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 as at 31 December 2021.

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 194% as at 31 December 2022.

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, Europe, 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 2023.

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 and in Australia for the year ending 31 December 2022 with prior year comparatives. Figures are in £'000s.

Underwriting profit	**Calendar year**	
	2022 £'000s	**2021 £'000s**
Insurance premiums	29,496	25,641
Reinsurance premiums	(3,490)	(2,572)
Total income	**26,006**	**23,908**
Claims	9,499	5,523
Expenses	13,529	11,043
Total expenditure	**23,029**	**16,566**
Underwriting profits	**2,978**	**5,223**

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

Gross premiums increased by 15% compared to the prior year primarily due to premium growth in both the UK and Australia. Although the market remains competitive, the need for title indemnity insurance continues as the property industry realise the benefits that title insurance can bring to the market in terms of increased speed, efficiency and productivity to real estate transactions. Claims costs have increased compared to the prior year due to reserve strengthening in both the UK & Australia in respect of prior years. Expenses have increased moderately in line with the premium growth.

A.3. Investment Performance

The following statements summarise STL's investment performance for the year ended 31 December 2022 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**	
	2022 £'000s	**2021 £'000s**
Investment income	429	280
Realised (losses)/gains	(165)	15
Unrealised (losses)/gains	(1,859)	(443)
Rental income net	57	32
Total investment return	**(1,539)**	**(116)**
Investment expenses	(58)	46
Other Income	76	1,020

The investment portfolio saw losses of £2m in 2022 (2021: £0.4m) due to the rapid rise of interest rates in the UK towards the end of the year. As the low interest bonds mature and are reinvested STL will be able to use the higher interest rates to increase its investment income in the future.

A.4. Performance of Other Activities

There was minimal other income during the year, the Company recognized a fair value revaluation loss on its investment in a group undertaking of £1.0m (2021: nil).

A.5. Any Other Information

None.

B. System of Governance

B.1 General Governance Structure

Overview of STL's System of Governance

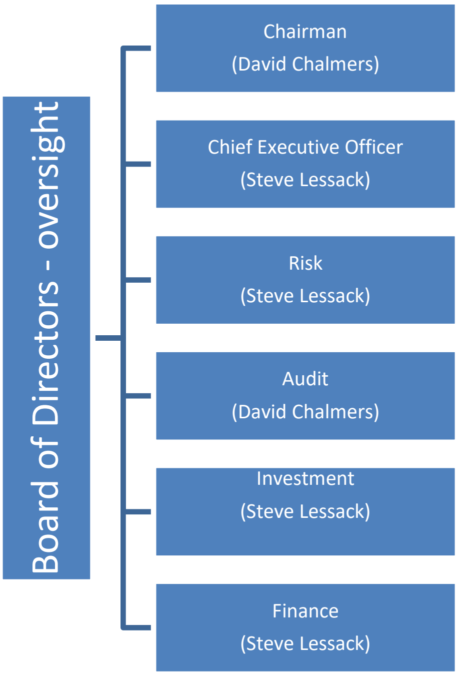
STL's approach to Corporate Governance is set out in its Corporate Governance Policy which covers the principal functions of the Board including items such as:

- The composition of the Board: STL seeks to achieve a balanced Board by having appointed 2 Executive Directors, 1 Non-Executive Director and 2 Independent Directors.
- 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 one-off 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

The 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
- Finance – Vishal Singh, STGC
- Investment Management – Rathbones
- Internal Audit – Deloitte
- Claims Handling – Ferkhendah Azib, STL
- Information Technology – Ben Gunning, STGC

Remuneration Policy

As well as contractual salaries, employees enjoy a range of benefits including contributions paid into 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 thus managing the remuneration risk. Depending on the performance of STL in any given year, a discretionary bonus may be paid to staff.

Under the Senior Insurance Managers Regime responsibility for oversight of the Whistleblowing Policy and the Remuneration Policy passed 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, namely Moderate or High, additional control measures are prepared and incorporated into STL's operations to ensure that the residual risk remains acceptable 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 any action considered for ongoing discussion, monitoring and 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. If there was a material change to STL's risk profile, then an ad hoc report would be completed.

The process for the ORSA follows these main steps:

- Early in the process the Executive and key staff review the existing risks identified by the Senior Management Team 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 and, in particular, the impact on risk tolerances. This discussion will also look at the stress tests that should be done.
- At any point in the year an ad-hoc ORSA will be done if anything significant has triggered this need.
- Once the draft ORSA is available it is reviewed by the Senior Management Team 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

As STL is a well-capitalised company for its size, access to funds is not a current issue for the organisation. When new opportunities are presented, the Board considers the proposal in light of all demands on capital.

It is, and has always been, the Board's practice to enter into all 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 exploration of the market. Once a viable market is determined, a business plan including financial projections is prepared for the Board to consider.

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

B.4 Internal Control System

STL has an Internal Control Policy which ensures that there are a system of checks and balances such that employees follow approved and documented policies and procedures which enable 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 and she 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 Stewart group. Internal audits are conducted every other year. 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, in terms of its remit, is responsible for ensuring that:

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

Such an audit was carried out during 2020 and identified areas for improvement. A copy of the internal report is also provided to STL's external auditors. A further audit program is scheduled for 2022.

How internal audit maintains independence

As the internal audit function is outsourced, the independence of the internal audit group is maintained.

B.6 Actuarial Function

The Actuarial Function is outsourced to OAC plc. STL has an Agreement with OAC plc 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 plc 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 the effective control over risk assessment related to outsourcing of business functions, STL has established 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 a more effective and efficient alternative, or where there is a function that STL does not have the technology 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 taking into account 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 2021 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**	
	2022	**2021**
	£'000s	**£'000s**
Market risk	6,459	4,603
Counterparty default risk	1,179	1,072
Non-life underwriting risk	15,102	13,615
Diversification	(4,259)	(3,287)
Basic Solvency Capital Requirement	**18,481**	**16,003**
Operational risk	885	862
Solvency Capital Requirement	**19,366**	**16,865**
Minimum Capital Requirement	5,934	5,172

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 2022.

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 underwriting department working closely with the legal department. 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 on the majority of products if the policy amount exceeds a certain threshold (normally 500k 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 the STL's investment policy. The investment risk strategy provides a high-level description of the risk management framework for managing investment risks.

When determining their 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 2022, 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 so as to 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 an 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 authorization
- Branch/Subsidiary – unauthorized 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

The impact of the on-going conflict between Russia and the Ukraine, which started in February 2022, is hard to predict. While the Company does not have direct operations in either country, the Company does have a wholly owned subsidiary in Malta (STEL) which conducts business operations in countries in regions such as Poland, Romania, Czech Republic and Slovakia. STEL was able to successfully grow during 2022 with premiums increasing by 85% which gives the company confidence that this will not have a material impact on its investment. 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 2022 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 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**

Financial year ending 31 December 2021			
Assets	**Financial statements £'000s**	**Valuation Difference £'000s**	**Solvency II £'000s**
Property, plant & equipment held for own use	127	-127	0
Other property	2,125	0	2,125
Bonds – Government	14,333	49	14,382
Bonds – Corporate	3,603	36	3,639
Holdings in related undertakings, including participations	4,958	(1,740)	3,218
Insurance and intermediaries' receivables	1,314	0	1,314
Reinsurance Recoveries	357	(7)	350
Receivables (trade, not insurance)	369	0	369
Cash and cash equivalents	35,853	743	36,596
Any other assets not elsewhere shown	1,551	(940)	611
Deferred tax asset			
Total Assets	**64,590**	**(1,986)**	**62,604**
Liabilities			
Best estimate liabilities	20,198	(1,517)	18,681
Risk margin	-	3,822	3,822
Tax liabilities	-	-	-
Insurance and intermediaries payables	-	-	-
Reinsurance payables	311	-	311
Payables (trade, not insurance)	476	-	476
Any other liabilities not elsewhere shown	4,320	-	4,320
Total Liabilities	**25,305**	**2,305**	**27,610**
Excess of assets over liabilities	**39,285**	**(4,291)**	**34,994**

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 assets 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	(115)	19%	22
Investments	86	19%	(16)
Holdings in related undertakings, including participations	(469)	0%	-
Reinsurance Recoveries	340	19%	(65)
Cash and cash equivalents	837	19%	(159)
Any other assets not elsewhere shown	(1,111)	19%	211
Best estimate liabilities	2,660	19%	505
Risk margin	(4,003)	19%	761
Total	**(1,774)**		**248**

Any other assets not shown elsewhere

For UK GAAP this consists of prepayments, accrued interest and a Bahamas deposit held in trust. The Bahamas deposit held in trust is actual cash and treated as such in the valuation for Solvency II purposes. 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 (-£197k) are excluded for Solvency II purposes.

Reinsurance recoverable (£4,669k) is included here. These are on a discounted best estimate basis for Solvency II purposes. On a GAAP basis reinsurance recoverables (£4,329k) 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 main difference between the value of liabilities reported in STL's financial statements and those under Solvency II is the inclusion of £4.0m in respect of the risk margin.

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 2022:

	Legal expenses £'000s	Miscellaneous financial loss £'000s	Total £'000s
Claims provision	10,397	15,595	25,992
Risk margin	1,601	2,402	4,003
Technical provisions	**11,998**	**17,997**	**29,995**

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 2022.

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 (SCRdef)
  - 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 6% 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 £4.0m as at 31 December 2022. The calculation is based on the calculated non-hedgeable SCR as at 31 December 2022 of £11.6m.

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	4.46%	4.47%	4.33%	4.18%	4.06%	3.95%	3.86%	3.79%	3.75%	3.71%
Euro	3.18%	3.30%	3.20%	3.15%	3.13%	3.11%	3.09%	3.09%	3.09%	3.09%
AUS	3.98%	4.14%	4.10%	4.10%	4.17%	4.26%	4.34%	4.41%	4.47%	4.51%
US	5.07%	4.66%	4.26%	4.05%	3.95%	3.88%	3.82%	3.78%	3.74%	3.75%

Exchange rates

The following exchange rates were used (to GBP):

	Financial year ending	
	31-Dec-22	31-Dec-21
US dollar	1.217592	1.351361
Euro	1.130787	1.19138
Australian dollar	1.755820	1.861089

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 the 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 STEL holding is at the cost method.

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.

	2022 £'000s	2021 £'000s
Assets (including	70,825	62,605
Best estimate liabilities	25,992	18,681
Risk Margin	4,003	3,822
Current liabilities	3,186	5,106
Own funds	**37,644**	**34,996**

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.

	2022 £'000s	2021 £'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)	28,039	25,985
Deferred Tax (Tier 3)	1,174	580
Own funds	**37,644**	**34,996**

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

	2022 £'000s	2021 £'000s
P&L account in financial statements	30,739	30,855
Asset valuation differences	(183)	(1,985)
Liability valuation differences	(1,343)	(2,305)
Deferred Tax (Tier 3)	(1,174)	(580)
Solvency II reconciliation reserve	**28,039**	**25,985**

There are no restrictions on the use of own funds other than AUD 5m 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 £37.6m, while the amount of own funds available to cover the MCR is £34.4m (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

	2022 €'000s	2021 €'000s
Total eligible own funds to meet the SCR	**37,644**	**34,996**
SCR	19,366	16,865
SCR Coverage Ratio	**194%**	**208%**

	2022 €'000s	2021 €'000s
Total eligible own funds to meet the MCR	**36,470**	**34,416**
MCR	5,934	5,172
MCR Coverage Ratio	**615%**	**665%**

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 2022 was £19.4m and the Minimum Capital Requirement was £5.9m.

The SCR split by risk module is shown in the following table. Figures are as at 31 December 2021 and 31 December 2020, in £'000s.

Solvency Capital Requirement by Risk Module	Calendar Year	
	2022 £'000s	2021 £'000s
Market risk	6,459	4,603
Counterparty default risk	1,179	1,072
Non-life underwriting risk	15,102	13,615
Diversification	(4,259)	(3,287)
Basic Solvency Capital Requirement	**18,481**	**16,003**
Operational risk	885	862
Solvency Capital Requirement	**19,366**	**16,865**
Minimum Capital Requirement	5,934	5,172

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 increased from 16.9m to 19.4m over the valuation period. The primary reason is the increase in market risk, in particular the currency risk element. This is due to the growth in the Australian business which has lead to a higher net asset value denominated in AUS $ and therefore is more sensitive to changes in exchange rates.

The Minimum Capital Requirement has increased in the reporting period from £5.2m to £5.9m. This is as a result of the linear MCR, which is a calculation driven by technical provisions and premium written in 2022 (both have increased from 2021).

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 so to comply, and will continue so to comply in future.

By order of the Board

DWS Chalmers.

D Chalmers

Director
11 Haymarket
3rd Floor
London
SW1Y 4PB

5 April 2023

Stewart Title Limited

Solvency and Financial Condition Report

Disclosures

31 December

2022

(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 2022
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
S.05.02.01 - Premiums, claims and expenses by country
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	883
R0050	Pension benefit surplus	
R0060	Property, plant & equipment held for own use	0
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	28,329
R0080	*Property (other than for own use)*	2,090
R0090	*Holdings in related undertakings, including participations*	4,320
R0100	*Equities*	0
R0110	*Equities - listed*	
R0120	*Equities - unlisted*	
R0130	*Bonds*	21,919
R0140	*Government Bonds*	15,743
R0150	*Corporate Bonds*	6,176
R0160	*Structured notes*	0
R0170	*Collateralised securities*	0
R0180	*Collective Investments Undertakings*	0
R0190	*Derivatives*	
R0200	*Deposits other than cash equivalents*	0
R0210	*Other investments*	0
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	0
R0240	*Loans on policies*	0
R0250	*Loans and mortgages to individuals*	
R0260	*Other loans and mortgages*	
R0270	Reinsurance recoverables from:	4,670
R0280	*Non-life and health similar to non-life*	4,670
R0290	*Non-life excluding health*	4,670
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	0
R0360	Insurance and intermediaries receivables	1,750
R0370	Reinsurance receivables	
R0380	Receivables (trade, not insurance)	955
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	34,272
R0420	Any other assets, not elsewhere shown	14
R0500	**Total assets**	70,873

S.02.01.02

Balance sheet

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions - non-life	29,995
R0520	*Technical provisions - non-life (excluding health)*	29,995
R0530	*TP calculated as a whole*	0
R0540	*Best Estimate*	25,992
R0550	*Risk margin*	4,003
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	83
R0790	Derivatives	
R0800	Debts owed to credit institutions	
R0810	Financial liabilities other than debts owed to credit institutions	
R0820	Insurance & intermediaries payables	91
R0830	Reinsurance payables	159
R0840	Payables (trade, not insurance)	1,182
R0850	Subordinated liabilities	0
R0860	*Subordinated liabilities not in BOF*	
R0870	*Subordinated liabilities in BOF*	0
R0880	Any other liabilities, not elsewhere shown	1,720
R0900	**Total liabilities**	33,229
R1000	**Excess of assets over liabilities**	37,644

S.05.01.02

Premiums, claims and expenses by line of business

Non-life

		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										11,798		17,698					29,496
R0120	Gross - Proportional reinsurance accepted																	0
R0130	Gross - Non-proportional reinsurance accepted																	0
R0140	Reinsurers' share										1,396		2,094					3,490
R0200	Net										10,403		15,604					26,007
	Premiums earned																	
R0210	Gross - Direct Business										11,798		17,698					29,496
R0220	Gross - Proportional reinsurance accepted																	0
R0230	Gross - Non-proportional reinsurance accepted																	0
R0240	Reinsurers' share										1,396		2,094					3,490
R0300	Net										10,403		15,604					26,007
	Claims incurred																	
R0310	Gross - Direct Business										4,972		7,458					12,431
R0320	Gross - Proportional reinsurance accepted																	0
R0330	Gross - Non-proportional reinsurance accepted																	0
R0340	Reinsurers' share																	0
R0400	Net										4,972		7,458					12,431
	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**										5,666		8,500					14,166
R1200	**Other expenses**																	
R1300	**Total expenses**																	14,166

S.05.02.01

Premiums, claims and expenses by country

Non-life

		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	13,564	14,225	1,707				29,496
R0120	Gross - Proportional reinsurance accepted							0
R0130	Gross - Non-proportional reinsurance accepted							0
R0140	Reinsurers' share	2,698	634	158				3,490
R0200	Net	10,866	13,591	1,549	0	0	0	26,007
	Premiums earned							
R0210	Gross - Direct Business	13,564	14,225	1,707				29,496
R0220	Gross - Proportional reinsurance accepted							0
R0230	Gross - Non-proportional reinsurance accepted							0
R0240	Reinsurers' share	2,698	634	158				3,490
R0300	Net	10,866	13,591	1,549	0	0	0	26,007
	Claims incurred							
R0310	Gross - Direct Business	6,941	6,482	29	0	0	0	13,452
R0320	Gross - Proportional reinsurance accepted							0
R0330	Gross - Non-proportional reinsurance accepted							0
R0340	Reinsurers' share	3,965	0	-13				3,952
R0400	Net	2,976	6,482	42	0	0	0	9,499
	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**	7,922	4,178	1,397	91	0		13,587
R1200	**Other expenses**							
R1300	**Total expenses**							13,587

S.17.01.02

Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				Total Non-Life obligation
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
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										10,397		15,595					25,992
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default										1,868		2,802					4,670
R0250	**Net Best Estimate of Claims Provisions**										8,529		12,794					21,323
R0260	**Total best estimate - gross**										10,397		15,595					25,992
R0270	**Total best estimate - net**										8,529		12,794					21,323
R0280	**Risk margin**										1,601		2,402					4,003
	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**										11,998		17,997					29,995
R0330	**Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total**										1,868		2,802					4,670
R0340	**Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total**										10,130		15,196					25,326

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Non-Life insurance claims

Total Non-life business

Z0020 **Accident year / underwriting year** Accident Year

Gross Claims Paid (non-cumulative)
(absolute amount)

		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
	Year					**Development year**							**In Current year**	**Sum of years (cumulative)**
		0	1	2	3	4	5	6	7	8	9	10 & +		
R0100	Prior											174	174	174
R0160	2013	54	117	257	928	167	112	196	121	30	311		311	2,294
R0170	2014	117	255	423	192	175	40	29	22	121			121	1,373
R0180	2015	57	1,410	111	132	138	77	31	122				122	2,078
R0190	2016	25	418	141	193	166	71	121					121	1,134
R0200	2017	76	388	403	291	108	267						267	1,534
R0210	2018	53	331	363	205	470							470	1,422
R0220	2019	84	398	581	1,328								1,328	2,391
R0230	2020	61	218	393									393	672
R0240	2021	117	376										376	493
R0250	2022	166											166	166
R0260												**Total**	3,848	13,731

Gross Undiscounted Best Estimate Claims Provisions
(absolute amount)

		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
	Year					**Development year**							**Year end (discounted data)**
		0	1	2	3	4	5	6	7	8	9	10 & +	
R0100	Prior											329	278
R0160	2013	0	0	0	0	0	245	400	343	412	162		144
R0170	2014	0	0	0	0	777	485	348	294	278			233
R0180	2015	0	0	0	527	618	465	381	395				352
R0190	2016	0	0	1,275	868	676	496	491					425
R0200	2017	0	1,442	1,471	1,213	910	861						714
R0210	2018	2,042	1,814	1,384	1,216	1,089							956
R0220	2019	2,680	2,341	2,195	6,601								6,184
R0230	2020	2,180	1,943	1,728									1,504
R0240	2021	3,742	3,191										2,765
R0250	2022	4,929											3,773
R0260												**Total**	17,327

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Own Funds

	Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35	Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
		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	28,565	28,565			
R0140	Subordinated liabilities	0		0	0	0
R0160	An amount equal to the value of net deferred tax assets	649				649
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**	37,644	36,995	0	0	649
	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	37,644	36,995	0	0	649
R0510	Total available own funds to meet the MCR	36,995	36,995	0	0	
R0540	Total eligible own funds to meet the SCR	37,644	36,995	0	0	649
R0550	Total eligible own funds to meet the MCR	36,995	36,995	0	0	
R0580	**SCR**	19,348				
R0600	**MCR**	5,934				
R0620	**Ratio of Eligible own funds to SCR**	194.56%				
R0640	**Ratio of Eligible own funds to MCR**	623.48%				

	Reconcilliation reserve	C0060
R0700	Excess of assets over liabilities	37,644
R0710	Own shares (held directly and indirectly)	0
R0720	Foreseeable dividends, distributions and charges	
R0730	Other basic own fund items	9,079
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0
R0760	**Reconciliation reserve**	28,565
	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

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Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
R0010	Market risk	6,427		
R0020	Counterparty default risk	1,179		
R0030	Life underwriting risk	0		
R0040	Health underwriting risk	0		
R0050	Non-life underwriting risk	15,102		
R0060	Diversification	-4,245		
R0070	Intangible asset risk	0		
R0100	**Basic Solvency Capital Requirement**	18,464		

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

	Calculation of Solvency Capital Requirement	C0100
R0130	Operational risk	885
R0140	Loss-absorbing capacity of technical provisions	0
R0150	Loss-absorbing capacity of deferred taxes	0
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**	19,348
R0210	Capital add-ons already set	0
R0220	**Solvency capital requirement**	19,348
	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

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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	5,934

		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	8,529	10,403
R0120	Assistance and proportional reinsurance	0	
R0130	Miscellaneous financial loss insurance and proportional reinsurance	12,794	15,604
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	5,934
R0310	SCR	19,348
R0320	MCR cap	8,707
R0330	MCR floor	4,837
R0340	Combined MCR	5,934
R0350	Absolute floor of the MCR	2,325
R0400	**Minimum Capital Requirement**	5,934