Solvency and Financial Condition Report

Summary

This is the Solvency and Financial Condition Report ("SFCR") for Stewart Title Limited ("STL" or "the Company") based on its financial position at 31 December 2023.

The SFCR is made up of 5 key sections that together give a comprehensive overview of the Company's business strategy and performance, its system of governance, its risk profile, its current valuation for Solvency II purposes, and its capital management approach and current capital position.

STL is the primary underwriter for STL's transactions in the United Kingdom, The Bahamas and Australia.

Over the year STL has continued to develop its internal systems and controls to meet the ongoing regulatory requirements of Solvency II.

The results demonstrate that STL has a strong balance sheet with a solvency ratio of 223% at 31 December 2023.

A. Business and Performance

A.1. Business

STL is a general insurer, incorporated under the laws of England and Wales since 1992. It is the primary underwriter for STL's transactions in the United Kingdom, The Bahamas and Australia.

STL is authorised by the Prudential Regulatory Authority ("PRA") and regulated by the Financial Conduct Authority ("FCA") and the PRA. The PRA is the supervisory authority responsible for the financial supervision of STL. The PRA's details are:

Prudential Regulatory Authority
20 Moorgate
London
EC2R 6DA

STL's external auditor is:

Ernst & Young LLP
25 Churchill Place
Canary Wharf
London
E14 5EY

STL is a wholly owned subsidiary of the global insurance group Stewart Title Guaranty Company ("STGC"), the primary underwriter for Stewart Information Services Company.

STGC is one of the five largest title insurers in the U.S. Founded in Galveston, Texas in 1893, the company now completes transactions and issues title policies on residential, commercial and other real estate properties located in all 50 U.S. states, the District of Columbia, and international markets.

STL itself is a separately managed and capitalised entity operating through various branch offices and representative offices. Its subsidiary, STEL, is its underwriter for business written in the EU after 1 January 2021.

STL is authorised by the PRA to underwrite three classes of business, namely:

1. General liability
2. Miscellaneous financial loss
3. Legal expenses

Within the parameters of those classes of business, STL has positioned itself as a specialist insurer, focusing on title indemnities which is a product used to enhance the real estate completion process by insuring risks related to the real estate being sold, purchased or financed.

STL's areas of operation are as follows:

Country	Type of office
United Kingdom	Head office
Australia	Branch
The Bahamas	Branch

STL conducts most of its business in the UK and Australia.

Prior to Brexit STL insured risks in continental Europe through freedom of services and branches in Poland and Italy. The Polish branch was closed in October 2022 and the Italy Branch is in run-off with an expectation that it will be closed in 2024.

Business written in EU territories from 1 January 2021 has been through STEL. The value of STEL has been recognised in this SFCR as a holding in a related undertaking.

There have not been any significant business or other events that have occurred over the reporting period that have had a material impact on STL.

A.2.Underwriting Performance

The following statements summarise STL's income and expenditure in aggregate, in the UK, Australia & the Bahamas for the year ending 31 December 2023 with prior year comparatives. Figures are in £'000s.

Underwriting profit	**Calendar year**	
	2023 £'000s	**2022 £'000s**
Insurance premiums	25,841	29,496
Reinsurance premiums	(2,249)	(3,490)
Total income	**23,591**	**26,006**
Claims	6,284	9,499
Expenses	12,842	13,529
Total expenditure	**19,127**	**23,029**
Underwriting profits	**4,464**	**2,978**

These figures have been prepared in accordance with STL's financial statements.

Gross premiums decreased by 12% compared to the prior year primarily due to the market conditions. Whilst the market remains competitive, the property industry continues to realise the benefits of title insurance, increasing speed, efficiency and productivity to real estate transactions. Claims costs decreased from elevated levels last year with expenses moderating in line with reduced premiums.

A.3. Investment Performance

The following statements summarise STL's investment performance for the year ended 31 December 2023 for the following asset classes: total, property, fixed interest and cash deposits. Prior year comparatives are also shown. Figures are in £'000s.

Total	**Calendar year**	
	2023 £'000s	**2022 £'000s**
Investment income	1,081	429
Realised (losses)/gains	37	(165)
Unrealised gains/(losses)	1,024	(1,859)
Rental income net	44	57
Total investment return	**2,186**	**(1,539)**
Investment expenses	(64)	(58)
Other Income	0	76

The investment portfolio saw gains of £1m in 2023 (2022: losses of £1.9m) due to the expectation of interest rates being lowered in the UK. The investment income increased during the year primarily due to increases in the interest rate on the Australian short-term deposit accounts.

A.4. Performance of Other Activities

There was minimal other income during the year, the Company recognised a fair value revaluation loss on its investment in a group undertaking of £2.4m (2022: £1.0m).

A.5. Any Other Information

None.

B. System of Governance

B.1 General Governance Structure

Overview of STL's System of Governance

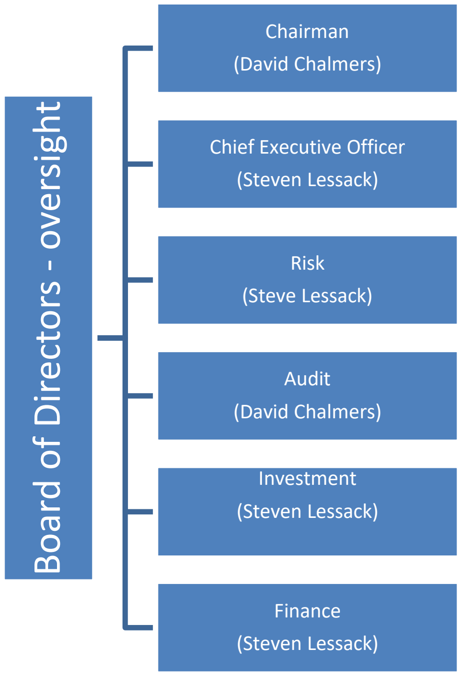
STL's approach to Corporate Governance is set out in its Corporate Governance Policy which covers the principal functions of the Board including items such as:

- The composition of the Board: STL seeks to achieve a balanced Board, with at least 1 Executive Director, 1 Non-Executive Director and 3 Independent Directors, membership is reviewed annually to address experience, skills and any gaps.
- having an appropriate mechanism in place for appointing suitable experienced Board members.
- setting the strategy for STL articulated in the form of a 3-year rolling business plan supported by financial projections.
- Board Committees with appropriate remits and delegated authorities have been established to deal with Risk and Audit, Liquidity Management & Investment and a Management Committee. As required, working groups/sub committees are formed to deal with ad-hoc issues.

The Board meets at appropriate intervals to consider:

- business & financial performance
- the maintenance of solvency & capital requirements and minimum capital requirements
- new initiatives
- reports/minutes from Board Committees and any working groups
- reviews of Committee remits, policies and other such documents
- any reported breaches of compliance, internal controls and complaints
- Shareholder relations

STL's Management Responsibilities Map sets out the individual responsibilities of Board members and Senior Managers.



There have been no material changes to the system of governance during the reporting period. STL continues to operate at an overall low risk level and retains in place systems and operations to maintain this.

Key Functions

STL's key functions are identified as:

- Underwriting – Mark Davies STL
- Risk Management – Ferkhendah Azib, STL
- Compliance – Ferkhendah Azib, STL
- Actuarial – Graeme Charters, OAC Ltd
- Finance – Vishal Sangha, STGC (Canadian branch) STL
- Investment Management – Rathbones
- Internal Audit – Deloitte
- Claims – Ferkhendah Azib, STL
- Information Technology – Ben Gunning, STGC (Canadian Branch)

Remuneration Policy

Besides contractual salaries, employees enjoy a range of benefits including contributions towards an outsourced pension scheme provider. STL has no responsibility or liability for the performance of that pension scheme.

STL does not provide performance-based bonuses or incentives, therefore allowing it to manage remuneration risk. A discretionary bonus may be paid to staff in any one year but is based on STL's performance in the given year.

Under the Senior Insurance Managers Regime responsibility for oversight of the Whistleblowing Policy and the Remuneration Policy pass to an Independent Director. Both policies were reviewed during the reporting period by an Independent Director and were then considered and approved by the Board.

Material Transactions

There have been no material transactions during the reporting period.

B.2 Fit and Proper Policy

Specific requirements of skills

STL has a Fit and Proper Policy which applies to all controlled functions undertaken by approved persons within STL where significant influence can be exercised ("Relevant Person"). In determining whether a Relevant Person performing a controlled function is fit and proper, STL will consider and assess if the following attributes are satisfied:

- Honesty, integrity and reputation
- Competence and capability
- Financial soundness

Process for assessing fitness and propriety

The process for fitness and proper is carried out annually in accordance with the Fitness and Proper Policy. In carrying out the assessment STL will gather relevant information to allow it to make an assessment on the attributes required. For new appointments this will include the Relevant Person's education and experience, business references both personal and professional, an in-depth interview, and background checks as to criminal convictions, disciplinary proceedings, and solvency.

B.3 Risk Management System

Description

STL has a risk management framework which includes a Risk Management Strategy. These document the risks faced by STL in its operations and the controls put into place in order to limit the likelihood of these risks occurring and their impact if they were to occur. The Risk Management Strategy provides assurance that STL's risks are being prudently and soundly managed having regard to factors such as the size, business mix, and complexity of STL's operations.

How it is implemented

In implementing a risk management framework, the initial phase is a detailed review of the risks applicable to STL by means of a Risk Register. These risks are classified and rated according to their likelihood and potential consequences if realised to determine the most significant risks. This creates a risk matrix with risks categorised from Extreme, High, Moderate to Low.

The risks are then considered in accordance with STL's risk appetite and tolerance. Where a risk was determined to be above STL's risk tolerance (moderate or high), additional control measures are considered and where applicable, prepared and incorporated into STL's operations. This ensures that the residual risk remains acceptable within STL's risk appetite and tolerance and that there are no extreme risks. Risks assessed as having a residual risk rating of high are regularly reported to the Audit and Risk Committee and considered for ongoing discussion, monitoring and relevant action. The Board will review an executive summary of the Risk Register and approve. All other risks are monitored on an ongoing basis by senior management and appropriate action is taken if a change in risk is identified.

Own Risk and Solvency Assessment (ORSA) Process and how it is integrated into the organisation structure

STL has an ORSA process. Once a year an ORSA document is produced that captures the key outputs from this process in a single document. Any material changes to STL's risk profile would be in the form of an ad hoc report.

The ORSA process follows these main steps:

- Early in the process the executive and key staff review the existing risks identified by management to ensure they are accurate, complete and relevant. Consideration is also given to emerging risks.
- The Board considers the strategy and revised business plan, and any impact on the ORSA process is then documented.
- At the Board meeting following the availability of the regulatory valuation results, the numbers are considered, in particular, those that impact any risk tolerance. This discussion will also consider the stress tests that should be completed.
- At any point in the year, should a significant issue arise, this would trigger preparation of an ad-hoc ORSA.
- Once the draft ORSA is available it is reviewed by the management alongside the ORSA policy and ORSA record. Once approved, the ORSA will go to the next Board meeting for approval, following which it will be submitted to the Regulator.

Frequency of review

An ORSA will be produced at least annually but may be more frequent if circumstances require.

How capital needs are determined

STL is a well-capitalised company commensurate to its size and access to funds is not a current issue for it. When new opportunities are presented, the Board will consider the proposal in accordance with risk appetite.

It is, and has always been, the Board's practice to enter new areas and products cautiously. Specifically, when first considering a new area, due diligence is completed to determine the requirements and opportunities in that market. Once due diligence is completed, limited funds are allocated to the exploration of the market. Once a viable market is determined, a business plan, including financial projections, is prepared for Board consideration.

STL has in place internally set minimum solvency thresholds to ensure it meets its regulatory obligations at all times.

B.4 Internal Control System

STL has an Internal Control Policy which ensures that there are systems of checks and balances in place which require employees to follow approved and documented policies and procedures. These allow the Board to adequately monitor the business. In addition, these systems are periodically audited by internal and external auditors.

Compliance Function

The compliance function is currently held by the General Counsel who is responsible for ensuring that STL remains compliant with all applicable laws and regulations, and all internal policies.

B.5 Internal Audit Function

How internal audit is implemented

The internal audit function is outsourced by STGC for the entire Stewart group. Internal audits are conducted on alternate years. The internal audit scope is considered and reports on STL's main functions including corporate governance, key operational areas, information systems, compliance with laws & regulations and risks.

The scope of the internal audit is reviewed and agreed by the STL Audit and Risk Committee prior to commencement. The Audit and Risk Committee remit includes responsibility for ensuring that:

- satisfactory arrangements are in place for internal audit;
- the role and effectiveness of internal audit is reviewed; and
- internal audit reports are reviewed and then reported upon to the Board.

An internal audit program is scheduled for 2024.

How internal audit maintains independence

The internal audit function is outsourced which therefore maintains independence of the internal audit group.

B.6 Actuarial Function

The Actuarial Function is outsourced to OAC Ltd (OAC). STL has an Agreement with OAC confirming the specific activities the function is required to perform. OAC fulfils the role of Chief Actuary in the UK and Appointed Actuary in Australia.

OAC is independent from STL.

The main activities that are carried out are:

- To complete the annual solvency assessment, including assessing the quality of the data and the appropriateness of models, methodology and assumptions.
- Provide the necessary reports to STL's Board and the governing body in a timely manner.
- To express an opinion on the overall underwriting policy and the adequacy of reinsurance arrangements.
- To advise STL's Board on the risks STL runs in so far as they may have a material impact on STL's ability to meet liabilities to policyholders and on the capital needed to support the business, including regulatory capital requirements. The Actuarial Function also monitors those risks and informs STL's Board if there are any material concerns.
- To advise STL's Board on stress and scenario testing, on-going financial conditions, financial projections for business planning, investment strategy and asset liability matching and pricing of business.

B.7 Outsourcing Policy

To ensure effective control over risk assessment related to outsourced business functions, STL has an Outsourcing Policy. Outsourcing is a process in which a company enters into a contract with a service provider whereby the service provider performs a business activity or function that is, or could be, performed by the company internally.

STL does not outsource functions that can be performed internally except where it is impractical to perform those functions internally, and outsourcing is more effective and efficient. Alternatively, where there is a function that STL does not have the technology and / or expertise to perform internally.

B.8 Other Material Information

Adequacy of the System of Governance

External audit and the outsourced internal audit reports provide independent evaluation for the Board of STL's system of governance.

STL's Corporate Governance Policy is reviewed annually and which factors into its composition relevant industry advice and guidance, such as the UK Financial Reporting Council's Corporate Governance Code.

STL considers that its system of corporate governance is appropriate to the size, nature and complexity of the business and provides for the sound and prudent management of the business.

C. Risk Profile

The primary risk facing STL is underwriting risk. Other risks are minimised, to the extent that it is reasonable to do so.

The following table quantifies the Solvency Capital Requirement for STL for the year ending 2023 across each of STL's risk modules. Prior year comparatives are also shown. Figures are in £'000s.

Solvency Capital Requirement by Risk Module	**Calendar Year**	
	2023 **£'000s**	**2022** **£'000s**
Market risk	3,332	6,459
Counterparty default risk	1,494	1,179
Non-life underwriting risk	15,588	15,102
Diversification	(2,862)	(4,259)
Basic Solvency Capital Requirement	**17,552**	**18,481**
Operational risk	776	885
Solvency Capital Requirement	**18,328**	**19,366**
Minimum Capital Requirement	6,057	5,934

STL uses the Standard Formula to quantify the risk inherent in its business.

There have not been any material changes in the nature of the risks inherent in STL over the year ending 31 December 2023.

C.1 Underwriting risk

Underwriting risk can be divided into 4 subsets:

- Underwriting (at policy inception).
- Claims management and reserving risk.
- Reinsurance risk.
- Special Purpose Vehicles.

Underwriting (at policy inception)

With respect to underwriting and reserving risk, STL issues various classes of policies in the UK, Bahamas and Australia which include, but are not necessarily limited to:

- Full Title Insurance
- Various Conveyancing Search Indemnities
- Cover for Personal Search Agents
- Defective Title and Restrictive Covenant Policies
- Single Risk Indemnity Policies
- Gap Mortgage Registration Policies
- Rights to light

Underwriting issues are monitored on a regular basis which include, but may not necessarily be limited to:

- Regular meetings involving members of senior management where, amongst other things, underwriting results and claims management issues are discussed
- Quarterly meeting of underwriting staff to discuss underwriting, claims, case updates and learning
- Regular, but no less than monthly, meeting of administration staff to discuss and ensure that all procedures are operating effectively
- Monthly updates to all staff on underwriting figures
- Board review of reports and financial reports from senior management which occur during each Board meeting
- Internal audit reviews of all aspects of the operations of STL by auditors employed by STGC
- Annual external audit reviews by the external auditor

As a result of the safeguards put in place to monitor underwriting issues as they arise, the manuals in place detailing procedures to be followed and the breadth of knowledge of the underwriting team, the residual risk associated with underwriting residential and commercial transactions is noted as being low.

Claims Management and Reserving Risk

Claims risks are managed through the claims (and legal) department who will liaise with the underwriting department that they are operating within STL's risk appetite. Claims risk may arise as a consequence of failures of operational procedures and underwriting policies and undiscoverable risks.

Reserving (or insurance) risk relates to the variability in technical provisions arising from uncertainty over future claims outcomes and the possibility that the true value of insurance liabilities may be greater than the estimated value of the liabilities. The risk relates to the model assumptions chosen for estimating liabilities not accurately reflecting the actual future liabilities when they arise. STL's exposure to claims risk is considered low given the rigorous underwriting standards applied when assessing whether a transaction should be title insured coupled with the favourable claims' history experienced by STL. This allows for projections and prognostications with respect to the residual risk posed in this area.

Reinsurance risk

The primary objective of undertaking a reinsurance contract is to manage the risk borne by the insurer. The selection of reinsurers is based on the following criteria:

- Reinsurers must have a sufficiently high grade of creditworthiness rating, comparable with their peers
- Reinsurers must have a strong reputation within the business community and in particular the Title Insurance industry
- Reinsurers must have a history of growth in reserves and surplus

Throughout the UK, Bahamas and Australia, reinsurance is required for most products where the policy amount exceeds a certain threshold (normally 500,000 in the local currency). 100 % Quota Share insurance is used to support certain business written in the Bahamas. Given the agreements in place and the financial strength and reputation of the reinsurer selected the residual risk in this area is considered to be low.

Use of special purpose vehicles

STL does not use any special purpose vehicles.

C.2 Market risk

Market risk includes the risks that arise from fluctuations in values of, or income from, assets or in interest or exchange rates.

The Board of Directors oversees STL's investment policy. The investment risk strategy provides a high-level description of the risk management framework for managing investment risks.

When determining its investment portfolio, STL will have consideration not only to regulatory requirements, but also a number of additional factors which include:

- STL's business plan
- Investment of technical provisions and shareholders' funds
- Matching of assets and liabilities
- The use of currency hedging strategies
- Sensitivity analyses

Periodically, the asset allocation is reviewed with consideration given to actual results compared to expected results, economic conditions and the overall strategy.

Performance monitoring is undertaken by the Board to determine the actual results and to enable corrective action to be taken, if needed. There is quarterly reporting to representatives of STG of the performance of invested assets. This includes performance against any relevant budgets or benchmarks.

Compliance with mandates, and/or any breaches, are included in a semi-annual compliance report to the Board but are raised with Senior Management as soon as they are identified.

Based upon the above, the risk involved in the investment of STL's capital is considered minimal and in the low tolerance threshold.

Over the year ending 31 December 2023, assets have primarily been invested in cash deposits and government backed fixed interest securities. There is limited investment in direct property and corporate fixed interest assets.

STL confirms that the risks of all its investments can be properly identified, measured, monitored, managed, controlled and reported, and appropriately taken into account in the assessment of its' overall solvency needs.

The investments are managed in a manner that will ensure the security, quality, liquidity and profitability of the portfolio as a whole and having regard to the Prudent Person Principle.

The assets are invested in a manner appropriate to the nature and duration of the liabilities. No derivative instruments have been used. There are no assets which are not admitted to trading on a regulated financial market.

Assets are properly diversified in such a way as to avoid excessive reliance on any particular asset, issuer or group of undertakings, or geographical area and excessive accumulation of risk in the portfolio as a whole and having regard to the Prudent Person Principle.

There are no investments in assets issued by the same issuer (with the exception of government bonds), or by issuers belonging to the same group, resulting in any excessive risk concentration.

C.3 Credit risk

Credit risk refers to the risk of loss if another party fails to perform its obligations or fails to perform them in a timely fashion.

Credit quality is a measurement of the creditworthiness of a debtor, i.e. it is a measurement of the debtor's financial strength and its ability to meet its actual or potential obligations as and when they fall due.

As most of STL's business requires payment in advance prior to policies of title insurance being issued, there is no credit quality risk for STL. STL will enter into some business arrangements which may entail the provision of limited credit facilities. Prior to entering into arrangements with any company, where STL might experience a credit risk, appropriate due diligence is conducted to assess the creditworthiness of such a company.

In addition to credit risk from external sources, STL has entered into limited intra-group transactions with members of the Stewart group of companies, which on a stand-alone basis give rise to credit risk.

Based upon the monitoring of the financial records of all companies in the Stewart group of companies, this risk is considered low.

C.4 Liquidity risk

Liquidity is the ability to meet expected and unexpected demands for cash.

STL's liquidity position is derived from operating cash flows, investment portfolios and access to outside sources of liquidity such as cash funding from STGC.

Specific characteristics that can contribute to liquidity risk exposure include:

- Insufficient ability to access funds quickly through bank lines of credit, commercial paper, etc.

- Lack of diversity in the asset portfolio particularly if there is a concentration of relatively illiquid assets.

The management of liquidity risk for STL is managed by Senior Management as outlined below:

- Day-to-day cash management involving control of day-to-day cash flow variability.
- Medium to long term cash flow management
- Liquidity risk management involving the ability of the insurer to meet a large demand for cash from policyholders or other sources over a short period
- CFO weekly monitoring of bank account. Any issues that require input are brought to the attention of the CEO and/or Board Liaison

STL does not take credit for any expected profits in future premiums.

Having regard to the above, STL's exposure to liquidity risk is considered low.

C.5 Operational risk

Operational risk is the risk of financial loss occurring through the failure of people, processes or systems to perform as required, resulting from the breakdown of controls and internal governance processes.

STL recognises that there are certain staffing risks. However, by documenting all procedures, the goal is to reduce such risk to acceptable levels.

Operational risks are measured in terms of impact on business objectives and likelihood of occurrence. What is currently an acceptable level of operational risk is a matter for the judgment of Senior Managers, and will always be measured in terms of the probabilities and impacts of adverse events that have been assessed using the operational risk management process.

Based on a review of the risks associated with operations, the residual risk in this area is noted as being low.

C.6 Other material risks

STL identified key scenarios that were likely to test the sensitivity of its capital resources. The following stresses were, in aggregate, considered:

- Increased interest rates with higher inflation
- Adverse loss ratio
- Multiple large losses including unexpected concentration of risks
- Mis-estimation of policy liabilities
- Failure of counterparty
- Reduction in premium income

Additional reverse stress tests were undertaken examining:

- Reinsurance – failure / withdrawal of reinsurer
- Reputational – adverse publicity
- Ratings – reduction in credit ratings of STGC
- Corporate Governance – failure to oversee business; regulator withdraws authorisation
- Branch/Subsidiary – unauthorised activity of branch or subsidiary
- Underwriting and Market – poor underwriting decisions; competitive risk of losing business
- Investments – failure of government to honour debt obligations
- Legislation – changes in legislation reducing the need for title insurance

Only very extreme events e.g. failure of government to honour debt obligations and changes in legislation reducing the need for title insurance were considered to be situations that may cause STL's business plan to fail.

C.7 Any other information

It is still hard to predict the impact of the on-going conflict between Russia and the Ukraine, which started in February 2022. While the Company does not directly operate in either country, it has a wholly owned subsidiary in Malta (STEL) which conducts business operations in countries in regions such as Poland, Romania, Czech Republic and Slovakia. STEL saw a sharp decrease in premiums during 2023 but it is unclear how much of this is due to the Ukraine / Russian war and how much is due to the challenging macroeconomic environment. The company remains well capitalised, with a significant amount of cash and high quality and liquid bonds.

D. Valuation for Solvency Purposes

The value of the balance sheet for the year ending 31 December 2023 and for the prior year as valued on a Solvency II basis as well as how they are presented in STL's financial statements is shown in the following table. Figures are in £'000s.

Financial year ending 31 December 2023			
Assets	**Financial statements £'000s**	**Valuation Difference £'000s**	**Solvency II £'000s**
Property, plant & equipment held for own use	76	(76)	-
Other property	2,040	-	2,040
Bonds – Government	19,069	74	19,143
Bonds – Corporate	5,839	28	5,867
Holdings in related undertakings, including participations	2,372	1,127	3,499
Deposits other than cash equivalents	817	(817)	-
Insurance and intermediaries' receivables	893	-	893
Reinsurance Recoveries	3,584	(38)	3,546
Receivables (trade, not insurance)	809	-	809
Cash and cash equivalents	36,242	817	37,059
Any other assets not elsewhere shown	494	(299)	195
Deferred tax asset	1,045	156	1,201
Total Assets	**73,280**	**971**	**74,252**
Liabilities			
Best estimate liabilities	28,479	(2,597)	25,882
Risk margin	-	2,910	2,910
Tax liabilities	1,255	-	1,255
Insurance and intermediaries payables	82	-	82
Reinsurance payables	204	-	204
Payables (trade, not insurance)	1,322	-	1,322
Any other liabilities not elsewhere shown	1,702	-	1,702
Total Liabilities	**33,044**	**313**	**33,358**
Excess of assets over liabilities	**40,236**	**658**	**40,894**

Financial year ending 31 December 2022			
Assets	**Financial statements £'000s**	**Valuation Difference £'000s**	**Solvency II £'000s**
Property, plant & equipment held for own use	115	(115)	0
Other property	2,090	0	2,090
Bonds – Government	15,690	53	15,743
Bonds – Corporate	6,143	33	6,176
Holdings in related undertakings, including participations	4,789	(469)	4,320
Insurance and intermediaries' receivables	1,750	0	1,750
Reinsurance Recoveries	4,329	340	4,670
Receivables (trade, not insurance)	955	0	955
Cash and cash equivalents	33,435	837	34,272
Any other assets not elsewhere shown	1,125	(1,111)	14
Deferred tax asset	635	248	883
Total Assets	**71,056**	**(183)**	**70,873**
Liabilities			
Best estimate liabilities	28,652	(2,660)	25,992
Risk margin	-	4,003	4,003
Tax liabilities	156	-	156
Insurance and intermediaries payables	91	-	91
Reinsurance payables	159	-	159
Payables (trade, not insurance)	1,182	-	1,182
Any other liabilities not elsewhere shown	1,646	-	1,646
Total Liabilities	**31,886**	**1,343**	**33,229**
Excess of assets over liabilities	**39,170**	**(1,526)**	**37,644**

The following sections explain each part of the balance sheet for the year and how the various aspects are treated including any valuation differences between the financial statements and Solvency II.

D.1 Assets

Property, Plant & equipment held for own use

For UK GAAP, the tangible assets are capitalised and depreciated by equal annual instalments over their estimated useful economic lives. Since a reasonable fair value cannot be determined, the tangible assets (£115k) have been written down to zero for Solvency II.

Property (Other than for own use)

Other property consists of land and buildings shown at market value for UK GAAP and Solvency II. The properties are valued professionally by an independent value based on the observed market values of similar properties.

Investments

Investments are made up of debt securities and other fixed income securities consisting of UK Government Treasury stocks and high-grade corporate bonds which are all designated at fair value. Fair value for those securities quoted in active markets is the bid price exclusive of transaction costs. For Solvency II the accrued interest has been re-classed to the underlying stock or bond.

The investment in STEL is shown as a holding in a related undertaking. It is valued at its net asset value for Solvency II purposes.

Receivables

Receivables consist of insurance and intermediaries, reinsurance, and trade not related to insurance which have already been billed. Receivables are stated net of an impairment provision and are recorded at book value as a reasonable proxy for economic value, as all amounts are expected to be received within one year. The receivables are not past due and hence impairment is set to zero for Solvency II.

Cash and cash equivalents

Cash and cash equivalents are short term, highly liquid investments that are subject to insignificant changes in value and are readily convertible into known amounts of cash. For UK GAAP, deposits held with credit institutions are liquid and callable on demand and therefore have been included in cash and cash equivalents. For Solvency II purposes, the accrued interest on these deposits is reclassified to cash and cash equivalents. For Solvency II purposes the Bahamas deposit held in trust is treated as cash.

Deferred Tax Assets

Deferred taxes, except deferred tax assets arising from the carry forward of unused tax losses, are valued on the basis of the difference between the values ascribed to assets and liabilities recognised and valued in accordance with the Solvency II Directive, and the values ascribed to assets and liabilities as recognised and valued for tax purposes. The valuation difference relating to deferred taxes mainly results from differences in technical provisions, investments and prepayments for Solvency II.

Temporary differences between the Solvency II value of the assets and liabilities and their corresponding tax base as defined in IAS 12 are assessed, and any deferred tax asset or liability is adjusted or set up as required.

The Solvency II to IFRS valuation differences, their applicable tax rate and the deferred tax impact are outlined below.

	IFRS to SII Valuation Difference €'000s	Tax rate applied €'000s	Deferred tax impact €'000s
Property, plant & equipment held for own use	(76)	25%	19
Investments	(716)	25%	179
Holdings in related undertakings, including participations	1,127	0%	-
Reinsurance Recoveries	0	25%	-
Cash and cash equivalents	817	25%	(204)
Any other assets not elsewhere shown	(300)	25%	75
Best estimate liabilities	2,597	25%	(649)
Risk margin	(2,910)	25%	728
Total	**1,011**		**156**

Any other assets not shown elsewhere

For UK GAAP this consists of prepayments and accrued interest. Accrued interest on bonds has been reclassified to investments and accrued interest on short term deposits has been reclassified to cash and cash equivalents. Prepayments (£198k) are excluded for Solvency II purposes.

Reinsurance recoverable (£3,546k) is included here. These are on a discounted best estimate basis for Solvency II purposes. On a GAAP basis reinsurance recoverables (£3,584) included are not discounted.

STL has no leasing arrangements.

There have been no changes to approach to valuation and no significant exercise of judgement in arriving at the values shown.

D.2 Technical provisions

Technical provisions represent the current cost of insurance liabilities at the balance sheet date. They are calculated on a discounted cash flow basis and include the following high-level components to be calculated separately:

- Best estimate of claims provisions being claims incurred at the balance sheet date
- Risk Margin representing the amount a third party would require in addition to the best estimates to assume the liability, calculated on a cost of capital basis.

The difference between the value of liabilities reported in STL's financial statements and those under Solvency II is mainly due to the inclusion of the risk margin which is somewhat offset by the discounting of the best estimate liabilities.

The risk margin dropped by £1m in comparison to the prior year mainly driven by a change in the regulations around the cost of capital to be applied.

All STL's liabilities relate to non-life business. The following table separates the estimate of STL's gross technical provisions by line of business at the end of 2023:

	Legal expenses £'000s	Miscellaneous financial loss £'000s	Total £'000s
Claims provision	10,353	15,529	25,882
Risk margin	1,164	1,746	2,910
Technical provisions	**11,517**	**17,275**	**28,792**

Valuation methods

Liabilities have been determined based on the discounted value of expected future claims by geographic location. The run-off of claims has been determined as set out below.

The value of overseas claims has been converted into GBP using relevant US dollar, Euro and Australian dollar exchange rates as at 31 December 2023.

The rate used to discount future claims is based on relevant risk-free yield curves of the country to which the claims relate.

The valuation methodology determines the expected claims cash flows that are expected to arise in respect of all reported and unreported claims in respect of business written to the date of valuation. The method used is known as the chain ladder method. Under this method the amount of claims paid to date are arranged by year of development (the period from policy inception to claim) and policy year. The pattern of claims development revealed by this claims' triangle is determined and then applied to estimate claim amounts in the later years of development.

Separate analyses are carried out for the UK and the Australian business as the two territories exhibit different underlying claim characteristics. The Bahamas has no reported losses, and legacy Europe has few reported losses, both are assumed to have the same reporting pattern as the US. The best estimate reserve is then calculated as the present value of the future projected claims cash flows allowing for the discount rates specified.

The chain ladder method is not fully appropriate where there is sparsity of data. This applies for the larger claims that occur infrequently and for the extreme points of the development triangle (oldest and most recent years). For these claims the reserve is based on, or adjusted, using judgement of the expected claims cost, albeit based on previous years' experience.

Solvency Capital Requirement

The solvency capital requirement has been calculated in accordance with the Standard Formula.

The principle behind these computations is that a list of specific risks are identified to which the business may be exposed. Then, for each risk, a stress is applied to the assets and liabilities with the capital requirement equal to the change in the business' "net asset value" i.e. the change in total assets less the value of the insurance liabilities.

This determines a capital requirement for each risk. These are then aggregated through a series of specified "correlation matrices" which allows for the fact that not all risks may occur at the same time. This is sometimes referred to as the diversification benefit.

The risks relevant to STL's business are as follows:

- Market risk
- Interest rate risk - this affects both the value of STL's fixed and variable interest assets as well as the value of its insurance liabilities.
- Property fall risk - this affects the value of STL's property valuation only.
- Spread risk - this is the risk that yields on corporate bonds widen and affects the value of STL's corporate bond assets only and not the value of the liabilities.
- Strategic Equity risk – this is the risk that the value of STL's holding in STEL moves out of line with its current value.
- Concentration risk - this is the risk that STL has too large an exposure to one asset or issuer and that falls in value are less likely to be offset by the benefit of diversification. This affects the value of STL's assets only.
- Currency risk - the risk that the value of assets moves out of line with the value of liabilities in the event of a shock in exchange rates. This affects both the value of assets and liabilities.

- Default risk
  - This is the risk that STL's deposit based or reinsurance counterparties default.

- Insurance risk
  - Premium and reserving risk - the risk that STL's expense and claims experience are worse than expected. This is assessed by geographic location.
  - Catastrophe risk - the risk that a catastrophic event leads to multiple and/or large claims.

- Operational risk
  - The risk that STL's operations lead to some business failure.

Risk margin

The risk margin is defined to be the additional amount over and above the value of the best estimate liabilities that a third party would need in order to take over and meet the insurance firm's obligations. Effectively it is the "opportunity cost" of holding capital to support the insurance firm's operations.

The Solvency II specification requires that the cost is equal to a charge of 4% a year of the expected SCR in respect of non-hedgeable risks, run-off over the remaining lifetime of the in-force business (allowing for the run-off of claims). The SCR is assumed to run-off in line with the square root of the change in STL's projected insurance liabilities.

The risk margin is calculated to be £2.9m as at 31 December 2023. The calculation is based on the calculated non-hedgeable SCR as at 31 December 2023 of £15.2m.

Discount rate

Risk free rates (as prescribed by the PRA) have been used to discount the projected claims cashflows. Example spot rates are shown in the following table:

	Projection Term (years)									
	1	2	3	4	5	6	7	8	9	10
UK	4.74%	4.02%	3.67%	3.48%	3.36%	3.28%	3.25%	3.25%	3.26%	3.28%
Euro	3.36%	2.69%	2.44%	2.35%	2.32%	2.32%	2.33%	2.35%	2.37%	2.39%
AUS	4.28%	4.02%	3.90%	3.84%	3.86%	3.92%	3.98%	4.05%	4.11%	4.15%
US	4.76%	4.06%	3.72%	3.57%	3.50%	3.47%	3.45%	3.44%	3.44%	3.45%

Exchange rates

The following exchange rates were used (to GBP):

	Financial year ending	
	31-Dec-23	31-Dec-22
US dollar	1.27324	1.217592
Euro	1.15367	1.130787
Australian dollar	1.8709	1.755820

Areas of uncertainty

With any modelling projection exercise there will be an inherent level of uncertainty present. Uncertainty arises primarily from the data being used, the choice of assumptions, and from the choice of model.

The data used is checked to mitigate the risk that errors may materially affect the valuation result. Data is also reviewed over time to check for consistency between different time periods.

Assumptions may be event driven or economic and are set using historical experience and the current market environment and expectations. Actual and emerging experience is reviewed against expectations at least annually and more frequently if necessary. The results of these analyses are fed into the assumption setting process for the valuation. Results are assessed for their sensitivity to key assumptions.

Reinsurance

STL has in place a reinsurance treaty with STGC providing excess loss cover in respect of large claims. It also reinsures a large proportion of its business in the Bahamas. The largest risks in the Bahamas are subject to quota share treaties with STGC or third-party reinsurers. Allowance is made within the SCR counterparty default module for the risk of default by any of the reinsurance partners.

Other information

No use has been made of a matching adjustment.

No use has been made of a volatility adjustment.

No use has been made of the transitional provisions for risk-free interest rates. No use has been made of transitional deductions from technical provisions.

There are no “other liabilities” subject to specific valuation treatment for solvency purposes beyond those listed below.

D.3 Other Liabilities

Liabilities (other than the risk margin) are shown at face value for both the financial statements and Solvency II as these liabilities are due within twelve months of the valuation date.

D.4 Alternative valuation methods have been employed.

The majority of STL’s assets and other liabilities are valued using quoted market information or face value for short term assets and liabilities. Property (not for own use) is recognised at its fair value as assessed by qualified external valuers using standard valuation techniques. These techniques use a market approach, which uses prices and other relevant information generated by market transactions involving similar properties. Clearly, properties are not listed and so there can be no market value quoted on an exchange and so an alternative method is necessary. Professional valuers have vast experience and data on the factors inherent to the properties being valued that influence prices and also on the amount of supply and demand in the market to enable them to make reliable adjustments to observed values. The results of these valuations will be reliable at the valuation point but will have a degree of uncertainty over their future values if supply and demand moves out of balance with the position at the end of the year. Valuation of the STEL holding is at the SII Net asset value within the SII balance sheet and at fair value in the financial statements.

D.5 There is no other material information relevant for disclosure

E. Capital Management

E.1 Own funds

The following table shows the amount of own funds at the valuation date.

	2023 £'000s	2022 £'000s
Assets (including reinsurance)	74,252	70,825
Best estimate liabilities	25,882	25,992
Risk Margin	2,910	4,003
Current liabilities	4,566	3,186
Own funds	**40,894**	**37,644**

STL reviews, as part of its regular ORSA process, the current and likely future capital position of the business and whether there is a material risk that its solvency may be threatened over the three year time horizon of its business plan. Should STL's projected solvency position is at risk, defined as not having sufficient capital resources to cover the Solvency Capital Requirement, then STL will draw up appropriate plans to rectify that position. These plans will be appropriate to STL's circumstances at the time but might include:

- Reviewing and refocusing its strategic objectives and priorities.
- Re-pricing its contracts of insurance.
- Reviewing its expense base, including potentially closing to new business.
- Seeking a capital injection from STGC.

STL has a single fund and most capital is Tier 1. The following table details the composition of own funds at the valuation date.

	2023 £'000s	2022 £'000s
Ordinary share capital (Tier 1)	330	330
Share premium account related to ordinary share capital (Tier 1)	8,101	8,101
Reconciliation reserve (Tier 1)	31,262	28,039
Deferred Tax (Tier 3)	1,201	1,174
Own funds	**40,894**	**37,644**

The following table reconciles the Reconciliation reserve above to STL's P&L Account as reported in its financial statements. Figures are in £'000s.

	2023 £'000s	2022 £'000s
P&L account in financial statements	31,805	30,739
Asset valuation differences	971	(183)
Liability valuation differences	(313)	(1,343)
Deferred Tax (Tier 3)	(1,201)	(1,174)
Solvency II reconciliation reserve	**31,262**	**28,039**

There are no restrictions on the use of own funds other than AUD 5.7m which must be held in Australia in support of STL's Australian insurance branch. The amount of own funds available to cover the SCR is £40.9m, while the amount of own funds available to cover the MCR is £39.7m (Tier 3 deferred tax own funds cannot be used to cover the MCR).

The following tables set out the coverage ratios of the SCR & MCR at the valuation date. Figures are in £'000s

	2023 £'000s	2022 £'000s
Total eligible own funds to meet the SCR	**40,894**	**37,644**
SCR	18,328	19,366
SCR Coverage Ratio	**223%**	**194%**

	2023 £'000s	2022 £'000s
Total eligible own funds to meet the MCR	**39,693**	**36,470**
MCR	6,057	5,934
MCR Coverage Ratio	**655%**	**615%**

There have been no significant changes in own funds over the reporting period.

There are no material differences between the equity in STL's financial statements and the free capital for solvency purposes.

There are no items subject to a transitional arrangement.

There are no items of ancillary own funds.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

STL uses the standard formula as the basis for determining its capital requirements. The Solvency Capital Requirement at 31 December 2023 was £18.4m and the Minimum Capital Requirement was £6.1m.

The SCR split by risk module is shown in the following table. Figures are as at 31 December 2023 and 31 December 2022, in £'000s.

Solvency Capital Requirement by Risk Module	Calendar Year	
	2023 £'000s	2022 £'000s
Market risk	3,332	6,459
Counterparty default risk	1,494	1,179
Non-life underwriting risk	15,588	15,102
Diversification	(2,862)	(4,259)
Basic Solvency Capital Requirement	**17,552**	**18,481**
Operational risk	776	885
Solvency Capital Requirement	**18,328**	**19,366**
Minimum Capital Requirement	6,057	5,934

There are no simplifications applied to the SCR calculation.

There are no undertaking-specific parameters used in the SCR calculation, but the final amount of the SCR is subject to supervisory assessment.

The Solvency Capital Requirement has decreased from £19.4m to £18.4m over the valuation period. The primary drivers for this are lower currency and concentration risk. This is due to a capital repatriation from Australia to the head office of $5m AUD and less risk attached to the corporate bond portfolio.

The Minimum Capital Requirement has increased very slightly in the reporting period from £5.9m to £6.1m

E.3 Use of the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement

STL does not use the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement.

E.4 Differences between the standard formula and any internal model used

STL does not use an internal model.

E.5 Non-compliance with the Minimum Capital Requirement and non-compliance with the Solvency Capital Requirement

STL has complied with the Solvency Capital Requirement and the Minimum Capital Requirement throughout the reporting period.

E.6 Any other information

There is no additional information.

F. Approval by the Administrative, Management or Supervisory Body of the SFCR and Reporting Templates

We acknowledge our responsibility for preparing the SFCR in all material respects in accordance with the PRA Rules and Solvency II Regulations.

We are satisfied that:

(A) Throughout the financial year in question, STL has complied in all material respects with the requirements of the PRA Rules and Solvency II Regulations as applicable; and

(B) It is reasonable to believe that, at the date of publication of the SFCR, STL has continued to comply, and will continue to comply in future.

By order of the Board

DWS Chalmers.

D Chalmers

Director
11 Haymarket
3rd Floor
London
SW1Y 4PB

5 April 2024

Stewart Title Limited

Solvency and Financial Condition Report

Disclosures

31 December

2023

(Monetary amounts in GBP thousands)

General information

Undertaking name	Stewart Title Limited
Undertaking identification code	213800A6WMMTW3QZJI14
Type of code of undertaking	LEI
Type of undertaking	Non-life undertakings
Country of authorisation	GB
Language of reporting	en
Reporting reference date	31 December 2023
Currency used for reporting	GBP
Accounting standards	Local GAAP
Method of Calculation of the SCR	Standard formula
Matching adjustment	No use of matching adjustment
Volatility adjustment	No use of volatility adjustment
Transitional measure on the risk-free interest rate	No use of transitional measure on the risk-free interest rate
Transitional measure on technical provisions	No use of transitional measure on technical provisions

List of reported templates

S.02.01.02 - Balance sheet
S.05.01.02 - Premiums, claims and expenses by line of business: Non-life insurance and reinsurance obligations
S.05.02.01 - Premiums, claims and expenses by country: Non-life insurance and reinsurance obligations
S.17.01.02 - Non-Life Technical Provisions
S.19.01.21 - Non-Life insurance claims
S.23.01.01 - Own Funds
S.25.01.21 - Solvency Capital Requirement - for undertakings on Standard Formula
S.28.01.01 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

S.02.01.02

Balance sheet

		Solvency II value
	Assets	C0010
R0030	Intangible assets	
R0040	Deferred tax assets	1,201
R0050	Pension benefit surplus	
R0060	Property, plant & equipment held for own use	
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	30,549
R0080	*Property (other than for own use)*	2,040
R0090	*Holdings in related undertakings, including participations*	3,499
R0100	*Equities*	0
R0110	*Equities - listed*	
R0120	*Equities - unlisted*	
R0130	*Bonds*	25,010
R0140	*Government Bonds*	19,143
R0150	*Corporate Bonds*	5,867
R0160	*Structured notes*	0
R0170	*Collateralised securities*	0
R0180	*Collective Investments Undertakings*	0
R0190	*Derivatives*	
R0200	*Deposits other than cash equivalents*	
R0210	*Other investments*	
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	0
R0240	*Loans on policies*	
R0250	*Loans and mortgages to individuals*	
R0260	*Other loans and mortgages*	
R0270	Reinsurance recoverables from:	2,236
R0280	*Non-life and health similar to non-life*	2,236
R0290	*Non-life excluding health*	2,236
R0300	*Health similar to non-life*	0
R0310	*Life and health similar to life, excluding index-linked and unit-linked*	0
R0320	*Health similar to life*	
R0330	*Life excluding health and index-linked and unit-linked*	
R0340	*Life index-linked and unit-linked*	
R0350	Deposits to cedants	
R0360	Insurance and intermediaries receivables	893
R0370	Reinsurance receivables	1,310
R0380	Receivables (trade, not insurance)	809
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
R0410	Cash and cash equivalents	37,059
R0420	Any other assets, not elsewhere shown	195
R0500	**Total assets**	74,252

S.02.01.02

Balance sheet

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions - non-life	28,792
R0520	*Technical provisions - non-life (excluding health)*	28,792
R0530	*TP calculated as a whole*	0
R0540	*Best Estimate*	25,882
R0550	*Risk margin*	2,910
R0560	*Technical provisions - health (similar to non-life)*	0
R0570	*TP calculated as a whole*	0
R0580	*Best Estimate*	0
R0590	*Risk margin*	0
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	*Technical provisions - health (similar to life)*	0
R0620	*TP calculated as a whole*	
R0630	*Best Estimate*	
R0640	*Risk margin*	
R0650	*Technical provisions - life (excluding health and index-linked and unit-linked)*	0
R0660	*TP calculated as a whole*	
R0670	*Best Estimate*	
R0680	*Risk margin*	
R0690	Technical provisions - index-linked and unit-linked	0
R0700	*TP calculated as a whole*	
R0710	*Best Estimate*	
R0720	*Risk margin*	
R0740	Contingent liabilities	
R0750	Provisions other than technical provisions	
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	
R0780	Deferred tax liabilities	53
R0790	Derivatives	
R0800	Debts owed to credit institutions	
R0810	Financial liabilities other than debts owed to credit institutions	
R0820	Insurance & intermediaries payables	82
R0830	Reinsurance payables	204
R0840	Payables (trade, not insurance)	1,322
R0850	Subordinated liabilities	0
R0860	*Subordinated liabilities not in BOF*	
R0870	*Subordinated liabilities in BOF*	0
R0880	Any other liabilities, not elsewhere shown	2,904
R0900	**Total liabilities**	33,358
R1000	**Excess of assets over liabilities**	40,894

S.05.01.02

Premiums, claims and expenses by line of business: Non-life insurance and reinsurance obligations

		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	Misc. financial loss	Health	Casualty	Marine, aviation and transport	Property	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
	Premiums written																	
R0110	Gross - Direct Business										10,336		15,504					25,841
R0120	Gross - Proportional reinsurance accepted																	0
R0130	Gross - Non-proportional reinsurance accepted																	0
R0140	Reinsurers' share										900		1,350					2,249
R0200	Net										9,436		14,155					23,591
	Premiums earned																	
R0210	Gross - Direct Business										10,336		15,504					25,841
R0220	Gross - Proportional reinsurance accepted																	0
R0230	Gross - Non-proportional reinsurance accepted																	0
R0240	Reinsurers' share										900		1,350					2,249
R0300	Net										9,436		14,155					23,591
	Claims incurred																	
R0310	Gross - Direct Business										2,219		3,329					5,548
R0320	Gross - Proportional reinsurance accepted																	0
R0330	Gross - Non-proportional reinsurance accepted																	0
R0340	Reinsurers' share										-294		-442					-736
R0400	Net										2,514		3,771					6,284
	Changes in other technical provisions																	
R0410	Gross - Direct Business																	0
R0420	Gross - Proportional reinsurance accepted																	0
R0430	Gross - Non-proportional reinsurance accepted																	0
R0440	Reinsurers' share																	0
R0500	Net										0		0					0
R0550	**Expenses incurred**										5,162		7,744					12,906
R1200	**Other expenses**																	
R1300	**Total expenses**																	12,906

S.05.02.01

Premiums, claims and expenses by country: Non-life insurance and reinsurance obligations

		C0010	C0020	C0030	C0040	C0050	C0060	C0070
		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations			Top 5 countries (by amount of gross premiums written) - non-life obligations		Total Top 5 and home country
R0010			AU	BS	IT	PL	CZ	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	Gross - Direct Business	8,378	15,349	2,114				25,841
R0120	Gross - Proportional reinsurance accepted							0
R0130	Gross - Non-proportional reinsurance accepted							0
R0140	Reinsurers' share	1,370	708	171				2,249
R0200	Net	7,008	14,641	1,943	0	0	0	23,591
	Premiums earned							
R0210	Gross - Direct Business	8,378	15,349	2,114				25,841
R0220	Gross - Proportional reinsurance accepted							0
R0230	Gross - Non-proportional reinsurance accepted							0
R0240	Reinsurers' share	1,370	708	171				2,249
R0300	Net	7,008	14,641	1,943	0	0	0	23,591
	Claims incurred							
R0310	Gross - Direct Business	784	4,710	54	0	0	0	5,548
R0320	Gross - Proportional reinsurance accepted							0
R0330	Gross - Non-proportional reinsurance accepted							0
R0340	Reinsurers' share	-702	0	-34				-736
R0400	Net	1,486	4,710	88	0	0	0	6,284
	Changes in other technical provisions							
R0410	Gross - Direct Business							0
R0420	Gross - Proportional reinsurance accepted							0
R0430	Gross - Non-proportional reinsurance accepted							0
R0440	Reinsurers' share							0
R0500	Net	0	0	0	0	0	0	0
R0550	**Expenses incurred**	6,658	4,457	1,770	21			12,906
R1200	**Other expenses**							
R1300	**Total expenses**							12,906

S.17.01.02

Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				
		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	Total Non-Life obligation
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
R0010	**Technical provisions calculated as a whole**										0		0					0
R0050	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																	0
	Technical provisions calculated as a sum of BE and RM																	
	Best estimate																	
	Premium provisions																	
R0060	Gross										0		0					0
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default																	0
R0150	**Net Best Estimate of Premium Provisions**										0		0					0
	Claims provisions																	
R0160	Gross										10,353		15,529					25,882
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default										895		1,342					2,236
R0250	**Net Best Estimate of Claims Provisions**										9,458		14,187					23,646
R0260	**Total best estimate - gross**										10,353		15,529					25,882
R0270	**Total best estimate - net**										9,458		14,187					23,646
R0280	**Risk margin**										1,164		1,746					2,910
	Amount of the transitional on Technical Provisions																	
R0290	Technical Provisions calculated as a whole																	0
R0300	Best estimate																	0
R0310	Risk margin																	0
R0320	**Technical provisions - total**										11,517		17,275					28,792
R0330	**Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total**										895		1,342					2,236
R0340	**Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total**										10,622		15,933					26,556

S.19.01.21

Non-Life insurance claims

Total Non-life business

Z0020	Accident year / underwriting year	Accident Year

Gross Claims Paid (non-cumulative)

(absolute amount)

	Year	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
		Development year											In Current year	Sum of years (cumulative)
		0	1	2	3	4	5	6	7	8	9	10 & +		
R0100	Prior											45	45	45
R0160	-9	141	442	612	369	321	85	73	54	214	21		21	2,332
R0170	-8	120	1,727	264	317	339	176	62	304	95			95	3,405
R0180	-7	63	740	325	356	360	176	268	164				164	2,451
R0190	-6	179	763	723	527	244	523	226					226	3,186
R0200	-5	133	794	839	414	592	192						192	2,964
R0210	-4	174	666	1,040	1,759	1,712							1,712	5,352
R0220	-3	134	480	607	812								812	2,033
R0230	-2	286	810	838									838	1,934
R0240	-1	296	495										495	792
R0250	0	124											124	124
R0260												Total	4,724	24,618

Gross Undiscounted Best Estimate Claims Provisions

(absolute amount)

	Year	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
		Development year											Year end (discounted data)
		0	1	2	3	4	5	6	7	8	9	10 & +	
R0100	Prior											666	603
R0160	-9	0	0	0	0	816	696	658	489	620	410		364
R0170	-8	0	0	0	786	1,163	849	581	763	654			572
R0180	-7	0	0	1,593	1,275	1,113	783	918	904				787
R0190	-6	0	2,073	2,321	1,875	1,305	1,366	1,220					1,064
R0200	-5	2,989	3,033	2,706	1,981	1,966	1,607						1,385
R0210	-4	3,880	3,314	2,501	4,649	4,721							4,305
R0220	-3	4,387	3,588	3,226	2,094								1,821
R0230	-2	5,361	4,435	4,002									3,504
R0240	-1	6,699	6,232										5,453
R0250	0	6,998											6,025
R0260												Total	25,882

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Own Funds

		Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
	Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35	C0010	C0020	C0030	C0040	C0050
R0010	Ordinary share capital (gross of own shares)	330	330		0	
R0030	Share premium account related to ordinary share capital	8,101	8,101		0	
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	0	0		0	
R0050	Subordinated mutual member accounts	0		0	0	0
R0070	Surplus funds	0	0			
R0090	Preference shares	0		0	0	0
R0110	Share premium account related to preference shares	0		0	0	0
R0130	Reconciliation reserve	31,262	31,262			
R0140	Subordinated liabilities	0		0	0	0
R0160	An amount equal to the value of net deferred tax assets	1,201				1,201
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above	0	0	0	0	0
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				
R0230	**Deductions for participations in financial and credit institutions**	0	0	0	0	
R0290	**Total basic own funds after deductions**	40,894	39,693	0	0	1,201
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	0				
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				
R0320	Unpaid and uncalled preference shares callable on demand	0				
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0				
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0				
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0				
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0				
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0				
R0390	Other ancillary own funds	0				
R0400	**Total ancillary own funds**	0			0	0
	Available and eligible own funds					
R0500	Total available own funds to meet the SCR	40,894	39,693	0	0	1,201
R0510	Total available own funds to meet the MCR	39,693	39,693	0	0	
R0540	Total eligible own funds to meet the SCR	40,894	39,693	0	0	1,201
R0550	Total eligible own funds to meet the MCR	39,693	39,693	0	0	
R0580	**SCR**	18,328				
R0600	**MCR**	6,057				
R0620	**Ratio of Eligible own funds to SCR**	223.12%				
R0640	**Ratio of Eligible own funds to MCR**	655.29%				

	Reconcilliation reserve	C0060
R0700	Excess of assets over liabilities	40,894
R0710	Own shares (held directly and indirectly)	0
R0720	Foreseeable dividends, distributions and charges	
R0730	Other basic own fund items	9,632
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0
R0760	**Reconciliation reserve**	31,262
	Expected profits	
R0770	Expected profits included in future premiums (EPIFP) - Life business	
R0780	Expected profits included in future premiums (EPIFP) - Non- life business	
R0790	**Total Expected profits included in future premiums (EPIFP)**	0

S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
R0010	Market risk	3,332		
R0020	Counterparty default risk	1,494		
R0030	Life underwriting risk	0		
R0040	Health underwriting risk	0		
R0050	Non-life underwriting risk	15,588		
R0060	Diversification	-2,862		
R0070	Intangible asset risk	0		
R0100	**Basic Solvency Capital Requirement**	17,552		

	Calculation of Solvency Capital Requirement	C0100
R0130	Operational risk	776
R0140	Loss-absorbing capacity of technical provisions	0
R0150	Loss-absorbing capacity of deferred taxes	
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	0
R0200	**Solvency Capital Requirement excluding capital add-on**	18,328
R0210	Capital add-ons already set	0
R0220	**Solvency capital requirement**	18,328
	Other information on SCR	
R0400	Capital requirement for duration-based equity risk sub-module	0
R0410	Total amount of Notional Solvency Capital Requirements for remaining part	0
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds	0
R0430	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	0
R0440	Diversification effects due to RFF nSCR aggregation for article 304	0

	Approach to tax rate	C0109
R0590	Approach based on average tax rate	0

	Calculation of loss absorbing capacity of deferred taxes	LAC DT
		C0130
R0640	LAC DT	
R0650	LAC DT justified by reversion of deferred tax liabilities	0
R0660	LAC DT justified by reference to probable future taxable economic profit	0
R0670	LAC DT justified by carry back, current year	0
R0680	LAC DT justified by carry back, future years	0
R0690	Maximum LAC DT	0

USP Key

For life underwriting risk:
1 - Increase in the amount of annuity benefits
9 - None

For health underwriting risk:
1 - Increase in the amount of annuity benefits
2 - Standard deviation for NSLT health premium risk
3 - Standard deviation for NSLT health gross premium risk
4 - Adjustment factor for non-proportional reinsurance
5 - Standard deviation for NSLT health reserve risk
9 - None

For non-life underwriting risk:
4 - Adjustment factor for non-proportional reinsurance
6 - Standard deviation for non-life premium risk
7 - Standard deviation for non-life gross premium risk
8 - Standard deviation for non-life reserve risk
9 - None

S.28.01.01

Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

	Linear formula component for non-life insurance and reinsurance obligations	C0010
R0010	MCR_{NL} Result	6,057

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
R0020	Medical expense insurance and proportional reinsurance	0	
R0030	Income protection insurance and proportional reinsurance	0	
R0040	Workers' compensation insurance and proportional reinsurance	0	
R0050	Motor vehicle liability insurance and proportional reinsurance	0	
R0060	Other motor insurance and proportional reinsurance	0	
R0070	Marine, aviation and transport insurance and proportional reinsurance	0	
R0080	Fire and other damage to property insurance and proportional reinsurance	0	
R0090	General liability insurance and proportional reinsurance	0	
R0100	Credit and suretyship insurance and proportional reinsurance	0	
R0110	Legal expenses insurance and proportional reinsurance	9,458	9,436
R0120	Assistance and proportional reinsurance	0	
R0130	Miscellaneous financial loss insurance and proportional reinsurance	14,187	14,155
R0140	Non-proportional health reinsurance	0	
R0150	Non-proportional casualty reinsurance	0	
R0160	Non-proportional marine, aviation and transport reinsurance	0	
R0170	Non-proportional property reinsurance	0	

	Linear formula component for life insurance and reinsurance obligations	C0040
R0200	MCR_{L} Result	0

		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		
R0220	Obligations with profit participation - future discretionary benefits		
R0230	Index-linked and unit-linked insurance obligations		
R0240	Other life (re)insurance and health (re)insurance obligations		
R0250	Total capital at risk for all life (re)insurance obligations		

	Overall MCR calculation	C0070
R0300	Linear MCR	6,057
R0310	SCR	18,328
R0320	MCR cap	8,248
R0330	MCR floor	4,582
R0340	Combined MCR	6,057
R0350	Absolute floor of the MCR	2,359
R0400	**Minimum Capital Requirement**	6,057