

B. System of Governance

B1. General information on the system of governance

Wausau has two executive directors. J Reeves resigned on 11 February 2022 from the Wausau Board of Directors and S McMurray was appointed as a director on 18 July 2022. There have been no other changes in its systems of governance.

Wausau is ultimately governed by the Board of Directors. The Company adheres to the provision in its Articles of Association, legal and regulatory requirements and principles of good corporate governance.

The Board's primary role is to oversee an orderly run-off of the business, ensuring activities are conducted in accordance with the expectations of the regulator. In performing its overall oversight function, the Board reviews and assesses a Scheme of Operations Agreement, which sets out the run-off strategy including the business objectives used to manage Wausau.

Wausau recognises risk management, compliance, internal audit and actuarial to be key functions in line with Solvency II regulations. The main roles and responsibilities for each of the key functions shall be further detailed in B3, B4, B5 and B6 below. The Board receives support from the key functions for the management of risks within the Company.

Remuneration Arrangements

Wausau does not have employees. The Company's staff are seconded to it by Liberty Specialty Markets Limited ("LSML") and there is no remuneration provided to these staff in relation to Wausau.

Material Transactions

There are no material transactions to report with shareholders, members of the management body, or those exerting a significant influence over the insurer during the reporting period.

Adequacy of the System of Governance

Wausau's governance structure is designed and deemed to be proportionate to the size and scale of the Company, considering its relatively benign risk profile, and also taking into account the business being in run-off. The Board has not set up committees: the responsibilities of the Internal Audit, Compliance and Risk Management functions of the Company are assumed by the Board.

Key Functions

The four key functions that Wausau has in place are as follows:

- The risk management function;
- The compliance function (which falls within the area of internal control);
- The internal audit function (which is independent of other operational functions); and
- The actuarial function.

Operational Independence

Due to the nature, scale and complexity of Wausau, there is one function holder for all the four key functions identified by the PRA.

Furthermore, Wausau falls under the scope of Liberty Mutual Group's Global Internal Audit ("GIA"), who can review the operational independence of the key function holders at any time.

Wausau has considered the other functions identified by the PRA, that firms may consider to be key:

- Claims
- Reinsurance
- Underwriting
- Investments
- IT

Given the size, scale and complexity of Wausau and applying the principle of proportionality, we do not consider it to be necessary or operationally practical for Wausau to introduce these functions and as such, these functions are not classified as key by Wausau. If these functions were required, it is expected that they would be provided by the Liberty Mutual Group.

B2. Fit and proper requirements

The members of Wausau's Board collectively possess appropriate qualifications, experience and knowledge regarding:

- insurance and financial markets;
- business strategy and business models;
- systems of governance;
- financial and actuarial analysis; and
- the regulatory framework and its requirements.

In deciding whether a person is fit and proper, Wausau must be satisfied that the individual:

- has the personal characteristics (including being of good repute and integrity);
- possesses the appropriate level of competence, knowledge and experience;
- has the relevant qualifications; and
- has undergone or is undergoing all of the training required to enable that individual to perform their function effectively and in accordance with any relevant regulatory requirements and to enable the sound and prudent management of Wausau.

Wausau assesses the fitness & propriety of a person when that person is being considered for any Senior Management Function ("SMF"), key function or notified Non-Executive Director ("NED") position and thereafter, on an ongoing basis. The ongoing evaluation is performed at least annually and consists of, as a minimum, a performance assessment and a self-certification.

Wausau leverages the fit and proper procedures and assessments of LSML.

B3. Risk Management System including the ORSA

Wausau maintains a robust approach to risk management to support the safe and effective delivery of the business strategy and plan. Risk management is ultimately the responsibility of the Wausau Board; however, they are supported by the risk management function and risk management holder, whose responsibilities include:

- Monitoring the general risk profile of the insurer as a whole;
- Reporting on risk exposures to the Board;
- Identifying and assessing emerging risks; and the
- Oversight of the ORSA process and the production of the ORSA report.

The risk management function holder is accountable for the responsibilities of the functions listed above. They will update the Board with regards to risk management issues and following any material changes to the risk profile.

Risk identification

It is the responsibility of the risk function to monitor the risk profile of the business and identify and escalate any new risks to the business as they arise. Where a new or escalating risk is deemed to be material to the business, the risk function holder will escalate this to the Board for further consultation.

The risk management and actuarial functions review, agree and assess the risk profile of Wausau during the ORSA process, reporting on any new or changing risks.

Wausau does not have an internal model, thus there is no further governance or approval in this regard.

ORSA

Wausau's ORSA provides an internal assessment of Wausau's current and future capital requirements, taking into consideration the specific risk profile and strategy of the business. Thus, it considers areas that are not fully reflected in the SCR.

The ORSA considers the business strategy and risk appetite in assessing Wausau's ongoing solvency. The ORSA framework is a series of processes to enable Wausau to manage its risk profile against risk appetite and to ensure that there is appropriate capital to cover the risks being faced in the medium term.

Given Wausau is in run-off and will not be underwriting any new insurance risks, the Board manages the business and has based its risk appetite upon capital management and the impact on its capital.

The overall risk appetite of the business is that of low risk. The Board will review its risk appetite at least once each year, to ensure it reflects the current strategy of the firm. There were no breaches of risk appetite in 2022.

Governance

The Board is responsible for approving the ORSA policy and reviewing, challenging and for signing off the ORSA outputs. The Board remains the principal audience for the ORSA. The Board requests and directs additional testing or alternative representations of risk that they feel will provide a clearer representation of the risks faced by Wausau.

The quality of data used during the ORSA process is vital. Each ORSA report will contain a statement attesting to the quality checks that have been carried out on the data used in the report and also confirming that a review has taken place, so as to ensure that there has been compliance with the Liberty Specialty Markets Data Policy.

Technical provisions are a key input to the ORSA. Each ORSA report will contain a statement from the actuarial function holder, confirming that the technical provisions have been calculated in accordance with the best estimates and reserving best practices and are also in line with the required Technical Accounting Standards ("TAS").

ORSA Process

The ORSA process enables the Wausau Board to ensure that risks are effectively managed and that appropriate capital is held within the business. The process is reviewed at least once each year by management to ensure that the process remains up to date and fits in with the profile of the business. In addition, the ORSA process will help to identify weaknesses, and any future emerging risks and uncertainties. The following elements make up the Wausau ORSA process:

1. Strategy and business planning

Wausau's Board will meet and confirm the strategy and business plan for the forthcoming year. The strategy and business plan have remained consistent in recent years, and that is to run-off the business and to reinsure all insurance risks in full to a third party.

2. Risk appetite

The Board reviews its risk appetite annually and will amend the appetite and tolerance thresholds where they deem it necessary.

3. Risk and capital management

Wausau's risk function will produce a risk assessment that documents any emerging risks as well as assessing the impact of risks already identified and the potential impact to Wausau. This will also include risk management, monitoring and mitigation proposals.

The risk function will also assess potential loss events that could lead to a breach of the SCR and MCR capital requirements. Wausau considers capital at a regulatory level, as determined using the Standard Formula. As part of this process, a review is performed to ensure that the assumptions underlying the SCR calculation are appropriate, in view of the risk appetite and profile of Wausau.

4. Forward looking assessment

Wausau also considers capital requirements from a forward looking perspective. This view will be formed based on Wausau's understanding and predictions of the future economic and insurance environment.

5. Solvency analysis (including stress and scenario testing).

Wausau's risk function will also provide a solvency analysis, which will include an assessment of the amount and quality of its own funds held, by testing its investment tiering. Stress and scenario testing will also be performed to provide further analysis of how robust the solvency position of the Company is, in line with the SCR and the current risk profile. The outcome of the internal solvency analysis will help Wausau to ensure that it can continuously comply with the regulatory SCR and meet its technical provisions.

Frequency of ORSA

This section outlines the frequency with which the ORSA is performed and defines the circumstances which may trigger an 'ad-hoc' ORSA. The SII Directive states that the ORSA shall be performed 'regularly and without any delay following any significant change in (the insurer's) risk profile.

Normal course of business

As a minimum, the ORSA process in its entirety, including the production of a formal ORSA report will be conducted at least once annually.

Significant event

Following a significant event, Wausau will consider whether or not the activities within the ORSA need to be revised, so as to ensure that they are still suitable to assess any potential impact on the level of capital and own funds necessary to meet the regulatory SCR. In some instances, all activities within the ORSA process will require revision, however when less material, it may only be necessary to review some of the ORSA components.

The following types of events will require Wausau to consider the materiality of the event:

1. External factors: Significant changes in the external environment;
2. Internal changes: Significant changes in internal strategy, process or risk profile;
3. Supervisory request: A direct request from the Regulators to re-run all or part of the ORSA.

In the instance of the first two events, Wausau's Board will be required to make a judgement on the materiality of the factors/changes and determine whether or not it is necessary to perform an ad hoc ORSA.

Materiality factor and process

Wausau will follow the process below when determining whether or not a factor/change is material and subsequently, whether all or only part of the ORSA should be revisited:

- A Board member or outsourced team member has identified the occurrence of a significant change in the external environment/internal strategy, in the context of Wausau's defined materiality;
- The Board will assess the impact upon Wausau;
- If the effect to Wausau is deemed to be significant, the Board will consider the extent to which the ORSA process needs to be revisited and revised.

As guidance, Wausau considers the following to be a significant change to factors and processes that would require a full or partial ad hoc ORSA:

- A change in the SCR or MCR of > 15%
- A variation of any risk component in terms of a total impact of > 15%
- A significant change to the business plan

There have been no factors that triggered the production of an ad hoc ORSA during the reporting period.

B4. Internal Control System

Wausau's internal control system is robust and appropriate for the nature, scale and complexity of the business. The internal control system includes financial reporting controls, operationally independent key functions and the support provided by external firms as required.

Compliance Function

The compliance function is responsible for:

- Assessing the adequacy of the measures adopted by the insurer to prevent non-compliance with regulatory requirements;
- The administrative and accounting procedures;
- The internal control framework; and
- Appropriate reporting arrangements.

The compliance function holder will provide a compliance update to the Board on an annual basis. The compliance function holder has the ability to call for an ad hoc Board meeting to address compliance issues where they deem this to be appropriate.

B5. Internal Audit Function

The internal audit function at Wausau is fulfilled by Liberty Mutual Group's GIA, an objective body independent from the other operational functions. GIA audit activity is determined through the annual planning process which considers materiality and risk factors in determining where to deploy resources. The internal audit function holder has the ability to request the GIA to conduct a review where they deem it necessary, outside of the internal audit plan. The GIA will report its findings to the Board who then determine what actions are to be taken as a result of those findings and shall ensure that any actions are completed.

B6. Actuarial Function

Wausau has an effective actuarial function, which is responsible for:

- Coordinating and overseeing the calculation of technical provisions ("TPs");
- Ensuring the appropriateness of methodologies, models and the assumptions used in the calculation of the TPs;
- Assessing the adequacy and quality of the data used in the calculation of the TPs;
- Comparing the best estimates against past experience;
- Informing the Board of the reliability of the TPs;
- Providing an opinion on the adequacy of reinsurance arrangements;
- Contributing to the modelling of risk in respect of the ORSA and the MCR and SCR calculations.
- Contributing to the effective implementation of the risk management system.

The actuarial function holder is able to call upon the skills and expertise of qualified actuaries at PwC when they deem this to be necessary and in line with the outsourcing agreement.

The actuarial function holder will report on the TPs and the regulatory capital requirements to the Board on an annual basis. The actuarial function holder has the ability to call for an ad hoc Board meeting where they deem it necessary.

B7. Outsourcing

Introduction

The purpose of this policy is to provide a framework for the assessment and review of the outsourcing arrangements.

Definition

Wausau defines outsourcing as the contracting of work or resources to a third party provider.

Materiality

Wausau defines an outsourcing contract to be material when either of the following quantitative or qualitative metrics are met:

- Quantitative: where the cost of the proposed outsourcing contract in any one year is planned to be or is greater than 25% of the operating expenses of Wausau; and
- Qualitative: where it is deemed by the Board that the cessation of the outsourcing would have a material impact on the risk profile.

The Board is satisfied that the criteria is appropriate and reviews it on an annual basis.

Material contracts

In line with the clearly defined criteria, the following outsourcing arrangements are deemed to be material at 31 December 2022:

- Nationwide Indemnity Company – Administrative services with regards to the reinsurance arrangements; and
- PricewaterhouseCoopers LLP – Regulatory advisory services.

Outsourcing guidelines and processes

For the renewal of material outsourcing arrangements, the following process will be adhered to prior to a contractual agreement:

1. Review of the terms of business in line with SII requirements by the compliance function;
2. Board level discussion covering commercial factors and prior performance.

For the procurement of new and material outsourcing contracts, the following process will be adhered to prior to a contractual agreement:

1. Reasonable level of due diligence performed over the third-party provider – criteria to be defined on a case by case basis by the Board;
2. Review of the terms of business in line with SII requirements by the compliance function;
3. Board level discussion covering commercial factors and any previous interactions with the company in question.

Service level agreements (“SLA”)

An SLA must be in place for all outsourcing arrangements which details the terms and scope of the arrangement in accordance with this policy. The SLA must be signed by both counterparties before the service commences.

The SLA must include terms stating that the outsourced service provider will adhere to all Wausau policies and procedures which are appropriate to the outsourcing arrangement and will be defined in the SLA.

Board responsibilities

The Board establishes and monitors an appropriate governance and operational structure for Wausau for the purpose of ensuring the sound and prudent management of the Company. The Board has responsibility for:

- Ensuring that sufficient and appropriate due diligence is performed on any potential outsourcing providers before entering into an SLA;
- Providing prior approval for all material outsourcing arrangements; and
- Monitoring the adherence to policies, including the code of conduct and outsourcing.

B8. Any other information

Wausau does not have any other material information to disclose on the system of governance.

Climate Change

The management have considered the impact of climate change on the Wausau business model. Since the run-off period of Wausau is relatively short, therefore the long-tailed impacts of climate change are not likely to occur during this time. The management of Wausau does not anticipate therefore to be any material risks.

C. Risk Profile

Wausau has a relatively benign risk profile, given the small scale and simplicity of the business and also by considering that all of its insurance risks have been ceded in full to a third party.

C1. Underwriting Risk

The underwriting risk to Wausau is negligible as it has not written any new business in 2022 and this has been the case since 1991 when Wausau ceased underwriting business and has subsequently completed the run-off for nearly all of its liabilities.

Wausau has not experienced any known claims in over thirty years. It is expected that any claims would be handled and paid for by the reinsurer. However, the Company maintains adequate own funds so as to discharge any liabilities, as they fall due.

C2. Market Risk

Wausau's exposure to market risk is entirely composed of foreign exchange risk, as its assets are cash or cash equivalent balances, held in both Pounds Sterling and US Dollars.

C3. Credit Risk

Wausau's exposure to credit risk is entirely composed of counterparty risk, in relation to the bank accounts that are held with one bank (HSBC). This is monitored on an ongoing basis.

C4. Liquidity Risk

Wausau carries minimal exposure to liquidity risk as all assets are either cash or cash equivalent balances.

C5. Operational Risk

Wausau's operational risk exposure is driven by the services provided by the outsourced service providers; PwC providing SII support and LSML seconded staff.

C6. Other Material Risks

There are no other material risks to consider.

Risk Exposure

It is the responsibility of the risk function to monitor the risk profile of the business and identify and escalate any new risks to the business. Where a new or escalating risk is deemed to be material to the business, the risk function holder will escalate this to the Board for further consultation.

The risk function holder will provide an update to the Board on risk exposure on an annual basis and they have the ability to call an ad hoc Board meeting to address material risks to the business where they deem it appropriate.

The risk management and actuarial functions will also monitor the risk profile of Wausau during the ORSA process, reporting on any new or changing risks.

Prudent Person Principle

Wausau holds all of its asset portfolio in cash and cash equivalent balances and therefore does not require the services of an investment advisor. The investment portfolio is classified as prudent and the type of investment fits with the nature of the business.

Risk Concentration

The management of Wausau do not consider there to be any material risk concentrations.

Risk Mitigation

For background on Wausau’s risk mitigation processes and monitoring of their continued effectiveness, see section B3.

Risk Sensitivities

Wausau carries out stress and scenario testing as part of its approach to managing risk. Results are presented annually to the Board and considered as part of the ORSA process. For the 2022 ORSA, the analysis indicated that Wausau is sufficiently capitalised and able to withstand the shocks, without breaching its capital requirement.

Methodology

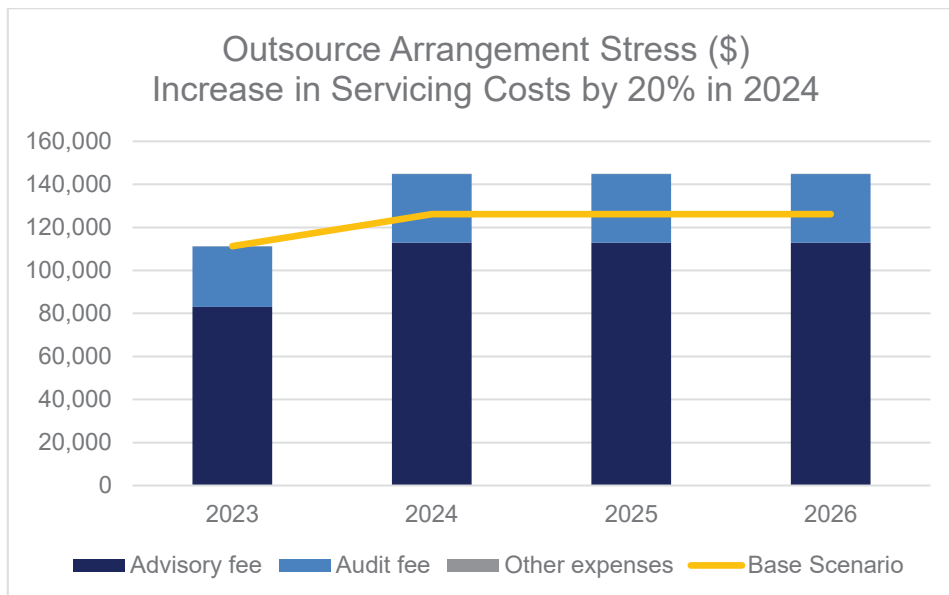
We have considered the most significant liability within the technical provisions of Wausau, which is the assumed spend on fees to an external service provider (audit fee and advisory fees). As such, we have considered two scenarios whereby we have added stresses to these liabilities and highlighted the impact on the capital requirement.

We have used a projection period of four years for the stress and scenario testing, which is aligned to the medium to long term planning horizon.

Stress and Scenario Tests

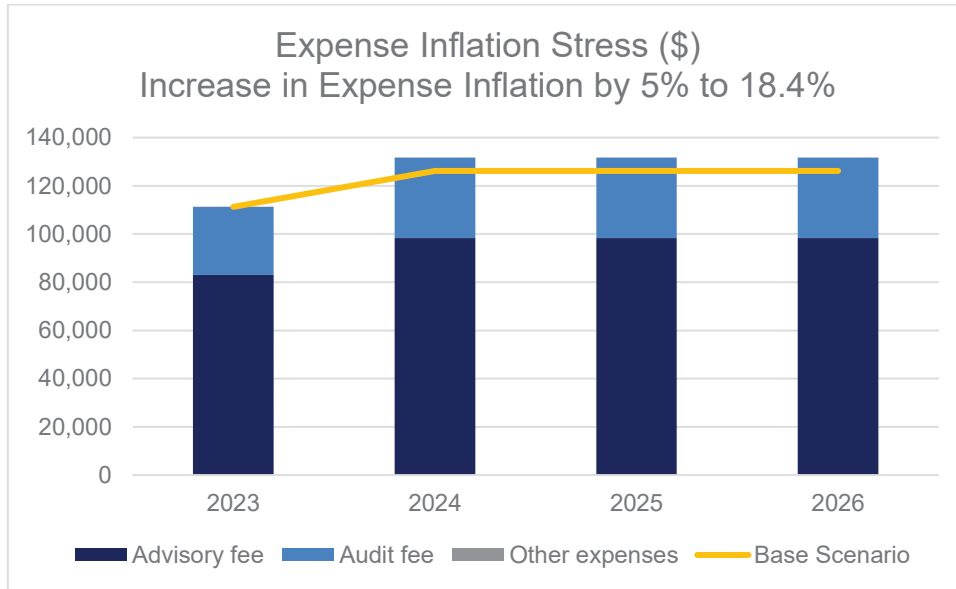
Increase in third party professional services fees by 20%

As a stress test, we have considered a scenario where midway through the projection period, the ongoing SII support arrangement is terminated and the cost of a new vendor is 20% higher, in order to represent the initial and ongoing increase in costs (which is maintained through the projection period). This stress increases the technical provisions by c.\$53k, which in turn reduces the free capital by the same amount (which represents a c.3% reduction in the free surplus). This stress is relatively severe, and the technical provisions do show material sensitivity to this change. This has been considered in the risk management of the business.



The RPI inflation assumption remains level at 13.4% throughout the projection period.

This assumption is key to the latter end of the projection period for the audit and advisory expenses within the best estimate calculation. Increasing the expense inflation by 5% produces the following expenses profile:



This stress caused an increase in technical provisions of \$15k, which in turn reduces the free capital by the same amount (which represents a c.1% reduction in the free surplus). The business is well placed to meet the requirements of this stress.

Risk Free Rate changes

As per the regulatory requirements, stress testing has been conducted on the risk free rate (“RFR”). This curve determines the level of discounting applied to future cash flows, so that the SII balance sheet reflects the time value of money.

The results of the stress testing of both a flat increase and a flat decrease in the RFR is shown below:

	Best Estimate Liability (\$)	Risk Margin (\$)	Free capital (\$)	Change in Free Capital (\$)
Base	440,052	22,744	1,988,800	-
RFR +1%	429,700	21,912	1,999,984	11,184
RFR -1%	450,809	23,623	1,977,166	(11,635)

Wausau therefore notes that there is sensitivity of the solvency position to the RFR, which is as expected. As part of its risk management processes, this will be considered as part of the regular risk monitoring and management.

The Board has considered the outcomes of the stress and scenario testing when reviewing the current capital position and are comfortable that the current capital holding remains appropriate. The Board will continue to review the outcomes of the stress and scenario testing plan when reviewing the capital position and when considering any capital distributions.

C7. Any Other Information

COVID-19

The ongoing COVID-19 global pandemic has made 2022 another challenging period for our people, our customers and economies around the world.

Since Wausau is in run-off, this challenging time has not affected it unfavourably. Internally, the Liberty Group continue to support our staff.

Climate Change

The management have considered the impact of climate change on the Wausau business model and due to the relatively short run-off period does not anticipate there to be any material risks.

There is no further material information regarding the risk profile of Wausau.

D. Valuation for Solvency Purposes

The Company's SII assets and liabilities are presented on an economic basis consistent with the "fair value" accounting concept. The Company's GAAP valuation is used where consistent with SII's economic basis. Assets and liabilities are measured at cost or amortised cost in the Company's financial statements and have been revalued to economic value. SII also requires specific valuation approaches for some assets and liabilities, which have been followed. The Company prepares its statutory financial statements in accordance with UK GAAP and follows those parts of the UK's Companies Act 2006 that are applicable to companies reporting under UK GAAP. Full details of the basis for the preparation of the Company's financial statements, critical accounting estimates and judgements and key accounting policies are set out in Note 1 to those financial statements.

The Company exercises judgement in selecting each of its accounting policies. Company law and GAAP, require that management select suitable accounting policies, to apply them consistently and to make judgements and estimates that are reasonable and prudent when preparing the financial statements. The Company has followed a consistent approach in selecting its valuation approaches for SII. These judgements and estimates are based on management's knowledge as well as current factors and circumstances that may impact business performance, together with appropriate predictions of future events and actions. Actual results may differ from those estimates, possibly significantly. To the extent that actual experience differs from the assumptions used, the Company's financial position, results of operations and cash flows could be materially affected.

The following sections describe the valuation approaches used by the Company for valuing its assets and liabilities.

D1. Assets

The material class of assets shown on Wausau's SII balance sheet are cash and cash equivalents. All other SII balance sheet asset lines have a zero balance. The SII values and the corresponding UK GAAP values are summarised in the table below:

\$'000s	Dec 2022 Solvency II	Dec 2021 Solvency II	Difference Solvency II	Dec 2022 UK GAAP	Dec 2021 UK GAAP	Difference UK GAAP
Cash and cash equivalents	6,557	6,855	(298)	6,557	6,855	(298)
Total assets	6,557	6,855	(298)	6,557	6,855	(298)

The following sections provide further details on the specific valuation policies that the Company has applied to produce its SII balance sheet.

Cash and Cash Equivalents

For statutory reporting purposes, Wausau has classified cash as cash and cash equivalents in line with UK GAAP.

D2. Technical provisions

Composition of Technical Provisions

The technical provisions of Wausau as at 31 December 2022 are primarily held for the various expenses that are required to administer the insurance policies. There remains a small risk margin due to the presence of non-hedgeable risk (more specifically, the standard formula charge associated with operational risk). Expenses are therefore the key driver of the technical provisions. There was no material change to the methodology and assumptions applied to calculate the technical provisions and risk margin for the year ended 31 December 2022.

Technical Provisions	December 2022 Solvency II Value (\$'000)	December 2021 Solvency II Value (\$'000)
Best Estimate	440	633
Risk Margin	23	41

It has been assumed that the business will continue for the next four years, on the basis that the business will be wound up at that point. Thus, the cash flows have been projected using this assumption. Note that if management choose to operate the business beyond that point, it will start to erode the free surplus available.

The cash flows have been discounted using the EIOPA basic risk-free curve for USD across all modelling of the technical provisions. This has been applied without the use of the Volatility Adjustment.

Risk Margin

The risk margin has been calculated in accordance with SII regulations.

A key element of the calculation is the projection of the SCR. Given that there are no claims or premium provisions within the technical provisions, the assumption has been taken to run-off the non-hedgeable portion of the SCR according to the expenses profile of the business. This is deemed appropriate as the expenses are the key component of the technical provisions and will dictate the level of risk margin.

As the SCR itself is small in the context of the overall SII balance sheet, and as a function of the SCR, the resulting risk margin calculated is also small.

Claims and earned provision

Wausau ceased writing insurance business in 1991 and has not received any known claims for over thirty years. In line with the nature of the insurance risks underwritten and the opinions of senior management, Wausau does not expect to receive any future claims. It is therefore an assumption within the best estimate that the provisions held with respect to future claims is zero.

This assumption has been used over the projection period.

Premiums and unearned provision

All premiums received have been fully earned and no future premiums are expected, therefore no provision is required with respect to experience on either unearned business or future premiums payable. This is an assumption that is applied throughout the projection period.

Expense provisions

Expense provisions are the most material element of the best estimate liabilities within Wausau, and are calculated using the following methodology:

- 1) All expenses related to the running of the Company have been identified and quantified using the underlying contractual agreements (note that all of these contracts are held with PwC, aside from the audit fees). These expenses are associated with the running of Wausau, and do not pertain to claims expenses (as there are no assumed claims expected in the future).
- 2) Expenses are split according to their purpose. Note that there is no segmentation required between product lines as Wausau has one product type. The two key expenses are outlined below:
 - a) Audit fees – the annual audit is performed by Crowe UK LLP and a fee is agreed annually. This rate is therefore subject to inflation and the competitive nature of the audit industry.
 - b) Ongoing SII support – PwC provides advisory services regarding compliance with SII regulations.
- 3) Given the assumed projection period of the business, the expenses associated with these arrangements have been projected using the following methodologies:
 - a) Audit fees – the audit fee is assumed to remain relatively constant, with an uplift to reflect inflation every three years. This is based on PwC's economic assumptions.
 - b) Ongoing SII support – estimated fees provided by PwC assume little change in the scope of services that they will provide in future years. We have assumed that the fee will increase to reflect inflation every three years throughout the projection period.

The methodology creates an expected expense profile throughout future years, as shown below:

Whilst there is a degree of uncertainty involved in any actuarial liability projection, Wausau has assessed the level of uncertainty within the technical provisions as being medium to high. The technical provisions for Wausau on a gross basis (i.e., gross of reinsurance) can be broken down into two key components:

Expenses: The expenses for running Wausau constitute a large proportion of the technical provisions, categorised as the audit fees and ongoing SII support, as discussed above.

Claims: As noted above, the nature of the insurance risks underwritten and from the opinions of senior management, Wausau does not expect to receive any future claims.

We can therefore be confident that should any claims arise, that there will be no liability created due to the current reinsurance arrangement. Furthermore, any claims would fall to the claims handler under a claims handling agreement with a subsidiary of the reinsurer, under which Wausau should not incur any claims handling expenses.

SCR projection simplification for risk margin

As Wausau does not project the SCR forward using more sophisticated methods, the SCR is projected according to the forecast expense profile. This is because expenses are a major

proportion of the technical provisions and will therefore shape the business profile in the future. This is known as the Level 2 simplification as defined within the Valuation of Technical Provisions guidelines.

No other simplifications are used in the calculation of technical provisions.

Wausau does not apply approval-dependent provisions of SII.

UK GAAP & Solvency II Reconciliation

Under UK GAAP Wausau does not hold any reserves, as no future claims are expected.

The closed book business held by Wausau Insurance Company is categorised as the “General Liabilities” line of business for the purposes of SII. These are mostly composed of the expense provisions required to administer and audit the business. There is no claims reserve on a net basis due to the reinsurance agreement with Nationwide Indemnity Company, and the recent claims experience.

The risk margin is a relatively small element of the technical provisions due to the comparably small amount of non-hedgeable risk within the SCR.

Technical provisions should provide a best estimate of the liabilities, and as such should not include prudence margins – all technical provision items have been calculated from first principles, and there remains no prudence margins in the assumptions used.

Discounting as stated within the “*composition of technical provisions*” section above is conducted in line with the EIOPA provided risk free rate. These rates are term dependent, and do not include adjustments related to the matching adjustment or volatility adjustment (as these are non-applicable to the business of Wausau).

Simplifications : Wausau itself has a simple business model. The approach therefore to modelling reflects this, but there are no specific approximations as outlined within the SII guidance.

Uncertainty: Wausau has a very stable business model, given that the policies on which liabilities could emerge at present are not expected to result in any claims. The key uncertainty is therefore in the expenses that Wausau will be required to pay in order to ensure that the business is administered and supported appropriately. Stress testing has considered the events that may cause this to increase throughout the projection period.

Reliability and adequacy of the assumptions used to underpin the technical provisions: specific comments regarding the reliability and adequacy of each element of the technical provisions are discussed within this section.

Homogeneous risk groups: as all policies fall within the definition of employer’s liability insurance, there is no need to further segregate the policies.

D3. Other liabilities

\$'000	December 2022	December 2021	Difference	December 2022	December 2021	Difference
	Solvency II	Solvency II	Solvency II	UK GAAP	UK GAAP	UK GAAP
Other Liabilities	140	88	52	140	88	52

Other liabilities on both balance sheets are primarily derived from accruals for professional service fees incurred in 2022. These fees relate to the provision of regulatory services provided by PwC and for the audit of the statutory accounts by Crowe UK LLP. The increase in the overall other liabilities balance is driven by an increase in the accrual of audit and advisory fees in 2022.

D4. Alternative methods for valuation

Wausau does not use any alternative valuation methods.

D5. Any other information

The Company's management do not consider that any other material information regarding the SII valuation of assets and liabilities is required.

E. Capital Management

E1. Own funds

Every quarter and annually as part of the ORSA process, Wausau's senior management reviews its own funds against the risk profile of the business and its capital requirements. This includes a review against the MCR and the SCR requirements. Any movements in capital are also reviewed against its risk appetite.

As part of this process, senior management also considers the best estimate of the future capital requirements of the business against its capital position. Where senior management is concerned, should there not be sufficient capital available in the future to meet its capital requirements, or in the event of a breach to the SCR / MCR, management would consider all of the options available, so as to ensure that sufficient capital can be made available, including but not limited to, injecting additional capital funds into the business.

Wausau's own funds comprise mostly of a reconciliation reserve and a share premium reserve, which are classified as Tier 1 unrestricted own funds. This includes:

- Sufficient duration;
- Absence of incentives to redeem;
- Absence of mandatory service costs; and
- Absence of encumbrance.

There were no material changes to the capital management processes for Wausau in 2022.

Tier	Instrument(s)	December 2022 (\$'000)	December 2021 (\$'000)	Difference (\$'000)
Tier 1	Ordinary paid up share capital	0	0	0
	Share premium	1,000	1,000	0
	Reconciliation reserve	4,954	5,093	(139)
Total own funds to cover MCR		5,954	6,093	(139)
Total own funds to cover SCR		5,954	6,093	(139)

The primary driver of the decrease in own funds from prior year is due to payment of expense accruals which decreased the cash and cash equivalents balance. There were no capital injections from Wausau's parent and sole shareholder, Liberty International Netherlands V.O.F.

Reconciliation of GAAP equity and Solvency II excess over assets

	\$'000
Financial reserves and retained earnings from UK GAAP financial statements	6,417
Difference in valuation of Technical Provisions	463
Excess of assets over liabilities under Solvency II	5,954

The key difference in the technical provision balances arises from the recognition of future professional fee payments under SII, which are not included in the UK GAAP balance sheet.

E2. SCR and MCR

The table below shows the SCR and MCR as at 31 December 2022 and a comparison to the prior year:

	December 2022 (\$'000)	December 2021 (\$'000)	Difference
SCR	318	386	(68)
MCR	3,966	4,309	(343)

SCR

The SCR is calculated using the Standard Formula as defined within the SII Directive and the Delegated Acts. The calculations have yielded a counterparty risk charge associated with the cash bank accounts held with HSBC. There is also a non-life capital charge with respect to non-life obligations. Overhead expenses must be allocated to either a claims or a premiums provision, which feeds into the calculation of the non-life SCR.

There is also a reinsurance contract with Nationwide Indemnity Company, which covers Wausau's insurance liabilities in full. Given that there are no expected claims (as discussed in section D.2), there is no perceived loss given default (given the view of the insurance liabilities), and therefore under SII rules, this does not generate a capital charge.

The capital charge relating to currency risk has reduced at year end 2022 due to assets being held as cash.

The table below provides a breakdown at 31 December 2022, of the SCR split by risk category. Further detail is provided in Appendix A (S.25.01.01).

December 2022 - SCR	\$'000
Market risk	232
Counterparty default risk	3
Life risk	0
Health risk	0
Non-life underwriting risk	145
SCR prior to diversification and Op Risk	381
Diversification	(76)
Intangible asset risk	0
Operational risk	13
Basic Solvency Capital Requirement	318

The Actuarial function have also reviewed the other areas of where there is no capital required and have deemed this as appropriate.

MCR

The table in Appendix A (S.28.01.01) sets out the information on the inputs used by Wausau to calculate the MCR.

The MCR absolute floor of €4.0m as defined by EIOPA is converted at the exchange rate prescribed by the PRA for regulatory reporting purposes, giving rise to an MCR of \$4.0m.

E3. Use of the duration-based equity risk sub-module in the calculation of the SCR

The duration-based equity risk sub-module is not applicable to Wausau as a General Liability Insurer.

E4. Differences between the Standard Formula and any internal model used

At the present time Wausau does not use an internal model to calculate the SCR and MCR. Wausau does not intend to apply for an internal model. The Standard Formula is deemed to be appropriate for the risk profile of the business.

E5. Non-compliance with the MCR and non-compliance with the SCR

There have been no instances of non-compliance with the MCR and SCR by Wausau. Wausau does not anticipate any non-compliance with the MCR or SCR during their business planning horizon or during any stage of its run-off. Management continues to monitor the risk of non-compliance arising from exposure to the EUR exchange rate and its impact on the MCR.

E6. Any Other Information

There is no other material information for Wausau to report regarding the capital management.

Appendix A

S.02.01.02.01 Balance sheet

		Solvency II value
		C0010
Assets		
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	
Deferred tax assets	R0040	
Pension benefit surplus	R0050	
Property, plant & equipment held for own use	R0060	
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	
Property (other than for own use)	R0080	
Holdings in related undertakings, including participations	R0090	
Equities	R0100	
Equities - listed	R0110	
Equities - unlisted	R0120	
Bonds	R0130	
Government Bonds	R0140	
Corporate Bonds	R0150	
Structured notes	R0160	
Collateralised securities	R0170	
Collective Investments Undertakings	R0180	
Derivatives	R0190	
Deposits other than cash equivalents	R0200	
Other investments	R0210	
Assets held for index-linked and unit-linked contracts	R0220	
Loans and mortgages	R0230	
Loans on policies	R0240	
Loans and mortgages to individuals	R0250	
Other loans and mortgages	R0260	
Reinsurance recoverables from:	R0270	
Non-life and health similar to non-life	R0280	
Non-life excluding health	R0290	
Health similar to non-life	R0300	
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	
Health similar to life	R0320	
Life excluding health and index-linked and unit-linked	R0330	
Life index-linked and unit-linked	R0340	
Deposits to cedants	R0350	
Insurance and intermediaries receivables	R0360	
Reinsurance receivables	R0370	
Receivables (trade, not insurance)	R0380	
Own shares (held directly)	R0390	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	
Cash and cash equivalents	R0410	6,557
Any other assets, not elsewhere shown	R0420	
Total assets	R0500	6,557
Liabilities		
Technical provisions - non-life	R0510	463
Technical provisions - non-life (excluding health)	R0520	463
Technical provisions calculated as a whole	R0530	
Best Estimate	R0540	440
Risk margin	R0550	23
Technical provisions - health (similar to non-life)	R0560	
Technical provisions calculated as a whole	R0570	
Best Estimate	R0580	
Risk margin	R0590	
Technical provisions - life (excluding index-linked and unit-linked)	R0600	
Technical provisions - health (similar to life)	R0610	
Technical provisions calculated as a whole	R0620	
Best Estimate	R0630	
Risk margin	R0640	
Technical provisions - life (excluding health and index-linked and unit-linked)	R0650	
Technical provisions calculated as a whole	R0660	
Best Estimate	R0670	
Risk margin	R0680	
Technical provisions - index-linked and unit-linked	R0690	
Technical provisions calculated as a whole	R0700	
Best Estimate	R0710	
Risk margin	R0720	
Other technical provisions	R0730	
Contingent liabilities	R0740	
Provisions other than technical provisions	R0750	
Pension benefit obligations	R0760	
Deposits from reinsurers	R0770	
Deferred tax liabilities	R0780	
Derivatives	R0790	
Debts owed to credit institutions	R0800	
Financial liabilities other than debts owed to credit institutions	R0810	
Insurance & intermediaries payables	R0820	
Reinsurance payables	R0830	
Payables (trade, not insurance)	R0840	
Subordinated liabilities	R0850	
Subordinated liabilities not in Basic Own Funds	R0860	
Subordinated liabilities in Basic Own Funds	R0870	
Any other liabilities, not elsewhere shown	R0880	139
Total liabilities	R0900	602
Excess of assets over liabilities	R1000	5,954

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: accepted non-proportional reinsurance					Total
	Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
Premiums written	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Gross - Direct Business																	
Gross - Proportional reinsurance accepted																	
Gross - Non-proportional reinsurance accepted																	
Reinsurers' share																	
Net																	
Premiums earned																	
Gross - Direct Business																	
Gross - Proportional reinsurance accepted																	
Gross - Non-proportional reinsurance accepted																	
Reinsurers' share																	
Net																	
Claims incurred																	
Gross - Direct Business																	
Gross - Proportional reinsurance accepted																	
Gross - Non-proportional reinsurance accepted																	
Reinsurers' share																	
Net																	
Changes in other technical provisions																	
Gross - Direct Business																	
Gross - Proportional reinsurance accepted																	
Gross - Non-proportional reinsurance accepted																	
Reinsurers' share																	
Net																	
Expenses incurred																	
Gross - Direct Business																	
Gross - Proportional reinsurance accepted																	
Gross - Non-proportional reinsurance accepted																	
Reinsurers' share																	
Net																	
Other expenses																	
Gross - Direct Business																	
Gross - Proportional reinsurance accepted																	
Gross - Non-proportional reinsurance accepted																	
Reinsurers' share																	
Net																	
Total expenses																	
Gross - Direct Business																	
Gross - Proportional reinsurance accepted																	
Gross - Non-proportional reinsurance accepted																	
Reinsurers' share																	
Net																	

S.17.01.02 Non-Life Technical Provisions

	Direct business and accepted proportional reinsurance											Accepted non-proportional reinsurance				Total Non-Life obligation	
	Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance		Non-proportional property reinsurance
	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole																	
R0010 Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole																	
R0050 Technical provisions calculated as a sum of BE and RM																	
Best estimate																	
<i>Premium provisions</i>																	
R0060 Gross Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default																	
R0140 Net Best Estimate of Premium Provisions																	
R0150 <i>Claims provisions</i>																	
R0160 Gross Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default																	
R0240 Net Best Estimate of Claims Provisions																	
R0250 Total Best estimate - gross																	
R0260 Total Best estimate - net																	
R0270 Risk margin																	
R0280 Amount of the transitional on Technical Provisions																	
R0290 Technical Provisions calculated as a whole																	
R0300 Best estimate																	
R0310 Risk margin																	
R0320 Technical provisions - total																	
R0330 Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total																	
R0340 Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total																	

S.23.01.01 Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	3	3			
Share premium account related to ordinary share capital	R0030	999,998	999,998			
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Surplus funds	R0070					
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	4,954,399	4,954,399			
Subordinated liabilities	R0140					
An amount equal to the value of net deferred tax assets	R0160					
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions	R0290	5,954,400	5,954,400			
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Other ancillary own funds	R0390					
Total ancillary own funds	R0400					
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	5,954,400	5,954,400			
Total available own funds to meet the MCR	R0510	5,954,400	5,954,400			
Total eligible own funds to meet the SCR	R0540	5,954,400	5,954,400			
Total eligible own funds to meet the MCR	R0550	5,954,400	5,954,400			
SCR	R0580	317,975				
MCR	R0600	3,965,600				
Ratio of Eligible own funds to SCR	R0620	1873%				
Ratio of Eligible own funds to MCR	R0640	150%				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	5,954,400
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	1,000,001
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	4,954,399
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	
Total Expected profits included in future premiums (EPIFP)	R0790	

S.25.01.01 Basic Solvency Capital Requirement

		Net solvency capital requirement	Gross solvency capital requirement	Allocation from adjustments due to RFF and Matching adjustment portfolios
		C0030	C0040	C0050
Market risk	R0010	232,488	232,488	
Counterparty default risk	R0020	3,278	3,278	
Life underwriting risk	R0030			
Health underwriting risk	R0040			
Non-life underwriting risk	R0050	145,217	145,217	
Diversification	R0060	(76,209)	(76,209)	
Intangible asset risk	R0070	0	0	
Basic Solvency Capital Requirement	R0100	304,774	304,774	

		Value
		C0100
Adjustment due to RFF/MAP nSCR aggregation	R0120	0
Operational risk	R0130	13,202
Loss-absorbing capacity of technical provisions	R0140	0
Loss-absorbing capacity of deferred taxes	R0150	0
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	0
Solvency Capital Requirement excluding capital add-on	R0200	317,975
Capital add-on already set	R0210	0
Solvency capital requirement	R0220	317,975
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	0
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	0
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	0
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	0
Diversification effects due to RFF nSCR aggregation for article 304	R0440	0
Method used to calculate the adjustment due to RFF/MAP nSCR aggregation	R0450	4
Net future discretionary benefits	R0460	0

S.28.01.01 Minimum Capital Requirement**Linear formula component for non-life insurance and reinsurance obligations**

		C0010	
MCR _{NL} Result	R0010	45,325	
		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		
General liability insurance and proportional reinsurance	R0090	440,052	
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

		C0040
MCR _L Result	R0200	0

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

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

		C0070
Linear MCR	R0300	45,325
SCR	R0310	317,975
MCR cap	R0320	143,089
MCR floor	R0330	79,494
Combined MCR	R0340	79,494
Absolute floor of the MCR	R0350	3,965,600
Minimum Capital Requirement	R0400	3,965,600