

Wausau Insurance Company (U.K.) Limited

Solvency and Financial Condition Report
31 December 2024

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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 2024**

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

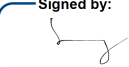
The PRA Rulebook for UK Solvency II firms, in Rule 6.1(2) and Rule 6.2(1) of the Reporting Part, requires that the Company must have in place a written policy ensuring the ongoing appropriateness of any information disclosed and that the Company must ensure that its SFCR is subject to approval by the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

Signed by:

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S R McMurray

Director

03 April 2025

About this document

This document fulfils the requirements for the submission of information to the Prudential Regulation Authority for the purposes of supporting the PRA's supervision of the firm.

The document has been prepared in accordance with Sections 3 to 6 of the PRA Rulebook and follows the SFCR reporting structure as set out in Article 1A.

Summary

SFCR for Wausau Insurance Company (U.K.) Limited for the year ended 31 December 2024.

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. 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.

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 2024, the Directors of Wausau were:

- Nigel Davenport
- Steve McMurray

Details on the System of Governance are set out in B1 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 Managing Agency Limited and Liberty Mutual Insurance Europe Societas Europaea (LMAL/LMIE).

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 Bank plc (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 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 2024, Wausau has a Solvency Capital Requirement (SCR) ratio of 2,068%, 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 137%. Wausau only holds Tier 1 own funds which are made up of a reconciliation reserve, share premium, and share capital.

31.12.2024	\$
SCR	290,014
MCR	4,383,383
Total Eligible Own Funds to Cover SCR (Tier 1)	5,996,431
Total Eligible Own Funds to Cover MCR (Tier 1)	5,996,431

The SCR calculated for Wausau is significantly below the MCR of £3.5m for a liability insurer. As such, we note that Wausau holds capital at above the MCR level, which translates to \$4.4m at the BEEDs defined exchange rate for 31 December 2024. It should be noted that PRA reforms to the MCR floor came into effect on 31 December 2024, changing from €4.0m to £3.5m in order to adapt the Solvency II framework to the UK market.

There have been no instances of non-compliance with the MCR and SCR by Wausau in 2024.

During the 2024 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.

A. Business and Performance

A1. Business

Company Information:

Wausau Insurance Company (U.K.) Limited: 20 Fenchurch Street
 London, EC3M 3AW
 Company Number: 01230968
 Firm Reference Number: 202127
 Legal Entity Identifier: 2138005BZ4Z6CP6U3L69

External auditors: PKF Littlejohn LLP
 15 Westferry Circus
 Canary Wharf
 London, E14 4HD
 England

Regulator (financial supervision): Prudential Regulation Authority
 Bank of England
 20 Moorgate
 London, EC2R 6DA

Regulator (conduct supervision): Financial Conduct Authority
 12 Endeavour Square
 London, E20 1JN

Wausau Insurance Company (U.K.) Limited is a limited liability company incorporated in England, with its registered office based in London. The immediate parent of Wausau 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.

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 2024, Wausau's investment portfolio is made up of cash balances which are held in both Pounds Sterling and US Dollars, these assets total \$6,433,870 for 2024 (2023: \$6,556,583). Over the year, the investment portfolio has earned investment income of \$53,338 (2023: \$49,966) from interest received.

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.

B. System of Governance

B1. General Information on the System of Governance

Wausau has two executive directors; N J Davenport and S R McMurray.

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 are two function holders 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 and 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 LMAL/LMIE .

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 2024.

Governance

The Board is responsible for approving the ORSA policy and for reviewing, challenging and signing off the ORSA outputs. The Board remains the principal audience for the ORSA. The Board requests and directs additional testing for 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 confirming that a review has taken place, to ensure that there has been compliance with the LMAL/LMIE 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:

- External factors: Significant changes in the external environment;
- Internal changes: Significant changes in internal strategy, process or risk profile;
- 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:

1. 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;
2. The Board will assess the impact upon Wausau;
3. 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 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 technical provisions 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 contract 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 2024:

- Nationwide – Administrative services with regards to the reinsurance arrangements; and
- PwC – 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 of Wausau have considered the impact of climate change on the Company's business model. Since the run-off period of Wausau is relatively short, the long-tailed impacts of climate change are not likely to occur during this time. The management, therefore, does not anticipate there 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 2024, 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 Nationwide, providing administrative services relating to reinsurance arrangements.

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 2024 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 scenarios whereby we have added stresses to these liabilities and highlighted the impact on the capital requirement.

We have used a projection period of two 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

We have considered scenarios where the ongoing Solvency II support arrangement is terminated and the cost of a new vendor may be higher. With only two years remaining before the Company is due to close in 2026, even significant increases in service fees would have a minimal impact on Wausau's surplus capital. As a result, the Board are comfortable that the business is well placed to meet the requirements of this stress and that there is no significant risk to the business at this time.

The RPI inflation assumption remains level at 3.50% throughout the projection period.

We have considered scenarios where assumed inflation rates are higher than expected within the projection of the business. With only two years remaining before the Company is due to close in 2026, even significant increases in inflation rates would have a minimal impact on Wausau's surplus capital. As a result, the Board are comfortable that the business is well placed to meet the requirements of this stress and that there is no significant risk to the business at this time.

Risk-Free Rate changes

As per the regulatory requirement, 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 in the RFR is shown below:

	Best Estimate Liability (\$)	Risk Margin (\$)	Free Capital (\$)	Change in Free Capital (\$)
Base	254,490	5,419	1,613,048	-
RFR +1%	250,873	5,318	1,616,767	3,719
RFR -1%	258,201	5,524	1,609,232	-3,816
RFR -5%	274,055	5,980	1,592,922	-20,126
RFR -15%	322,290	7,439	1,543,228	-69,820

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.

Reverse stress test: GBP:USD exchange rate movement to reduce surplus capital

We have considered the reverse stress test which identifies the Sterling/Dollar conversion rate at which Wausau's surplus capital would be entirely depleted. Wausau's assets and liabilities are denominated in both USD and GBP. This scenario test has been run to fully understand what level the exchange rate would have to rise by to decrease Wausau's surplus capital as it is the largest risk in terms of volatility on the balance sheet. For Wausau's surplus capital to be fully depleted, the exchange rate would have to increase to £1:\$1.8473.

	Base Scenario (\$) FX rate (£1:\$1.25)	Reverse stress results (\$) FX rate (£1:\$1.8473)
Assets	6,433,870	7,026,280
Technical Provisions <i>Risk margin and best estimate liabilities</i>	259,909	383,370
Other liabilities	177,530	177,530
Excess of assets over liabilities	5,996,431	6,465,380
MCR	4,383,383	6,465,550
Surplus Capital	1,613,048	-170
Ratio of Eligible Own Funds to MCR	137%	100%
Board Risk Appetite (BRA) – £3.75m	4,696,482	6,927,375
Ratio to BRA	128%	93%

The assumption that Wausau will close by 2026 year end.

For the purposes of our projection, we have assumed that Wausau will continue its run-off plan to close by the end of 2026. As a stress test, we have considered scenarios where Wausau remains in run-off for an additional one, two or five years.

As shown in the table below, the calculated technical provisions significantly increase as the run-off period increases, this reduces the ratio of eligible own funds to MCR, and the current ratio of 137% decreases to 123% should Wausau extend the run-off period by 5 years. It is assumed that, should the Company extend its run-off period, a capital injection from the Group may be necessary to support continued operations.

	Base Scenario: close by Y/E 2026	Scenario 1: close by Y/E 2027	Scenario 2: close by Y/E 2028	Scenario 3: close by Y/E 2031
Assets	6,433,870	6,433,870	6,433,870	6,433,870
Liabilities				
Technical Provisions + Risk Margin	259,909	387,014	510,760	873,831
Other liabilities	177,530	177,530	177,530	177,530
Total Eligible Own Funds	5,996,431	5,869,326	5,745,580	5,382,509
MCR	4,383,383	4,383,383	4,383,383	4,383,383
Surplus Capital	1,613,048	1,485,943	1,362,197	999,126
Ratio of Eligible own funds to MCR	137%	134%	131%	123%

C7. Any Other Information**Climate Change**

The management of Wausau have considered the impact of climate change on the Company's 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 2024	Dec 2023	Difference	Dec 2024	Dec 2023	Difference
	Solvency II	Solvency II	Solvency II	UK GAAP	UK GAAP	UK GAAP
Cash and cash equivalents	6,434	6,557	-123	6,434	6,557	-123
Total assets	6,434	6,557	-123	6,434	6,557	-123

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 2024, 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 2024.

Technical Provisions	December 2024 Solvency II Value (\$'000)	December 2023 Solvency II Value (\$'000)
Best Estimate	255	379
Risk Margin	5	11

It has been assumed that the business will continue for the next two 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 the 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 PKF Littlejohn LLP (PKF) 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 increase every year to reflect inflation. 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 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, 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 the 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 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 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 to modelling, therefore, 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 2024 Solvency II	December 2023 Solvency II	Difference Solvency II	December 2024 UK GAAP	December 2023 UK GAAP	Difference UK GAAP
Other Liabilities	178	162	16	178	162	16

Other liabilities, on both balance sheets, are primarily derived from accruals for professional service fees incurred in 2024. These fees relate to the provision of regulatory services provided by PwC, and for the audit of the statutory accounts by PKF. The increase in the overall other liabilities balance is driven by an increase in the accrual of advisory fees in 2024.

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 there would 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 2024.

Tier	Instrument(s)	December 2024 (\$'000)	December 2023 (\$'000)	Difference (\$'000)
Tier 1	Ordinary paid up share capital	0	0	0
	Share premium	1,000	1,000	0
	Reconciliation reserve	4,996	5,005	-9
Total own funds to cover MCR		5,996	6,005	-9
Total own funds to cover SCR		5,996	6,005	-9

The primary driver of the marginal decrease in own funds from prior year is due to a decrease in total assets, comprised of cash, as a result of service fee payments. This decrease in assets was offset by a decrease in SII technical provisions and risk margin.

Reconciliation of GAAP Equity and Solvency II Excess Over Assets

	\$'000
Financial reserves and retained earnings from UK GAAP financial statements	6,256
Difference in valuation of Technical Provisions	260
Excess of assets over liabilities under Solvency II	5,996

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 2024 and a comparison to the prior year:

	December 2024 (\$'000)	December 2023 (\$'000)	Difference
SCR	290	317	(27)
MCR	4,383	4,248	135

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 which covers Wausau's insurance liabilities in full. Given that there are no expected claims (as discussed in section D2), 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 due to assets being held as cash.

The table below provides a breakdown, at 31 December 2024, of the SCR split by risk category. Further detail is provided in Appendix A (IR.25.04.01).

December 2024 - SCR	\$'000
Market risk	248
Counterparty default risk	3
Life risk	0
Health risk	0
Non-life underwriting risk	84
SCR prior to diversification and Op Risk	335
Diversification	(53)
Intangible asset risk	0
Operational risk	8
Basic Solvency Capital Requirement	290

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

MCR

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

The MCR absolute floor of £3.5m, as defined by the PRA, is converted at the exchange rate prescribed by the PRA for regulatory reporting purposes, giving rise to an MCR of \$4.4m.

E3. 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.

E4. 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 GBP exchange rate and its impact on the MCR.

E5. Any Other Information

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

Appendix A

IR.02.01.01 Balance sheet

Assets		Solvency II value	Statutory accounts value
		C0010	C0020
R0010	Goodwill		
R0020	Deferred acquisition costs		
R0030	Intangible assets		
R0040	Deferred tax assets		
R0050	Pension benefit surplus		
R0060	Property, plant & equipment held for own use	0.00	
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	0.00	0.00
R0080	<i>Property (other than for own use)</i>	0.00	
R0090	<i>Holdings in related undertakings, including participations</i>	0.00	
R0100	<i>Equities</i>	0.00	0.00
R0110	<i>Equities - listed</i>		
R0120	<i>Equities - unlisted</i>		
R0130	<i>Bonds</i>	0.00	0.00
R0140	<i>Government Bonds</i>	0.00	
R0150	<i>Corporate Bonds</i>	0.00	
R0160	<i>Structured notes</i>	0.00	
R0170	<i>Collateralised securities</i>	0.00	
R0180	<i>Collective Investments Undertakings</i>	0.00	
R0190	<i>Derivatives</i>		
R0200	<i>Deposits other than cash equivalents</i>	0.00	
R0210	<i>Other investments</i>	0.00	
R0220	Assets held for index-linked and unit-linked contracts		
R0230	Loans and mortgages	0.00	0.00
R0240	<i>Loans on policies</i>	0.00	
R0250	<i>Loans and mortgages to individuals</i>		
R0260	<i>Other loans and mortgages</i>		
R0270	Reinsurance recoverables from:	0.00	0.00
R0280	<i>Non-life and health similar to non-life</i>	0.00	
R0315	<i>Life and health similar to life, excluding index-linked and unit-linked</i>		
R0340	<i>Life index-linked and unit-linked</i>		
R0350	Deposits to cedants	0.00	
R0360	Insurance and intermediaries receivables		
R0370	Reinsurance receivables		
R0380	Receivables (trade, not insurance)		
R0390	Own shares (held directly)		
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0.00	
R0410	Cash and cash equivalents	6,433,870.00	6,433,870.00
R0420	Any other assets, not elsewhere shown		
R0500	Total assets	6,433,870.00	6,433,870.00

Liabilities		Solvency II value	Statutory accounts value
		C0010	C0020
R0505	Technical provisions - total	259,909.00	0.00
R0510	Technical provisions - non-life	259,909.00	
R0515	Technical provisions - life	0.00	
R0542	Best estimate - total	254,490.00	
R0544	Best estimate - non-life	254,490.00	
R0546	Best estimate - life		
R0552	Risk margin - total	5,419.00	
R0554	Risk margin - non-life	5,419.00	
R0556	Risk margin - life		
R0565	Transitional (TMTP) - life		
R0730	Other technical provisions		
R0740	Contingent liabilities		
R0750	Provisions other than technical provisions		
R0760	Pension benefit obligations		
R0770	Deposits from reinsurers		
R0780	Deferred tax liabilities		
R0790	Derivatives		
R0800	Debts owed to credit institutions		
R0810	Financial liabilities other than debts owed to credit institutions		
R0820	Insurance & intermediaries payables		
R0830	Reinsurance payables		
R0840	Payables (trade, not insurance)		
R0850	Subordinated liabilities	0.00	0.00
R0860	<i>Subordinated liabilities not in Basic Own Funds</i>		
R0870	<i>Subordinated liabilities in Basic Own Funds</i>	0.00	
R0880	Any other liabilities, not elsewhere shown	177,530.00	177,530.00
R0900	Total liabilities	437,439.00	177,530.00

R1000	Excess of assets over liabilities	5,996,431.00	6,256,340.00
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IR.05.04.01.01 Non-life income, expenditure and business model analysis: reporting period

		All business (including annuities stemming from accepted non-life insurance and reinsurance contracts)	All non-life business (ie excluding annuities stemming from accepted insurance and reinsurance contracts)	Non-life insurance and accepted proportional reinsurance obligations			
				General liability insurance			
		C0010	C0015	C0190	C0200	C0210	C0220
Income							
Premiums written							
R0110	Gross written premiums		0.00	0.00	0.00	0.00	0.00
R0140	Gross written premiums - relating to contracts incepting prior to the period						
R0160	Net written premiums						
Premiums earned and provision for unearned							
R0210	Gross earned premiums						
R0211	Gross provision for unearned premium						
R0220	Net earned premiums						
R0410	Net earned premiums from business transfers-in						
Investments and other income							
R0420	Investment income	53,338.00					
R0430	Realised and unrealised gains / (losses)						
R0435	Investment income and investment gains / (losses)	53,338.00					
R0440	Other earned income						
R0510	Total income	53,338.00					
Expenditure							
Claims incurred							
R0610	Gross (undiscounted) claims incurred		0.00	0.00	0.00	0.00	0.00
R0690	Net (undiscounted) claims incurred		0.00	0.00	0.00	0.00	0.00
R0700	Net claims paid during the period						
R0710	Net (undiscounted) claims provision at end of the period						
R0720	Net (undiscounted) claims provision at start of the period						
R0724	Net (undiscounted) claims incurred - claim events that occurred prior to the period		0.00	0.00	0.00	0.00	0.00
R0725	Net claims paid during the period - claim events that occurred prior to the period						
R0726	Net (undiscounted) provision at end of the period - claim events that occurred prior to the period						
R0730	Net (discounted) claims incurred						
R0810	Net (discounted) claims incurred - business transfers-out						
R0820	Allocated loss adjustment expenses (ALAE) incurred						
R0830	Allocated loss adjustment expenses (ALAE) paid						
Analysis of expenses incurred							
R0910	Technical expenses incurred net of reinsurance ceded	168,427.00					
R0920	Administrative expenses						
R0930	Investment management expenses						
R0940	Claims management costs - other than ALAE						
R0950	Acquisition costs - commission						
R0960	Acquisition costs - other						
R0970	Reinsurance commissions and profit participations						
R0980	Overhead expenses	168,427.00					
R0985	Acquisition costs, commissions, claims management costs	0.00	0.00	0.00	0.00	0.00	0.00
Other expenditure							
R1000	Changes in additional provisions for unexpired risks						
R1120	Interest paid or payable						
R1130	Taxation						
R1140	Other expenses						
R1310	Total expenditure	168,427.00					
Other income or expenditure							
R1610	Other comprehensive income						
R1620	Total comprehensive income in the period	-115,089.00					
R1630	Dividends paid or payable in period						
Exposure							
R1710	Number of risks written in the period - insurance (direct)						
R1720	Number of risks written in the period - insurance (direct) - new business						
R1730	Sum insured in-force at end of the period - direct business						
Balance sheet (Solvency II basis) at end of the period							
R1910	Assets - investments						
R1915	Assets - reinsurance recoverables						
R1920	Assets - total	6,433,870.00					
R1930	Best estimate – gross of reinsurance	254,490.00					
R1940	Best estimate claim provision - gross of reinsurance		254,490.00				
R1945	Best estimate premium provision - gross of reinsurance						
R1950	Risk margin		5,419.00				
R1960	Total liabilities	437,439.00					
Own funds and SCR							
R2100	Basic own funds at end of the period:	5,996,431.00					
R2110	Tier 1	5,996,431.00					
R2130	Tier 2						
R2150	Tier 3						
R2160	Other						
R2170	Ancillary own funds at end of the period						
R2180	Eligible own funds at end of the period	5,996,431.00					
R2190	SCR at end of the period	290,014.00					

IR.17.01.01 Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance	Total Non-Life obligation
		General liability insurance	
		C0090	C0180
Best estimate			
Premium provisions			
R0060	Gross - Total	0.00	0.00
R0070	Gross - direct business		0.00
R0080	Gross - accepted proportional reinsurance business		0.00
R0090	Gross - accepted non-proportional reinsurance business	0.00	0.00
R0100	Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	0.00	0.00
R0110	Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses		0.00
R0120	Recoverables from SPV before adjustment for expected losses		0.00
R0130	Recoverables from Finite Reinsurance before adjustment for expected losses		0.00
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default		0.00
R0150	Net Best Estimate of Premium Provisions	0.00	0.00
Claims provisions			
R0160	Gross - Total	254,490.00	254,490.00
R0170	Gross - direct business	254,490.00	254,490.00
R0180	Gross - accepted proportional reinsurance business		0.00
R0190	Gross - accepted non-proportional reinsurance business	0.00	0.00
R0200	Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	0.00	0.00
R0210	Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses		0.00
R0220	Recoverables from SPV before adjustment for expected losses		0.00
R0230	Recoverables from Finite Reinsurance before adjustment for expected losses		0.00
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default		0.00
R0250	Net Best Estimate of Claims Provisions	254,490.00	254,490.00
R0260	Total best estimate - gross	254,490.00	254,490.00
R0270	Total best estimate - net	254,490.00	254,490.00
R0280	Risk margin	5,419.00	5,419.00
Technical provisions - total (best estimate plus risk margin)			
R0320	Technical provisions - total	259,909.00	259,909.00
R0330	Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	0.00	0.00
R0340	Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total	259,909.00	259,909.00
Cash-flows of the Best estimate of Premium Provisions (Gross)			
Cash out-flows			
R0370	Future benefits and claims		0.00
R0380	Future expenses and other cash out-flows		0.00
Cash in-flows			
R0390	Future premiums		0.00
R0400	Other cash in-flows (incl. Recoverables from salvages and subrogations)		0.00
Cash-flows of the Best estimate of Claims Provisions (Gross)			
Cash out-flows			
R0410	Future benefits and claims		0.00
R0420	Future expenses and other cash out-flows	254,490.00	254,490.00
Cash in-flows			
R0430	Future premiums		0.00
R0440	Other cash in-flows (incl. Recoverables from salvages and subrogations)		0.00
R0460	Best estimate subject to transitional of the interest rate		0.00
R0470	Technical provisions without transitional on interest rate		0.00
R0480	Best estimate subject to volatility adjustment		0.00
R0490	Technical provisions without volatility adjustment and without transitional on interest rate		0.00

IR.23.01.01 Own Funds

Basic own funds		Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
R0010	Ordinary share capital (gross of own shares)	3.00	3.00		0.00	
R0030	Share premium account related to ordinary share capital	999,998.00	999,998.00		0.00	
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	0.00	0.00		0.00	
R0050	Subordinated mutual member accounts	0.00		0.00	0.00	0.00
R0070	Surplus funds	0.00	0.00			
R0090	Preference shares	0.00		0.00	0.00	0.00
R0110	Share premium account related to preference shares	0.00		0.00	0.00	0.00
R0130	Reconciliation reserve	4,996,430.00	4,996,430.00			
R0140	Subordinated liabilities	0.00		0.00	0.00	0.00
R0160	An amount equal to the value of net deferred tax assets	0.00				0.00
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above	0.00	0.00	0.00	0.00	0.00

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	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	0.00
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R0290	Total basic own funds	5,996,431.00	5,996,431.00	0.00	0.00	0.00
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Ancillary own funds

R0300	Unpaid and uncalled ordinary share capital callable on demand	0.00				
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0.00				
R0320	Unpaid and uncalled preference shares callable on demand	0.00				
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0.00				
R0340	Letters of credit and guarantees	0.00				
R0350	Letters of credit and guarantees - other	0.00				
R0360	Supplementary members calls	0.00				
R0370	Supplementary members calls - other	0.00				
R0390	Other ancillary own funds	0.00				
R0400	Total ancillary own funds	0.00			0.00	0.00

Available and eligible own funds

R0500	Total available own funds to meet the SCR	5,996,431.00	5,996,431.00	0.00	0.00	0.00
R0510	Total available own funds to meet the MCR	5,996,431.00	5,996,431.00	0.00	0.00	
R0540	Total eligible own funds to meet the SCR	5,996,431.00	5,996,431.00	0.00	0.00	0.00
R0550	Total eligible own funds to meet the MCR	5,996,431.00	5,996,431.00	0.00	0.00	

R0580	SCR	290,014.70
R0600	MCR	4,383,383.00
R0620	Ratio of Eligible own funds to SCR	2067.64%
R0640	Ratio of Eligible own funds to MCR	136.80%

Reconciliation reserve

C0060

R0700	Excess of assets over liabilities	5,996,431.00
R0710	Own shares (held directly and indirectly)	0.00
R0720	Foreseeable dividends, distributions and charges	
R0725	Deductions for participations in financial and credit institutions	
R0730	Other basic own fund items	1,000,001.00
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0.00
R0760	Reconciliation reserve	4,996,430.00

IR.25.04.01 Solvency Capital Requirement

Net of loss absorbing capacity of technical provisions

Market risk		C0010
R0070	Interest rate risk	0.00
R0080	Equity risk	0.00
R0090	Property risk	0.00
R0100	Spread risk	0.00
R0110	Concentration risk	0.00
R0120	Currency risk	248,163.00
R0125	Other market risk	
R0130	Diversification within market risk	0.00
R0140	Total Market risk	248,163.00

Counterparty default risk		
R0150	Type 1 exposures	3,217.00
R0160	Type 2 exposures	0.00
R0165	Other counterparty risk	
R0170	Diversification within counterparty default risk	0.00
R0180	Total Counterparty default risk	3,217.00

Life underwriting risk		
R0190	Mortality risk	
R0200	Longevity risk	
R0210	Disability-Morbidity risk	
R0220	Life-expense risk	
R0230	Revision risk	
R0240	Lapse risk	
R0250	Life catastrophe risk	
R0255	Other life underwriting risk	
R0260	Diversification within life underwriting risk	
R0270	Total Life underwriting risk	0.00

Health underwriting risk		
R0280	Health SLT risk	
R0290	Health non SLT risk	
R0300	Health catastrophe risk	
R0305	Other health underwriting risk	
R0310	Diversification within health underwriting risk	
R0320	Total Health underwriting risk	0.00

Non-life underwriting risk		
R0330	Non-life premium and reserve risk (ex catastrophe risk)	83,982.00
R0340	Non-life catastrophe risk	0.00
R0350	Lapse risk	0.00
R0355	Other non-life underwriting risk	
R0360	Diversification within non-life underwriting risk	0.00
R0370	Non-life underwriting risk	83,982.00

R0400	Intangible asset risk	
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Operational and other risks		
R0422	Operational risk	7,634.70
R0424	Other risks	
R0430	Total Operational and other risks	7,634.70

R0432	Total before all diversification	342,996.70
R0434	Total before diversification between risk modules	342,996.70
R0436	Diversification between risk modules	-52,982.00
R0438	Total after diversification	290,014.70

R0440	Loss absorbing capacity of technical provisions	
R0450	Loss absorbing capacity of deferred tax	
R0455	Other adjustments	
R0460	Solvency capital requirement including undisclosed capital add-on	290,014.70
R0472	Disclosed capital add-on - excluding residual model limitation	
R0474	Disclosed capital add-on - residual model limitation	
R0480	Solvency capital requirement including capital add-on	290,014.70
R0482	Undisclosed capital add-on - residual model limitation	
R0484	Capital add-on	0.00

R0490	Biting interest rate scenario	
R0495	Biting life lapse scenario	

IR.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 C0010
 R0010 MCRNL Result 26,212.47

	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months			
	C0020	C0030	α	β	$\alpha.B + \beta.C$
R0020	Medical expense insurance and proportional reinsurance	0.00	4.7%	4.7%	0
R0030	Income protection insurance and proportional reinsurance	0.00	13.1%	8.5%	0
R0040	Workers' compensation insurance and proportional reinsurance	0.00	10.7%	7.5%	0
R0050	Motor vehicle liability insurance and proportional reinsurance	0.00	8.5%	9.4%	0
R0060	Other motor insurance and proportional reinsurance	0.00	7.5%	7.5%	0
R0070	Marine, aviation and transport insurance and proportional reinsurance	0.00	10.3%	14.0%	0
R0080	Fire and other damage to property insurance and proportional reinsurance	0.00	9.4%	7.5%	0
R0090	General liability insurance and proportional reinsurance	254,490.00	10.3%	13.1%	26212.47
R0100	Credit and suretyship insurance and proportional reinsurance	0.00	17.7%	11.3%	0
R0110	Legal expenses insurance and proportional reinsurance	0.00	11.3%	6.6%	0
R0120	Assistance and proportional reinsurance	0.00	18.6%	8.5%	0
R0130	Miscellaneous financial loss insurance and proportional reinsurance	0.00	18.6%	12.2%	0
R0140	Non-proportional health reinsurance	0.00	18.6%	15.9%	0
R0150	Non-proportional casualty reinsurance	0.00	18.6%	15.9%	0
R0160	Non-proportional marine, aviation and transport reinsurance	0.00	18.6%	15.9%	0
R0170	Non-proportional property reinsurance	0.00	18.6%	15.9%	0
				TS MCR.12	26212.47

Linear formula component for life insurance and reinsurance obligations C0040
 R0200 MCRL Result 0.00

	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk		
	C0050	C0060		
R0210	Obligations with profit participation - guaranteed benefits		3.7%	0
R0220	Obligations with profit participation - future discretionary benefits		-5.2%	0
R0230	Index-linked and unit-linked insurance obligations		0.7%	0
R0240	Other life (re)insurance and health (re)insurance obligations		2.1%	0
R0250	Total capital at risk for all life (re)insurance obligations		0.07%	0
			TS MCR.13	0

Overall MCR calculation C0070

R0300	Linear MCR	26,212.47
R0310	SCR	290,014.70
R0320	MCR cap	130,506.62
R0330	MCR floor	72,503.68
R0340	Combined MCR	72,503.68
R0350	Absolute floor of the MCR	4,383,383.00
R0400	Minimum Capital Requirement	4,383,383.00