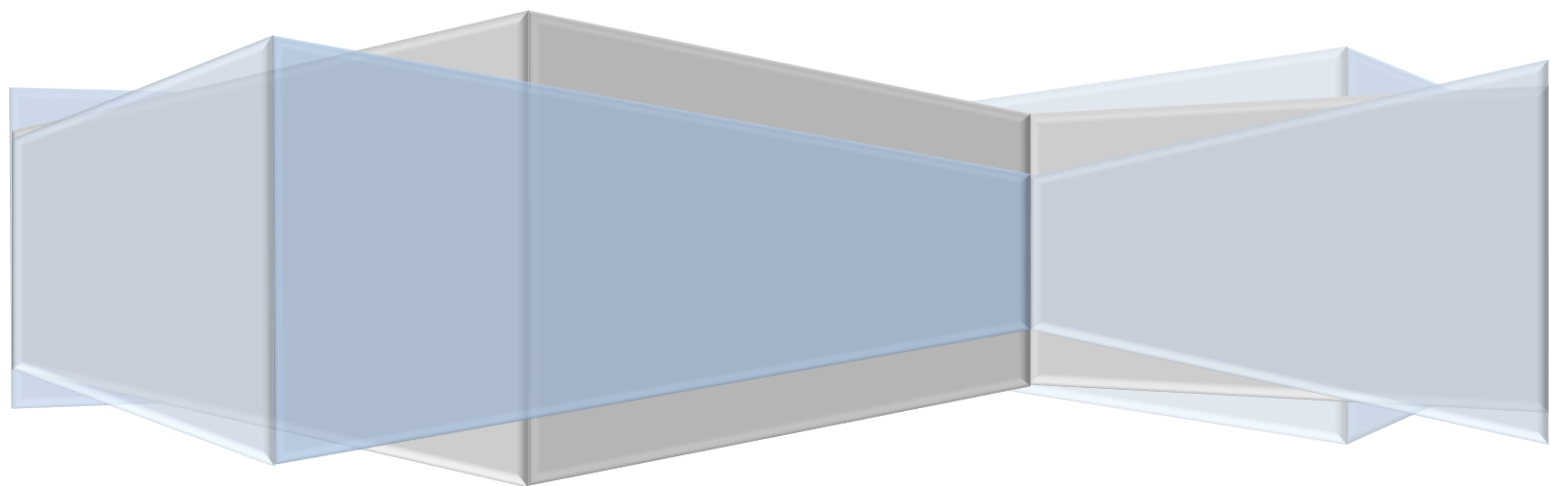


CATALINA HOLDINGS
UK LIMITED

Catalina Holdings UK Limited

Solvency and Financial Condition Report (SFCR)

31 December 2021



Contents

Executive Summary	1
Statement of Directors’ Responsibilities	5
A. Business and Performance	6
A.1 Business and external environment.....	6
A.2 Performance from underwriting activities	7
A.3 Performance from investment activities.....	8
A.4 Other operating income and expenses	9
A.5 Any other disclosures	9
B. System of Governance	10
B.1 General Governance arrangements	10
B.2 Fit and proper requirements	13
B.3 Risk management system.....	15
B.4 Internal control system	16
B.5 Internal audit function.....	17
B.6 Actuarial function	18
B.7 Outsourcing	18
B.8 Assessment of Governance	19
C. Risk Profile	20
C.1 Underwriting (Liability) Risk	20
C.2 Market Risk.....	21
C.3 Credit Risk.....	25
C.4 Liquidity Risk.....	27
C.5 Operational Risk	28
C.6 Other Material Risks	29
D. Valuation for Solvency Purposes	30
D.1 Assets	30
D.2 Technical provisions	35
D.3 Other liabilities	36
D.4 Alternative methods for valuation	38
D.5 Any other information.....	38
E. Capital Management	39
E.1 Own funds.....	39
E.2 Solvency Capital Requirement and Minimum Consolidated Group SCR.....	41
E.3 Use of the duration-based equity risk sub-module in the calculation of the SCR.....	41
E.4 Internal model	41
E.5 Non-compliance with the MCR and significant non-compliance with the SCR.....	41
E.6 Any other information	42
Appendix 1: Catalina Worthing Insurance Limited solo SFCR sections	43
Appendix 2: AGF Insurance Limited solo SFCR sections	54
Appendix 3: Catalina London Limited solo SFCR sections	64
Appendix 4: Reporting templates	75

Executive Summary

Catalina Holdings UK Limited, (“CHUK”, “the Company”) is an intermediate holding company within the Catalina Holdings (Bermuda) Ltd. (“CHBL” or “Catalina”) Group. The principal activity of the Company is as holding company of both insurance companies in run-off and service companies that support these run-off insurance companies and other companies in the CHBL Group.

The Solvency and Financial Condition Report (“SFCR”) has been prepared in accordance with the requirements of the Risk Transformation and Solvency 2 and Insurance (Amendment, etc.) (EU Exit) Regulations 2019. It covers the Business and Performance of the Company and Group, its System of Governance, Risk Profile, Valuation for Solvency Purposes and Capital Management. There have been no material changes in the business or operations of the Company or the Group in 2021.

The Group has obtained a supervisory waiver to prepare a single Group SFCR. As such this report also contains Solvency II information relating to the regulated solo entities Catalina Worthing Insurance Limited (“CWIL”), AGF Insurance Limited (“AGF”) and Catalina London Limited (“CLL”). The application of a consistent system of governance through a common operating model for all insurance companies makes a single SFCR more relevant and informative.

In accordance with the PRA policy statement 18/25, as the Catalina UK group is deemed a small group for external audit purposes, this SFCR is not subject to external audit.

It is recommended that this SFCR is read in conjunction with the respective SFCR sections of the insurance companies that form part of the CHUK Group and which can be found in Appendices 1 - 3 to this document.

Where necessary, comparatives in this document have been restated to conform to changes in presentation in the current year.

2021 Solvency and Financial Condition

Business and Performance

During the year, the consolidated CHUK Group made a profit after tax of USD\$3.9 million (2020: profit after tax USD\$6.2 million). This comprised a loss on the technical account of USD\$16.3 million (2020: loss of USD\$27.5 million), net investment income of USD\$9.1 million (2020: income of USD\$30.6 million), other income (including foreign exchange loss) of USD\$1.6million (2020: other income of USD\$3.4 million) and USD\$9.0 million (2020: nil) for the recognition of bought forward losses.

The main activities of the existing insurance companies are the efficient and proper run-off of their claims portfolio, the management of their cash and investments, and the timely collection of their reinsurance assets and other debts. The service and conduct obligations to our policyholders remain a high priority at all times. Through acquisition and portfolio transfers the CHUK Group continues to expect to increase the size of claims reserves under run-off.

During the year, CWIL reduced its quota share reinsurance arrangement with Catalina General Insurance Ltd (“CatGen”), a Bermuda based reinsurer which is part of the Catalina Group from 100% to 80%. This has contributed to the Group run-off result and increased net claim technical provisions.

CSUK is the main service provider to the Group. From 1 January 2022, CSUK has commenced the claims servicing of a book of UK employers liability claims on behalf of an external third party. The resources to service this portfolio is a combination of both TUPE resources, new hires and redeployment of existing capacity.

Section A includes further details about the Company’s consolidated financial performance in the year.

System of Governance

The Board is responsible for managing the overall direction and activities of the Company and for ensuring that an appropriate system of governance is in place throughout the Company. The Company has in place a Target Operating Model which is a framework by which governance across Catalina operates.

Following the Section 166 and removal from the PRA watchlist in June 2021, Catalina UK anticipates being able to leverage the stronger organisation to pursue strategic goals and objectives. The regulated companies continues to undertake assurance activity to ensure an operating continuance in the implemented findings.

Section B includes further details of the Company and CHUK Group’s system of governance.

Risk Profile

The Company and CHUK Group are currently undertaking the detailed annual review and update of the full Own-Risk and Solvency Assessment (“ORSA”) for presentation and approval by the Board in Q2 2022. The ORSA is an integral part of the business and is taken into account in the strategic decisions of the Company.

The types of risk to which the Company and the CHUK group have exposure to have not changed significantly in 2021 and remain reserving, market, credit, liquidity and operational risks. Inflation, geopolitical changes, cyber security and climate change are influencing the risk profiles to some degree and actions to further mitigate risks are being developed. Section C includes further details of the risks to which the Company and CHUK Group is exposed and the methods by which it manages and mitigates these risks.

Valuation for Solvency Purposes

Assets, technical provisions and other liabilities are valued in the Company’s Solvency II Balance Sheet according to Solvency II regulations.

As at 31 December 2021 the CHUK Group Total Own funds of USD\$300.2 million (2020: USD\$272.1 million) were USD\$75.8 million less than the consolidated net assets in the CHUK Group’s Financial Statements under UK GAAP (2020: USD\$89.7 million less). The difference is primarily due to the valuation of gross and reinsurance technical balances.

Section D provides further details of the different valuation bases used by Solvency II and UK GAAP for assets, technical provisions and other liabilities. There is a consistent application in the determination of these between 2021 and 2020.

Capital Management

This SFCR is prepared for the consolidated CHUK Group under the Solvency II regime where the emphasis is one of measuring and monitoring capital using the Group’s risk-based approach. The Group currently uses the Standard Formula to calculate its Solvency Capital Requirement (“SCR”). As at 31 December 2021 there was a Solvency II surplus of USD\$124.1 million (2020: USD\$104.7 million) and a Solvency II coverage ratio of 170% (2020: 163 %). Both metrics refer to the excess of the CHUK Group’s total eligible own funds over the solvency capital requirement.

	2021	2020
	USD'000	USD'000
Group Consolidated Own Funds	300,204	272,136
Group Consolidated Standard Formula Solvency Capital Requirement (SCR)	176,125	167,415
Surplus	124,079	104,721
Ratio of Eligible own funds to SCR	170%	163%

The increase in the ratio of Eligible Own Funds to SCR is a function of a debt for equity swap on the loan drawdown under the CHBL revolving credit facility and higher BoE risk free rates.

During the year, the remaining drawn down balance of £10m under the CHBL revolving credit facility, to which CHUK is party, was reduced to nil through a debt for equity swap with its immediate parent company, Catalina Alpha Limited (“CAL”).

In 2021 there was a \$0.1 million capital injection into CHUK to meet the final interest obligation under the revolving credit facility.

Outlook

The Company and the Group compose a UK legacy business which provides opportunities for increased operational efficiency and the maintenance of high professional standards in all areas of its operations. The service obligations to our policyholders remain a high priority at all times.

There will be a continued focused approach that ensures a proactive claims agreement process whilst continuing to manage investments within the Board approved Strategic Asset Allocation and Prudent Person Principles. This enables compliance with the Catalina requirement for very strict adherence to the FCA policy around the fair treatment of customers, while at the same time managing the Company's liabilities.

Service Offering

Catalina Services UK Limited ("CSUK"), a fellow subsidiary of the Company, is the main service provider to the Company. From 4 January 2022, CSUK has commenced claims servicing a book of UK employers liability claims on behalf of Zurich Insurance Plc ("Zurich"). The resources to service this portfolio is a combination of both TUPE resources from Zurich, new hires and some redeployment of existing capacity.

Intragroup Part VII transfer

The three regulated companies CWIL, AGF and CLL have commenced a Part VII transfer process whose purpose is to bring these three regulated insurance entities into one with CWIL being the transferee entity. The aim is to complete this by the end of 2022. The primary purpose of the Part VII transfer is to maximise operational and capital efficiency on diminishing claims portfolios in each of CWIL, AGF and CLL. The Part VII transfer would be subject to regulatory and High Court Approval.

Commutations

Where appropriate and relevant management will pursue commutations and policy buy backs of the remaining inwards claim liabilities and outwards reinsurance assets with external counterparties. On any commutation or buy back the Company will not enter into these where the return is not greater than or equal to the cost of capital.

Inflation Risk

The global economic position and outlook are that inflationary pressures will persist for the foreseeable future and will be exacerbated by the global impact from the Russia / Ukraine conflict. The potential impacts of inflation on the Company and the CHUK group are on the cost of settling claims, investment returns and operating expenses.

The UK Boards will continue to actively monitor and mitigate inflation risk in 2022 with particular emphasis on ensuring:

- Inflation drivers built into the reserving assumptions for each line of business remain appropriate;
- Inflation drivers built into the strategic asset allocation model to optimise the Company's and CHUK group's investment portfolio; and
- The CHUK group's asset liability matching programme is reviewed to consider the particular types of inflation.

Geopolitical Risk:

The on-going conflict between Russia and Ukraine which commenced in February 2022 and the resulting sanctions against Russia and Belarus has created market volatility and uncertainty. This is and will continue to be monitored as this conflict evolves. The exposure to Russia and Belarus on a direct or indirect basis is not material. The directors of the Company and the three regulated companies will continue to be vigilant in monitoring the position, compliance with applicable sanction laws and any necessary exit strategies.

Cyber Security Risk

Cyber threats are expected to persist in 2022 and with this increasing levels of sophistication are anticipated. High profile cyber security incidents have continued to impact corporates globally due to the increased use of destructive malware/ransomware exacerbated also by a change in working practices. The appointment of a

Group Chief Information Security Officer (“CISO”) to protect data and critical IT services, recognises the seriousness of the threats posed and the need to mitigate the operational risks posed by cyber security breaches.

COVID-19 Risk

While the uncertainties of the global pandemic on the Company and the CHUK group have considerably lessened with vaccinations largely permitting a return to pre-pandemic life, there remains some way to go to understand fully the social and economic consequences of the pandemic. For this reason the directors will continue to monitor this.

Environmental Risk

The Board has responsibility for oversight and challenge of the overall strategy of the Company, including considering climate-related matters and risks. While presently, there are no regulatory requirements for managing the financial risks of climate change, there are increasing expectations. Environmental risks are managed through the following:

- *Environmental, Social and Governance (“ESG”)*

The CHUK group recognises the risks of climate change and has an ambition to pursue an ESG agenda. The CHUK group has adopted the broader Catalina group ESG policy and through this established a UK ESG Committee.

The UK ESG Committee is tasked to promote the intentions of the ESG policy and the need to engage in wider society by playing a part in ensuring consideration of the environment in business decisions, including for example where to invest, how to reduce the carbon footprint and to promote the contribution to the community.

- *Investment Decisions*

The CHUK group has been reviewing its approach to investments in light of the ESG policy. This is driven by a conviction that ESG considerations are increasingly relevant as a performance driver. Actively researching and integrating ESG factors into Catalina’s broader investment policy and selection process will become increasingly important.

- *Reducing our own operational environmental impacts*

The UK ESG committee is in the process of preparing proposals to reduce our operational impact. This will include the introduction of performance targets and reporting against these to the Board on a regular basis. All UK and Bermuda regulatory approvals have been received to transfer the ownership of Catalina Holdings UK Limited, (“CHUK”) to CatGen, a Class 3B general business insurer licenced in Bermuda under the Insurance Act of 1978. This change in control was executed on 29 April 2022.

Subsequent to 31 December 2021 there has been no material change in the business and performance, system of governance, valuation for solvency purposes, and capital management for the Company or CHUK group. Furthermore, other than those mentioned above, there is no current transaction activity which could directly impact the Company or CHUK group.

Statement of Directors' Responsibilities

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

We are satisfied that:

- a) throughout the financial year ended 31 December 2021, the insurers have complied in all material respects with the requirements of the PRA Rules and the Solvency II Regulations as applicable to the insurers; and
- b) it is reasonable to believe that the insurers have continued so to comply subsequently and will continue so to comply in future.

By Order of the Board



G J McAndrew

Director

18 May 2022

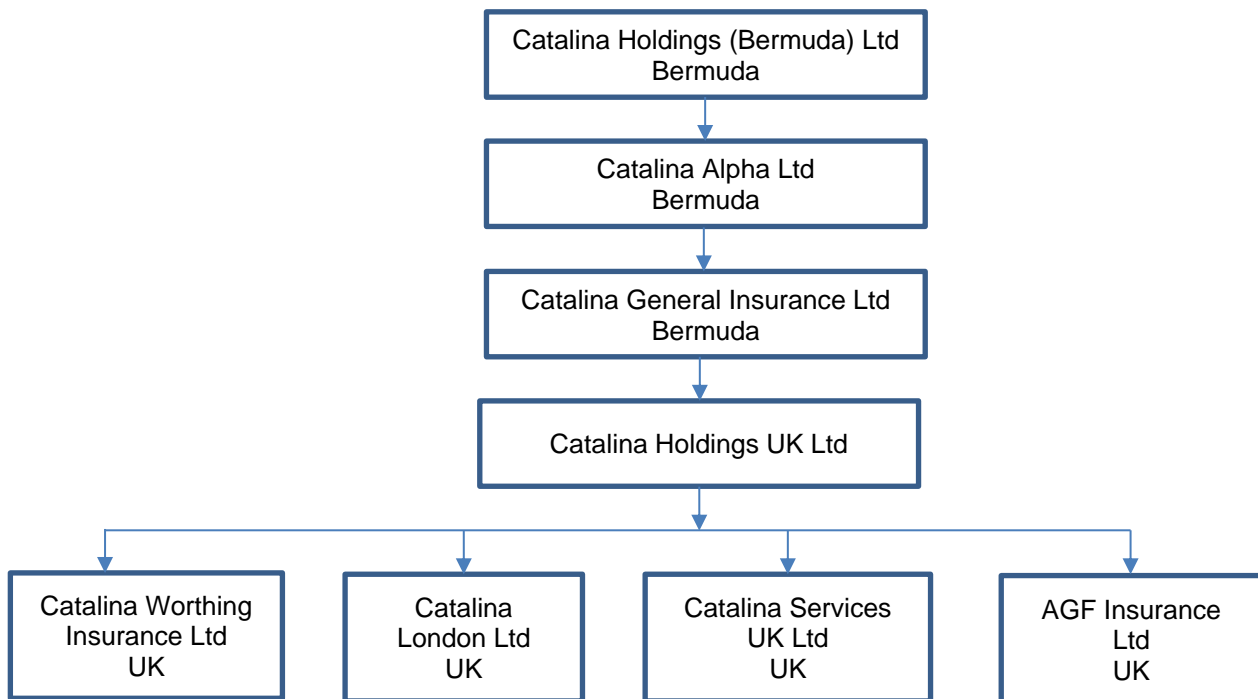
A. Business and Performance

A.1 Business and external environment

A.1.1 Undertaking, financial supervisory authority and external auditor

Name of the undertaking:	Catalina Holdings UK Limited
Address of its registered office:	1st Floor 1 Alie Street London E1 8DE
Legal status:	Private Limited Company
Company registration number:	03726869
Legal Entity Identifier (LEI):	549300TGWLOTZ6EKVQ66
Ultimate parent:	Catalina Holdings (Bermuda) Ltd.
Financial supervisory authority:	Prudential Regulation Authority Bank of England Threadneedle Street London EC2R 8AH

A simplified structure chart is laid out below outlining subsidiary companies, vertical structure and ultimate shareholder ownership. No director of the ultimate holding company sits on any of the UK Boards.



** Structure effective 29 April 2022.*

The affiliates (the “Apollo Funds”) of Apollo Global Management, LLC (together with its consolidated subsidiaries, “Apollo”) (NYSE: APO) are the majority shareholders of Catalina. RenaissanceRe Ventures Limited, a subsidiary of RenaissanceRe Holdings Limited (NYSE, RNR) is the minority shareholder alongside Catalina’s management.

A.1.2 Material lines of business and geographical areas where the Company carries out business

CHBL is a specialist consolidator of non-life general insurance and reinsurance companies and portfolios in run-off. CHBL acquires and manages such portfolios in run-off with the purpose of achieving a competitive return on equity and consistent growth in net tangible assets. The Group is based in Bermuda and currently has other offices in the United Kingdom, the Republic of Ireland, the United States of America, Switzerland and Singapore.

CHUK is the holding company for all of the Catalina UK insurance and insurance service company. Historically it is the vehicle in the UK that acquires, both directly and indirectly, all Catalina UK run-off portfolios. At 31 December 2021 CWIL, AGF and CLL are active run-off insurance companies. The service company CSUK forms the rest of the CHUK Group. All UK staff are employed by CSUK.

The Company's insurance subsidiaries wrote business mostly in the UK and US, with AGF writing solely UK based business. The subsidiary distribution of reserves, including loss adjustment expenses on a Financial Statement valuation basis at 31 December 2021 was as follows in USD '000s equivalents:

CHUK Insurance Subsidiary	Total 2021 USD'000	US 2021 USD'000	UK 2021 USD'000	Europe 2021 USD'000	Other 2021 USD'000
CWIL	446,609	256,713	169,581	17,761	2,554
AGF	159,172	-	159,172	-	-
CLL	36,580	25,004	8,805	1,977	794
Intergroup	(3,029)	-	(3,029)	-	-
Total Gross CHUK Reserves	639,332	281,717	334,529	19,738	3,348
	2020 USD'000	2020 USD'000	2020 USD'000	2020 USD'000	2020 USD'000
CWIL	486,752	281,643	177,809	22,111	5,189
AGF	172,270	-	172,270	-	-
CLL	43,844	31,978	7,387	3,033	1,446
Intergroup	(3,280)	-	(3,280)	-	-
Total Gross CHUK Reserves	699,586	313,621	354,186	25,144	6,635

Distribution by class of business across these companies across the direct and reinsurance portfolios is as follows:

Class of Business	2021 % of Reserves	2020 % of Reserves
Property	1.2%	0.2%
Liability	72.1%	69.7%
Marine, Aviation and Transport	0.6%	2.7%
Reinsurance – Casualty	24.7%	25.2%
Reinsurance – Marine, Aviation and Transport	0.7%	0.6%
Reinsurance - Property	0.7%	1.60%

The Company and CHUK Group's functional and presentational currency is the US Dollar, which is the same for CLL. The other CHUK Group companies are all GBP denominated. This reflects the historical distribution of each Company's geographical business mix.

A.2 Performance from underwriting activities

The table below shows the underwriting performance for the CHUK Group for the year end 31 December 2021, together with comparatives for the previous year. During 2021 the Group realised a loss on the technical account of USD\$16.3 million (2020: loss of USD\$27.5 million).

	2021	2020
	USD'000	USD'000
Earned premiums, net of reinsurance	88,836	6
Claims incurred, net of reinsurance	(90,206)	(12,683)
Net operating expenses	(14,924)	(14,839)
Balance on the technical account	(16,294)	(27,516)
Claims incurred by class of business:		
Property	61	(164)
Liability	(54,541)	(9,755)
Marine, Aviation and Transport	(2,981)	(45)
Reinsurance – Casualty	(30,186)	(2,611)
Reinsurance – Marine, Aviation and Transport	(357)	(35)
Reinsurance – Property	(2,202)	(73)
Total claims incurred	(90,206)	(12,683)

The change in the CHUK technical account results in 2021 reflects a QS cession variation impact on earned premium and claims incurred, and strengthening of asbestos and abuse claims on a lower level of reinsurance.

A.3 Performance from investment activities

The table below shows the investment income for the CHUK Group for the year end 31 December 2021, together with comparatives for the previous year.

	Net investment income USD'000	Net investment expense USD'000	Net realised gains and losses USD'000	Changes in fair value USD'000	Net investment result USD'000
2021					
Financial assets:					
- measured at FVTPL	15,532	(434)	11,678	(17,744)	9,032
-measured at amortised cost	42	-	-	-	42
	15,574	(434)	11,678	(17,744)	9,074
2020					
Financial assets:					
- measured at FVTPL	11,971	(334)	(636)	19,550	30,551
-measured at amortised cost	14	-	-	-	14
	11,985	(334)	(636)	19,550	30,565

The decrease in total investment returns in 2021 to USD\$9.1 million (2020: income of USD\$30.6 million) is mostly a function of unrealised losses on corporate bonds and other debt securities driven by the fall in global debt markets.

Net investment income includes USD\$0.1 million (2020: USD\$3.3 million) of interest expense on the CHUK Revolving Credit Facility Agreement used to finance the CWIL and AGF acquisitions. Under the agreement interest is chargeable on a margin above LIBOR. Amounts due under the facility reduced from GBP£10.0 million to nil as a result of a debt for equity swap. The decrease in interest expense reflects the debt for equity swap.

Projected investment performance is critically dependent on a number of factors, including; global economic performance, global changes in interest rates and credit spreads and the performance of global equity markets. The Chief Investment Officer meets regularly with the Catalina Group Investment Committee to discuss risks and opportunities and proactively manage the portfolio as circumstances change.

A.4 Other operating income and expenses

The table below details any other material operating income and expenses not shown in A2 and A3 above.

	2021	2020
	USD'000	USD'000
Write back of negative goodwill	1,204	1,557
Management fees	11,047	7,432
Administrative expenses	(10,228)	(7,466)
Foreign exchange (losses) / gains	(414)	1,892
Tax credit / (charge)	9,554	(255)

On a UK GAAP basis negative goodwill arising on business combinations in respect of acquisitions is included on the Balance Sheet and released to the profit and loss account on a straight line basis during the period in which the goodwill is recovered.

Management fees and administrative expenses include the expenses incurred within the CHUK Group on behalf of other CHBL companies. These expenses are recharged as management fees to the respective companies.

As a USD denominated group CHUK is exposed to currency fluctuations in the US Dollar against Sterling and Euro. While companies within the Group manage these exposures by matching assets and liabilities by currency, asset availability can from time to time result in a net currency exposure. The foreign exchange losses for 2021 include a USD\$0.4 million loss (2020: USD\$1.1 million gain) on the GBP denominated debt of £10.0 million (2020: £10.0 million) being USD\$13.7 million (2020: USD\$13.7 million) in the CHUK company which was swapped to equity on 26 February 2021.

During the year, CHUK group recognised a tax asset of USD\$9.0 million (2020: nil) on brought forward losses.

A.5 Any other disclosures

Not applicable.

B. System of Governance

B.1 General Governance arrangements

The PRA initiated a Section 166 review in 2019 to ensure the Catalina UK companies have an appropriate system of governance following its significant recent growth, and its planned future growth. The Company and Group having engaged in an open collaborative way with this review, implementing and embedding all findings were subsequently taken off the Watchlist by the PRA in June 2021. The insurance companies continue to undertake assurance activity to ensure an operating continuance in the implemented findings.

The day to day running of the separate legal entities within the CHUK Group are treated and managed, so far as is practicable, as a single entity. Accordingly the managers, boards and directors are aligned and mostly the same for each entity with the same business model and strategic objectives. References to “the Board” are collectively to the boards of the three UK regulated entities. The governance structures and policies are prepared on a UK group wide basis which is documented in a Governance and Internal Control (GIC) Framework.

At the regulated insurance company level within the CHUK Group each company ordinarily operates under a board of directors which comprises four independent non-executive directors (“INED”), one non-executive director (group nominated), Chief Executive Officer (“CEO”), Chief Financial Officer (“CFO”), UK General Counsel and UK Claims Director. As at 31 December 2021 due to the recent organisational changes, the interim CFO was not appointed to the Board. It is the intention of the management to appoint the permanent CFO once hired to the Board. The Boards operate under an agreed terms of reference.

The Board has mandated a basis for effective risk management within each insurance company dictated by a clear system of governance that covers all significant aspects of the business, provides an open forum for challenge, and allocates clear responsibilities for both collective management committees and individuals. In addition, there are clear responsibilities within the Company for the four required key functions:

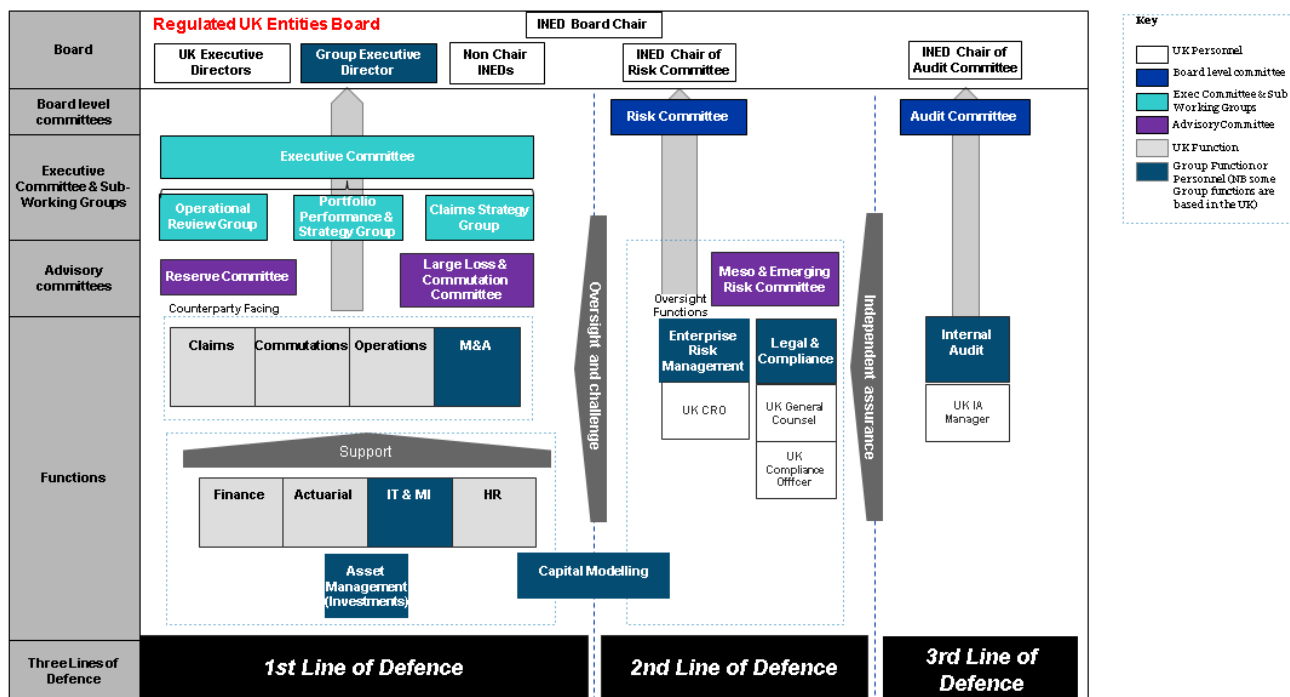
- Risk management;
- Actuarial;
- Compliance; and
- Internal audit.

In addition to the required key functions the Board has determined that claims, commutations, investment management, outwards reinsurance, human resources and operations are key functions. The allocation of the senior manager functions and key function holders is set out in the CHUK Group’s management responsibilities map (“MRM”), which forms part of the CHUK General & Internal Control Framework (GIC). All senior managers and key function holders are employed either by Catalina Services UK Limited or by another group company. The allocation of the prescribed responsibilities is also set out in the MRM.

Target Operating Model

The Catalina UK Group has in place a Target Operating Model (“TOM”) which is the framework by which governance across Catalina UK operates.

The following summarises the current TOM:



Board Risk Management Committee

The Board Risk Management Committee meets outside of Board meetings, is chaired by an INED and currently comprises all directors of the Company. The purpose is to have an enhanced focus on the risks faced by the Company and the mitigation of those risks.

The Board has delegated the responsibility of oversight of the Group’s risk management policy for each insurance company to the UK Chief Risk Officer (“CRO”). The Risk Management Policy defines the framework of the systems, controls, processes and procedures in place to identify, assess, mitigate and manage risk for each insurance company.

Each insurance company has determined its risk appetite and a number of risk tolerances that are measured on a quarterly basis. Reports are included in the Risk Committee papers on adherence to existing risk appetite levels and are summarised by the CRO and the Risk Committee at each Board meeting. The CRO instructs the relevant risk owners to implement any remedial measures that the Board determines are appropriate.

Board Audit Committee

A principal objective of the Board Audit Committee is to evaluate and provide assurance that the risk management, control and governance systems of each insurance company are functioning as intended and will enable each insurance company’s objectives and goals to be met. This includes the Board discharging its responsibilities for monitoring the integrity of the Company’s financial statements and monitoring the effectiveness, performance and objectivity of the internal and external auditors. The Committee is solely made up of the INEDs.

The Board has delegated the responsibility of oversight of the Group’s internal audit policy at each insurance company to the Catalina UK Head of Internal Audit. The Internal Audit Charter defines Internal Audit’s purpose mission, scope authority, responsibility and reporting relationships to support the Board Audit Committee in its duties. The Charter is reviewed by the Audit Committee on an annual basis.

The following committees are not committees of the Board but comprises executives from the Company and wider Catalina group and act in an advisory capacity to the Board.

Executive Committee

The Board has delegated the day to day running of CHUK Group to the UK Chief Executive Officer with a Management Team to assist in these duties. A report on these activities is presented at the board meeting, held at least quarterly and with additional meetings from time to time as necessary.

The executive management team forms the Executive Committee ("ExCo"). At a minimum the ExCo meets three times each month through sub-working groups; Operational Review Group, Claims Outcome and Strategy Group and the Portfolio Performance & Strategy Group and monthly as a full committee. The ExCo periodically reviews the terms of references and effectiveness of the groups.

Reserving Committee

The Reserving Committee ("RC") is in place to review and challenge the output from internal actuarial reviews. It is responsible for reviewing the adequacy of, and recommending the approval of, the reserves of the Company. Matters arising from this Committee are reported by the CEO to the Board.

Commutations and Complex Large Loss Committee

The Commutations and Complex Large Loss Committee is an advisory committee charged with;

- i. the responsibility of overseeing the Company's claims practices, processes and procedures and providing a further level of control and direction for very large losses; and
- ii. the responsibility of each insurance company's commutation policy and approving all significant commutations.

Matters arising from this Committee are reported by the CEO to the Board.

Investments

The Board is responsible for the oversight of the Company and each insurance company's investments and has appointed the Chief Investment Officer (CIO) to manage its portfolio of investments on its behalf. As part of the group level management of investments the CIO consults with the Group Investment & ALM Committee regarding overall investment strategy as well as the Company Board and Board Risk committee. The CIO provides a report to Board and Risk Committee meetings, which looks at the risk and objectives for the Company of the investment approach, as well as the relative performance. The Board has approved a Strategic Asset Allocation for its investment portfolio reflecting risk appetite and which sets each insurance company's approach to the requirements of the Prudent Person Principle. In particular it sets out the expectations that the technical reserves will be backed by rated, liquid, relatively risk free assets and that other investment classes such as commercial real estate will only be used for investing surplus capital. Reporting both by the investment management team and oversight by the ERM function reflects this. Established protocols around non-traditional and alternative investments exist and are also closely monitored by ERM.

Remuneration Policy

The Company does not have any direct employees, all services to the CHUK group are provided by CSUK. All CSUK employees are retained on a fixed basic salary plus a discretionary bonus.

Each insurance company has applied the principle of proportionality to requirements regarding remuneration. A Catalina UK Remuneration Committee represents the regulated insurance companies and exists to oversee the application of the Remuneration policy.

The objectives of the Remuneration policy are to ensure that:

- Policy and practices are aligned with the Company's overall strategy, risk management strategy and risk appetite, objectives, values and long-term interests of the Company;
- The policy applies to the undertaking as a whole in a proportionate and risk focused way, taking into account the respective roles of the Company's employees;
- The policy does not foster practices adverse to policyholders' interests;

- The Company can attract and retain highly qualified employees with skills required to effectively manage the Company;
- Employees are compensated appropriately for the services they provide the company; and
- Employees are motivated to perform in the best interests of the Company and its stakeholders.

Discretionary performance related bonuses can be agreed subject to provisions on quantum and deferral.

B.2 Fit and proper requirements

Management at CHUK Group and insurance entity level must ensure that key roles performed within their operations are identified, and filled by staff who are demonstrably qualified for the role. The UK Chief Executive Officer is responsible for ensuring that activities are undertaken and managed by professionals with the appropriate experience, skill levels, and degrees of specialisation.

As part of the recruitment process references are taken up and qualifications checked with the relevant authority or issuer. For senior managers and certification roles regulatory references are obtained and criminal record checks and credit reference checks are undertaken. For existing staff these are retaken every 3 years.

For the purposes of carrying out the Company's day to day business, one of the regulators of all insurance companies within the CHUK Group is the FCA. Of particular importance is the close association that the FCA makes between business conduct and misconduct, and the culture, tone and oversight set by the Board and senior executive management. The FCA looks to firms' governing bodies to set, embed and maintain a firm-wide culture that supports good business conduct and an appropriate degree of protection for counterparties. That culture needs to take into account factors such as the firm's Business Plan, risk appetite, remuneration mechanisms and identified internal and external risks.

Solvency II requirements

Solvency II requires that for insurance companies within the CHUK Group "all persons who effectively run the undertaking or have other key functions are Fit and Proper at all times". 'Fit and Proper' persons must have the appropriate professional qualifications, knowledge and experience to enable them to perform their duties and fulfil their obligations, as well as being of good repute and integrity. Key functions are defined as all functions considered important or critical in the system of governance, including at least the Risk Management, Compliance, Internal Audit and Actuarial Functions. The requirement for Fit and Proper extends to the Board, which collectively asserts that it has the qualifications, knowledge and experience to be able to provide for the sound and prudent management of the Company.

Regulatory Requirements

Under section 59 of the Financial Services and Markets Act 2000, authorised firms are required to ensure that individuals seeking to perform one or more of the FCA/PRA-designated Senior Management Functions seek PRA and/or FCA approval prior to taking up their position. Each Company manages these requirements in accordance with the SM&CR.

Each company takes reasonable care to maintain a clear and appropriate apportionment of significant responsibilities among its directors and senior managers in such a way that:

- It is clear who has which of those responsibilities;
- The business affairs of the firm can be adequately monitored and controlled by the directors and relevant senior managers and governing body of the firm;
- The prescribed responsibilities for each company are included in the Management Responsibilities Map;
- Management responsibilities are shown in the management structure diagrams in the MRM; and
- Each senior manager has a statement of responsibilities setting out those business areas for which they are directly responsible.

CHUK Group maintains an MRM to satisfy the requirements regarding apportionment and allocation of significant responsibilities and updates this quarterly or more frequently as and when there are any changes.

The following table sets out the senior management functions and key function holders for each of the dual-regulated firms within the UK Group as at 31 December 2021:

Senior Manager Role	SMF	CWIL	AGF	CLL
Chairman	SMF9	Tony Mason	Tony Mason	Tony Mason
Chair Audit Committee	SMF11	Penny Shaw	Penny Shaw	Penny Shaw
CEO	SMF1	Graeme McAndrew	Graeme McAndrew	Graeme McAndrew
Head of Compliance	SMF16	Philip Parsons	Philip Parsons	Philip Parsons
Executive Director	SMF3	Roland Jackson	Roland Jackson	Roland Jackson
Executive Director	SMF3	Guy Lether	Guy Lether	Guy Lether
Group Entity Senior Manager, Non-executive Director (approval pending)	SMF 7	Steve Ryland	Steve Ryland	Steve Ryland
Chair Risk Committee	SMF10	Bob Howe	Bob Howe	Bob Howe
Independent Non-executive Director		Walt Gontarek Bob Howe	Walt Gontarek Bob Howe	Walt Gontarek Bob Howe
Chief Financial Officer, Executive Director	SMF2	Graeme McAndrew	Graeme McAndrew	Graeme McAndrew
Chief Financial Officer, Interim	SMF2	Sonja Tuvnes	Sonja Tuvnes	Sonja Tuvnes
Chief Actuary	SMF20	Emma Burrows	Emma Burrows	Emma Burrows
Chief Risk Officer	SMF4	Chris Porter	Chris Porter	Chris Porter
Head of Internal Audit	SMF5	Stephanie Mclvor-Oakley	Stephanie Mclvor-Oakley	Stephanie Mclvor-Oakley
Money Laundering Reporting Officer	SMF17	Philip Parsons	Philip Parsons	Philip Parsons
Chief Operations	SMF24	Rhian Duff	Rhian Duff	Rhian Duff
Other overall responsibility:				
Chief Investment Officer	SMF18	Don Guo	Don Guo	Don Guo
Head of Operations and Commutations	SMF18	Darren Rowswell	Darren Rowswell	Darren Rowswell

For each insurance company within the CHUK Group, the UK Head of Compliance keeps the PRA informed of persons filling the designated roles and reviews that they meet the fitness and probity requirement on an ongoing basis. A person filling a controlled function must be:

- Competent and capable;
- Honest, ethical and act with integrity; and
- Financially sound.

These checks are conducted independently to any checks performed by the PRA under its own fit and proper review. These include a number of checks: criminal record, credit, evidence of professional qualification and ongoing continuing professional development and reference.

Across the CHUK Group each company maintains an ongoing Board education programme from which the SMFs also receive the benefit.

In addition, the PRA have been notified of the following Key Functions and the relevant documentation outlining the fitness and probity of the specific key function holders (“KFHs”) has been provided to them. These individuals fall within the certification regime under SM&CR.

Key Function	Holder in all regulated subsidiaries
Human Resources	Camilla Maxwell
Head of Outwards Reinsurance	Gary Pollard
Technical Operations	Emma King

B.3 Risk management system

CHUK’s enterprise risk management function is coordinated by the UK Chief Risk Officer, who works under the authority of the Board Risk Management Committee (“BRMC”). In line with the internal risk management policies of the Group, management of the Company and the regulated subsidiaries, acting as the ‘first line of defence’ are primarily responsible for the running of the business and the operation of controls within their own areas as well as the management of the business’ risk profile, in line with Board expectations. However, acting as part of the ‘second line of defence’, the UK Board Risk Management Committee is responsible for the ongoing monitoring of business operations and the effectiveness and integrity of the risk management framework.

The overall risk management strategy is to ensure that a proper balance is struck between:

- The risks that are economically attractive to take. These must be properly modelled, measured and priced; and
- The risks that are economically unattractive to take. These should be avoided, identified, managed, mitigated and reduced where it is efficient to do so.

Within the CHUK Risk Management Policy & Framework there are measures in place to ensure:

- Appropriate risk tolerances are in place to govern risk taking activities;
- An appropriate risk culture and risk appetite forms an essential part of strategic decision making;
- Measurement and monitoring of risk and reporting key risk metrics to senior management and the Board, including a Risk Appetite Dashboard; and
- Appropriate Business Planning and capital planning processes are in place to support the risk taking activities.

The risk framework is intended to reduce, but cannot eliminate, the range of possibilities which might cause detriment. Similarly, the risk management framework cannot provide protection with certainty against any failure to meet business objectives, or guard against material errors, losses, fraud, or breaches of law and regulations. The risk management framework is intended to provide reasonable assurance that business will be conducted in an orderly manner that reasonable foreseeable circumstances will not prevent or limit the achievement of business objectives.

In order to aid the management of overall risk, risk policies have been set for each of the core risk categories.

Own Risk and Solvency Assessment

The Own Risk and Solvency Assessment documents the output of CHUK’s Enterprise Risk Management process. The purpose of the ORSA is principally to support the Board of Directors and Company management to actively manage the economic risk and capital requirements and allow a strategic, forward-looking discussion of future risks and capital needs.

The Board and senior management are integrated into the ORSA process as they are engaged to challenge, discuss and debate risk. The ORSA process allows management, the Board Risk Management Committee and the Board to review the risk and capital requirements and take a strategic, forward-looking view of future risks

and capital needs. The ORSA process includes a detailed three year capital management plan for the CHUK Group and regulated entities within. The ORSA process is used to highlight key issues to management, and allows management to confirm that:

- The current risk profile is understood and appropriate for the nature of a legacy portfolio and within the risk appetite of the firm;
- Capital requirements during the reporting period have continuously been met (or if not corrective action was taken);
- Each insurance company's current capital and solvency position is appropriate;
- The Standard Formula model has been used appropriately for strategic decisions throughout the period;
- The risks to the enterprise that could likely change the risk profile are understood; and
- Plans to cover the solvency position and planned capital distributions over the required period are appropriate.

The ORSA is produced by Management in conjunction with the Actuarial and Risk Management functions. The ORSA is presented to the Board Risk Management Committee and Board for challenge, comment and review annually. The Company and CHUK Group are currently undertaking the detailed annual review and update of the full Own-Risk and Solvency Assessment ("ORSA") for presentation and approval by the Board in Q2 2022. The result of the Board's review forms the basis for the future strategy of the business and for the following year's ORSA.

It is axiomatic that the majority of risk lies in the individual regulated insurance entities owned by CHUK rather than the Company or Services Companies within the Group. The capital requirements for the insurance companies have already been calculated separately on a standalone basis. When combined, a diversification benefit results to the Group.

For each of the regulated insurance companies within the CHUK Group they were all within stated risk appetite and tolerances for the key indicators of solvency, reserving sufficiency, investment compliance and operational risk.

B.4 Internal control system

For insurance companies within the CHUK Group internal control systems provide assurance that their operations are effectively controlled, they are compliant with applicable laws and regulations and its financial reporting is reliable. Each Board is ultimately responsible for overseeing and maintaining the adequacy and effectiveness of the risk management and internal control systems. The oversight and management of these systems necessarily involves participation of the Board, the Board Audit Committee, the Board Risk Management Committee, senior management, Finance, Legal and Internal Audit. Responsibility for ensuring day-to-day oversight of the internal control system lies with each insurance company's Senior Management Function holders and Key Function holders.

For all companies within the CHUK Group the importance of appropriate internal controls is promoted. All employees are aware of the importance of risk management and are reminded to consider the risks they encounter as they go about their day to day work. Risk awareness is promulgated through the organisation, and both senior management and the risk management function are pro-active at keeping risk awareness to the forefront of daily operations by: i) ensuring that all employees are aware of their role in the internal control system as per the Fit and Proper Policy; ii) ensuring consistent communication and implementation of the internal control systems; iii) establishing monitoring and reporting mechanisms to review and report the decision making processes; and iv) providing appropriate training to all employees.

Compliance Function

The UK Head of Compliance ("HC") is an approved person, SMF 16. All actual or potential breaches of regulation are immediately referred to the HC.

Line managers have a responsibility to implement all compliance policies locally mitigating compliance risk in liaison with the HC, ensuring adequate compliance resources and training, fostering a compliance culture and optimising relations with regulators. The role of the Compliance function is to provide advice and support to

line management in this regard. The HC has unfettered access to line management and also to the Board of Directors.

The HC is expected to act on the policies and practices by which the Group expects compliance and reputational risk to be managed and controlled, and covers a number of specific issues such as money laundering, insider dealing, acquisitions and mergers.

The compliance function reports to the Board Risk Committee and is subject to oversight by the CEO. The Board is ultimately responsible that the Company and each company within the CHUK Group remains compliant, where applicable, with the requirements of the 'PRA and FCA Handbooks of rules and guidance'.

The role of Compliance is to support Management in its duty to control compliance risk. At the operational level, the HC will:

- Compile and maintain Compliance Charts and/or Compliance Risk Assessments;
- Devise annual Compliance Plans to record risk-based activity for the coming year;
- Undertake regular monitoring and ad-hoc reviews as may be necessary to verify that controls remain robust and understanding of / adherence to procedures is maintained; and
- Report compliance control failures, or incidents which may indicate a need to review Compliance Risk Assessments or mitigating procedures.

The CHUK Group maintains regulatory and compliance calendars in order to ensure that all external and internal deadlines are met.

The Key Risk Dashboard referred to in Section B.3 Risk Management System provides the Board with details of the Company's compliance with its key risk target indicators: target capital ratio, best estimate reserving, investment policy compliance, counterparty credit risk, commutation targets and operational risk.

The CHUK Group runs all payments and any potential new business arrangements through an Anti-Money Laundering ("AML"), Anti Bribery and Corruption and Sanctions ("ABC") on line tool in accordance with its Counterparty Due Diligence Policy, providing the Board with a report of any material activity. Annual staff training on AML and ABC is undertaken.

The Board is advised quarterly of the status of all open claims complaints.

Whistleblowing

There is both a Catalina Group and a Catalina UK Whistleblowing Policy. The UK Policy contains all of the necessary referrals as required under the FCA rules, including an independent "Whistleblowing Champion". At present this is the Chair of the Board. The Catalina intranet has a link to allow easy access to the whistleblowing hotline and a reporting facility. Reports may be made anonymously if the whistleblower so wishes. As part of the induction process the Policy is included. The Group is committed to take any whistleblowing reports seriously and to protect anyone who makes a complaint in good faith. To date no reports have been submitted. Ethics training undertaken for all staff across the Catalina Group includes whistleblowing.

B.5 Internal audit function

The mission of the Internal Audit function ("IA") is to enhance and protect organisational value by providing risk-based, independent and objective assurance, advice, and insight to the Board and Senior Management. IA is the third line of defence within CHUK. To ensure independence, the Head of Internal Audit reports to the Chairperson of the Audit Committee ("AC") and functionally to the CEO. The Group Internal Audit Charter defines the function's purpose, authority and responsibility and position within CHUK and is reviewed by the AC on an annual basis. The activities of the function as noted in the charter are designed to add value and facilitate the improvement of the organisations effectiveness and efficiency of governance, risk management, and internal control processes.

IA performs its own risk assessment as the basis for the annual internal audit plan that is reviewed and approved by the AC. The audit plan is updated on a regular basis to reflect CHUK's evolving risk landscape and needs. Quarterly updates on the activities of IA are provided to the AC, these updates include;

- Detailed audit reports from the individual audits and summary audit opinions on the control environment of the specific processes, function and or themes audited;
- The status of agreed management actions; and
- The adequacy and appropriateness of the resources and skills of the function.

The Head of Internal Audit UK (“HIA”) meets privately with the AC chair before each Committee meeting and reports any issues which could have a potentially material impact on the business of CHUK Group immediately. The IA function is authorised to review all areas of CHUK Group and to have full, free and unrestricted access to all of its activities, records, property and personnel necessary to complete its audit work. IA is authorised to allocate resources, determine frequency of reviews, determine audit scopes and audit tools and techniques and, to obtain the necessary assistance and specialised subject matter expert services within or outside the CHUK Group to accomplish the audit objectives.

The operating guidance for the department is documented in the Catalina Internal Audit Framework. This is updated on an annual basis and adopts the IIA’s International Standards for the Professional Practice of Internal Auditing as well as the International Professional Practices Framework (“IPPF”). IA staff comply with the Code of Ethics issued by the Institute of Internal Auditors (“IIA”) alongside the Catalina Code of Conduct.

B.6 Actuarial function

The Actuarial function Holder is the Chief Actuary supported by an in house actuarial team. The Group Chief Actuary provides additional peer review support. The Actuarial function:

- Co-ordinates the GAAP reserving for the insurance companies within the CHUK Group taking into account both the in-house view and opinions provided by external independent consultants;
- Adjusts the GAAP reserves to Solvency II Best Estimate of Liabilities (“BEL”);
- Uses the BEL and audited balance sheet to develop the Standard Formula Capital Requirements, Risk Margins and Own Funds;
- Works closely with the Chief Risk Officer on both the ORSA and wider risk management issues. For the ORSA in particular, the capital level and capital requirements are projected over the planning period including the modelling of stresses, scenarios, and reverse stress tests;
- Through the Actuarial function Holder Report, reports to the Board and opines on levels of reserve adequacy, reinsurance arrangements and underwriting policy; and
- Assesses the impact of any material change to the CHUK Group or insurance company in terms of its capital position, such as a material change in its reinsurance arrangements.

Each of these activities is undertaken at least annually, but also on an “as and when required” basis to support the business and its decision making processes.

B.7 Outsourcing

Outsourcing is the delegation of a process, service or activity to a service provider. Each operating company has an outsource service agreement with CSUK for the provision of staff and services. All Catalina UK employees are employed by CSUK. CSUK also has an agreement with CHBL to allow for the cross utilisation and charging of staff where appropriate.

The CHUK Group’s core strategy is to utilise and enhance key and distinguishing in-house competences in areas required to manage and extract value from books of business under its control; such competences include claims adjustment, commutation negotiation, reinsurance collections, actuarial evaluation, capital modelling and developing and implementing the most effective and efficient exit strategies, whilst at all times properly meeting the rights and requirements of policyholders, reinsurers, regulators, capital providers and other stakeholders.

When considering whether to outsource any process, service or activity to an external provider the Company will take account of:

- Its own resource levels and availability;
- Its own internal capabilities and cost structures;
- The timing and extent of any requirements in comparison with the capabilities; and
- Costings and security of an outsource service provider.

The overarching principle will be that whereas processes, services or activities may be delegated to an outsource service provider, ultimate responsibility for those processes, services and activities will remain with the Company undertaking the outsourcing. Outsourcing arrangements have been established in locations that are a best fit for the underlying service, namely the United States and United Kingdom.

The CHUK Group has an Outsourcing Policy, the purpose of which is to establish the requirements for identifying, justifying, and implementing outsourcing arrangements for its critical or important operational functions or activities. The objective of the Outsourcing Policy is to ensure that the outsourcing of critical or important operational functions or activities does not lead to:

- Reduction in the Board's responsibility for, or influence over key functions;
- Material impairment of the quality of the system of Governance;
- Non-adherence to approved policies and procedures;
- Undue increases in operational risk or cost;
- Material impairment to fulfil obligations to stakeholders, nor impede effective supervision by regulators;
- Conflicts of interest; and
- Breach of data protection obligations.

The Board is ultimately responsible for the approval and termination of all outsourcing arrangements of critical or important functions or activities. Critical or important functions or activities include key functions of the system of governance and all functions that are fundamental to carry out its core business.

Within the CHUK Group, outsourcing is used in specific areas of claims handling and investment management.

B.8 Assessment of Governance

As the Catalina UK group of companies had grown significantly over 2016-17 and plan to grow further in coming years, the PRA initiated a Section 166 review in 2019 of the regulated insurance subsidiaries within the Group to ensure the Catalina UK companies are positioned for this. The regulated insurance subsidiaries having been engaged in an open and collaborative way with this review, implementing and embedding all findings were subsequently taken off the watchlist by the PRA in June 2021.

Significant work has been undertaken to future-proof the Catalina governance model and allow better scalability for growth within the UK. The Company has assessed its system of governance and in particular the strengthening of the target operating model following the Section 166 review and concluded that it effectively provides for the sound and prudent management of the business which is proportionate to the nature, scale and complexity of the operations of the Company and the Group.

C. Risk Profile

The risk profile of CHUK is a reflection of those of its subsidiary companies where most of the risk lies. All insurance companies are in run-off and have broadly similar risk profiles with some differences due to CWIL's intragroup reinsurance with CatGen and the amount of reserves left in each subsidiary. There are differences in the type of liabilities at each insurance company which will impact the level of reserve risk. Similarly, the distribution of investment type at each company will cause market risk and credit risk to vary. Each insurance company has its own separate reinsurance programme with a different credit rating distribution that will further impact counter party credit risk. Operational risk is largely consistent across all companies. The UK Group's staffing structure is not based on individual subsidiary companies but across the UK operation as a whole.

Risks within the standalone Company are limited to the carrying value of its investment in subsidiaries and the ability to service any debt. The risks within subsidiaries are determined largely by the risk profile within the individual insurance entities. The ability of the Company to service its debt is also dependent on the risks within the insurance companies for these determine the ability to upstream capital to service the debt.

As a service company, CSUK carries no reserve risk, has no market risk since its surplus is kept in cash, and in addition carries no significant counterparty credit risk. During 2021, CSUK has entered into a claims servicing arrangement with CatGen on behalf of the National Housing Building Council reinsurance deal. CSUK has also commenced providing claims handling services on behalf of the Zurich UK employers liability portfolio starting on 1 January 2022. As CSUK has a very modest balance sheet, the operational risk largely coming from the outsourcing of claims handling to it is recognised by CatGen agreeing to indemnify CSUK for any losses incurred providing claims servicing on its behalf. The risk of adverse events impacting CSUK that leads to contagion risk to the UK insurance entities is also considered and will be monitored closely in 2022 as a result of the Zurich claims outsourcing arrangement with CSUK. Additional operational risk through the service company arising out of potential employee litigation and payroll fraud is considered. However, the Company's HR processes mitigates the former risk and finance processes and sign offs for CSUK, where applicable, are the same as for the regulated companies and cover the latter risk. Any counterparty credit risk arising out of non-payment by debtors is minimal as the debtors are other CHBL companies and are settled on a quarterly basis.

The analysis below outlines, in general, the nature of the risk that affects CHUK's subsidiary companies.

C.1 Underwriting (Liability) Risk

C.1.1 Risk exposure

CWIL has been in run-off since 2012 (with the vast majority of the book having been in run off since 1992), AGF since 1998, and CLL since 2005. With all subsidiary companies in run-off for a number of years there are no unexpired Insurance Risk exposures from in-force policies.

Underwriting or insurance risk is concerned with fluctuations in the timing, frequency and severity of insured events, relative to expectations at the time of underwriting. Given the companies' run-off status and the fact that the companies' are no longer exposed to losses from new events, these risks are limited to reserve risk, i.e. the risk of losses due to the adverse development of loss reserves.

As the Company's regulated subsidiaries are in run-off, they do not have a pre-determined tolerance for insurance risk but the 1-in-20 value at risk from a reserve risk standpoint obtained from Catalina's Internal Capital Model (ICM) is monitored quarterly for each UK entity to assess how the reserve volatility changes over time.

Actual underwriting results are monitored against budgeted results on a quarterly basis, although for meaningful variances the underwriting reserves, gross and net are subject to annual actuarial review which is compared to the Business Plan. Reinsurance recoveries and notified claims and reserves are compared to plan. This policy incorporates identification, measurement and explanation of variances which are reported to senior management and the Board. Given Company's regulated subsidiaries run-off status, management focuses primarily on variances in claims reserves.

In addition to the formal Committees that are part of the governance framework that monitor insurance risk, the companies' senior management hold Executive Committee meetings which are an important tool to increase coordination and manage risk. There are three working groups: Operational Review Group held monthly where Senior managers provide updates on local and group level initiatives and operational tasks; Claims Outcome and Strategy meetings held monthly for both UK EL liabilities and separately for US direct and US treaty claims and monthly Portfolio Performance and Strategy Group meetings at which the overall company business is reviewed in particular against objectives for the year. These meetings all contribute to ensuring insurance risk is being properly managed against strict and prudent reserving guidelines and standards.

The Company's regulated subsidiaries have established robust systems and controls to ensure that claims settlement is performed according to Company guidelines, within the authorities given to each adjuster, and to establish appropriate reporting requirements.

C.1.2 Underwriting (Liability) Risk Exposures, Concentrations, Mitigations and Sensitivities

Within CWIL most of the remaining gross exposures relates to asbestos, and hearing impairment claims, arising from employer's liability business in the UK and asbestos, pollution and health hazard losses arising from direct and treaty involvements in the US. In 2021 a reserve strengthening was recognised, mostly related to US abuse claims which have arisen due to certain US states opening 'windows' for claims to be made. There is some considerable uncertainty around the likely outcome of these claims due to the opening of the statute of limitations laws across various states in the US.

At AGF, most of the remaining exposure relates to asbestos and hearing impairment claims in the UK, arising from employers' liability business. In 2021 a reserve strengthening mostly related to mesothelioma was recognised.

At CLL, the greatest level of uncertainties regarding future loss development relate to the insurance book of construction defect claims and North American asbestos exposures.

Liability risk exposures are mitigated by diversification across a portfolio of insurance contracts and geographical areas. Furthermore, strict claim review policies are in place to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent review of all claims are the key policies and procedures put in place to reduce the risk exposure of the companies. The companies further enforce a policy of actively managing and promptly pursuing claims, in order to reduce their exposure to unpredictable future developments that can negatively impact the business. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities.

Reserves are relatively insensitive, due to the events which caused the claim occurring many years ago. Nevertheless, reserve sensitivity is modelled in both the ORSA and in the Solvency II SCR. Risk sensitivity is further reduced by the insurance companies having reinsurance. In particular for CWIL an 80% quota reinsurance arrangement with CatGen, a Bermuda based reinsurer which is part of the Catalina Group, significantly reduces the net exposure.

With the exception of US abuse claims in CWIL, there has been no material change in the reserve risk profile over the last few years nor is it expected to change significantly over the three year planning horizon.

C.2 Market Risk

C.2.1 Risk exposure

Market risk is the risk of adverse financial impact as a consequence of market movements such as currency exchange rates, interest rates and other price changes. Market risk arises due to fluctuations in both the value of assets held and the value of liabilities.

All investments are made having given due consideration to the Prudent Person Principle ("PPP") as set out in Article 132 of the Solvency II directive. The PPP requires the regulated insurance companies to only invest in assets and instruments:

- Whose risks can be properly identified, measured, monitored, managed, controlled and reported;
- That ensure the security, quality, liquidity and profitability of the portfolio as a whole;
- That are appropriate to the nature and duration of insurance and reinsurance liabilities; and
- In the best interest of policyholders and beneficiaries.

Each insurance company seeks to maximise investment returns within its Board approved Strategic Asset Allocation, CHUK Investment Risk Policy and Catalina Asset Management's Investment Policy Statement & Guidelines (CHUK IPS), both of which reflect the PPP. The investment management philosophy is implemented through both internal investment management decisions and the assistance of external investment managers to best achieve the objectives of the Investment policy. While neither the PPP nor Company Risk Appetite Statements, which are part of the CHUK Risk Management Policy & Framework, preclude investments ordinarily considered to have a higher degree of risk and for which a higher return would be expected, these are only done so in the context of a balanced investment portfolio that accords with the agreed Risk Appetite Statement and resulting Investment policy comprising limits on asset allocations and counterparty exposures. The CHUK IPS are approved by the Boards and is applied by the Chief Investment Officer, Europe, who is responsible for making and implementing investment decisions on behalf of the Companies in line with the Investment policy and risk appetite statements approved by the Boards.

Each insurance company's investment policy and related guidelines have been formulated to ensure that they are in accordance with all aspects of the Prudent Person Principle. The investment goals in order of relative importance are:

- Preserve invested capital;
- Protect policyholders' interests and the UK's ability to meet liability pay-outs and operating expense obligations as they become due;
- Manage the UK's investment portfolios at all times in conformity with the Solvency II and UK regulatory and legal frameworks;
- Establish a liability driven investment strategy by way of respecting the duration profile of the liability portfolio and creating an asset liability matching investment portfolio;
- Optimize the portfolio through leveraging the Catalina strategic asset allocation model to provide a sustainable risk/reward profile and subsequent investment return that is calibrated to ensure solvency coverage is not excessively impacted during severe market events;
- Manage the investment portfolio in line with the established UK Risk Appetite Framework including the UK specific investment guidelines

Interest rate risk

Interest rate risk is the risk that the value of future cash flows of a financial instrument will fluctuate because of changes in market interest rate.

The Company's regulated subsidiaries are exposed to interest rate risk as they invest in long term investments at both fixed and floating interest rates. The risk is managed by the subsidiaries maintaining an appropriate mix between fixed and floating rate investments.

Asset/liability matching is an important component of the Company's investment management philosophy. The weighted average life of investments is typically managed to be slightly shorter than the run-off profile of liabilities.

The Company's subsidiaries' main source of interest rate exposure is fixed-rate cash bonds of which they hold different types, primarily corporate and government bonds. They also own bonds of other asset types, such as municipal bonds and several types of securitized products. Many of those held have floating-rate coupons so have little rate exposure. Interest rate risk is managed by the subsidiaries maintaining an appropriate mix between fixed and floating rate investments.

Led by the UK Chief Investment Officer the Company's regulated subsidiaries' investments are managed by the Catalina asset management team which makes use of key rate durations, effective duration, historical duration, simulated Value at Risk ("VaR"), modified duration, spread duration and deterministic stress tests to measure interest rate risk. Management also performs a VaR-like analysis of worst month performance over the last year.

The subsidiaries' management actively monitor interest-rate risk, primarily through use of key rate durations, effective duration, historical duration, simulated VaR, modified duration, spread duration and deterministic stress tests to measure interest rate risk. The subsidiaries' management also perform a VaR-like analysis of worst month performance over the last year. Limits on effective duration of subsidiary portfolios are specified in the Investment Guidelines, which are modelled using data from Bloomberg. The Chief Investment Officer is responsible for market risk compliance reporting to the respective Boards with reporting at the Risk Management Committees independently verifying key risk metrics.

While for UK GAAP purposes, the value of liabilities is unaffected by interest rate changes, for Solvency II purposes, the technical provisions are affected, as they are discounted in line with risk free interest rates. An increase in interest rates reduces the value of both interest rate-sensitive assets and the value of Solvency II technical provisions. This provides a natural offsetting effect, as the net impact is reduced compared to the monetary amount of the change for the assets or liabilities alone.

An interest rate risk charge is modelled as part of the solvency capital requirement, to ensure sufficient capital with a probability of 99.5% over a twelve month period.

The sensitivity analyses below have been determined based on the exposure to interest rates for investments held at the balance sheet date. A 1% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

	Pre-tax profit		Shareholders' equity	
	2021	2020	2021	2020
	USD'000	USD'000	USD'000	USD'000
1% increase	(21,145)	(18,663)	(21,145)	(18,663)
1% decrease	21,145	18,663	21,145	18,663

Foreign exchange risk

Foreign exchange risk is the risk that the value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

All companies within the CHUK Group undertake certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. The risk of exposing the assets or liabilities to exchange rate fluctuations is managed by broadly matching liabilities with assets in the same currencies.

Assets and liabilities by currency are reviewed each quarter to ensure they are matched where possible and that cash is available to discharge liabilities in their respective currencies. From time to time, each company may utilise foreign currency forward contracts as part of its overall foreign currency risk management strategy or to obtain exposure to a particular financial market. These derivatives are not designated as hedging investments.

The sensitivity analyses below have been determined based on the exposure to currency movements against risk exposures at 31 December 2021. A 10% increase or decrease is used when reporting foreign exchange risk internally to key management personnel and represents management's assessment of the reasonably possible change in currency rates.

Pre-Tax Profit Impact	2021	2020
	USD'000	USD'000
USD / GBP		
10% increase in USD/GBP exchange rate	(28,872)	(29,214)
10% decrease in USD/GBP exchange rate	28,872	29,214
USD / EUR		
10% increase in USD/EUR exchange rate	(55)	(248)
10% decrease in USD/EUR exchange rate	55	248

Other price risk

Each insurance company is exposed to price risk arising from fluctuations in the value of financial instruments as a result of changes in the market prices and the risks inherent in all investments. The companies have no significant concentration of price risk. The risk is managed by maintaining an appropriate mix of investment instruments, including those with floating rate characteristics.

The CHUK Group's sensitivity to a 1% increase and decrease in market prices is as follows:

	2021	2020
	USD'000	USD'000
1% increase		
Movement in fair value of share and other variable securities in unit trusts	43	75
Movement in fair value of debt securities and other fixed income securities	2,822	2,988
Movement in fair value of other financial investments	1,521	1,209
	2021	2020
	USD'000	USD'000
1% decrease		
Movement in fair value of share and other variable securities in unit trusts	(43)	(75)
Movement in fair value of debt securities and other fixed income securities	(2,822)	(2,988)
Movement in fair value of other financial investments	(1,521)	(1,209)

C.2.2 Market Risk Exposures, Concentrations, Mitigations and Sensitivities

Each insurance company manages investment risk through extensive use of portfolio management analysis software and the appointment of specialist third party asset managers, who have demonstrated an extensive and successful track record of managing assets on behalf of insurance and reinsurance company clients. Mandates assigned to asset managers clearly stipulate the terms on which investments may be made. Documented mandates are referred to as Investment Policy Statements.

Regular oversight of all investment decisions, their compliance with regulations and our own guidelines by the Board and BRMC and from a wider Group investment strategy standpoint, the Catalina Group Investment and ALM Committee, ensures that the Company's regulated subsidiaries are not exposed to threatening levels of market or credit risk.

Each insurance company carries out quarterly scenario testing based on various past market distress events to understand the implication of changes in asset mix and duration. Asset Liability Management is carried out by currency. For the management of interest rate risk this takes the form of matching asset cashflow duration with maturities of liabilities in order to maintain adequate positive net cash flow and ascertain any duration imbalance.

Where appropriate and cost efficient, hedging strategies may be pursued to protect the strength and ensure the stability of each company's asset base.

Historic stress tests are determined by looking at the total returns over a specified period. Market stress tests are determined by calculating the beta of each index to the time series used in the scenario definition, with

two years of month-end to month-end returns for the data. Market stress tests are performed quarterly and are included in the Company's risk management reporting pack.

With respect to undertaking stress testing the following scenarios have been considered with respect to Market Risk;

Historic Stress Tests:

1987 Market Crash, 1994 Peso Crisis, 1997 Asian Financial Crisis, 1998 Russian Crisis, 1998 LTCM Collapse, 2000 Dot-com Slowdown, 2001 Russian Crisis, 2007-2008 Oil Price Run-up, 2007-2009 Credit Crisis, Sep-Oct 2008 Post Lehman, Euro Sovereign Crisis, Taper Tantrum.

Current Scenarios:

Downgrade of all modelled investment assets by 2 credit notches, inflationary risk free rate shock of 1%, largest non-government obligor default, 35% devaluation of illiquid asset portfolio, 15% foreign exchange hit on USD liabilities, risk free rate shock of -1%, USD Yield Curve Level +100bps, US Equity Market -20%, Recession (US bond rate higher by 1.4%), COVID 2nd leg and severe downturn recession scenarios.

In relation to major sources of equity, foreign exchange, and real estate risk, the regulated insurance companies can have allocations to publicly-traded equities in both the US and the UK. Bonds are owned in several currencies, but almost all holdings are held in currencies for which each company has significant insurance liabilities. Equity and currency exposures are tracked carefully, and are included in the VaR type analyses. The historic stress tests are essentially historic simulation models.

Market risk is tracked in various ways, including rate and spread durations, asset liability management and historic stress tests. The company is comfortable that assets and liabilities are well matched against liquidity and currency risk. There is a comprehensive set of investment checks and balances which define in detail our risk appetite with regard to individual and sector concentration, effective duration, credit quality, and exposure to emerging markets and high yield instruments. A detailed investment strategy presentation including the investment governance framework, detailed asset class review, strategic asset allocation and the portfolio's compliance with Prudent Person Principle was presented in December 2021 to the BRMC and Board. Adherence to these measures is regularly reported on by the UK CIO and UK CRO as part of normal investment risk reporting.

C.3 Credit Risk

C.3.1 Risk exposure

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the companies. The key areas of exposure to credit risk for each Company are in relation to its investment portfolio, reinsurance programme and to a lesser extent amounts due from intermediaries. The objective of each Company in the CHUK Group in managing its credit risk is to ensure risk is managed in line with the respective Company's risk appetite. Each company has established policies and procedures in order to manage credit risk and methods to measure it, including for certain reinsurance arrangements mitigation through collateralisation arrangements.

The companies within the CHUK Group monitor the credit risk in relation to their investment portfolio and reinsurance programme by monitoring external credit ratings for the investments and reinsurance assets held by each company on a regular basis.

Only credit assessments from external credit assessments institutions are used, with the overall credit quality step used then calculated in line with Solvency II regulations. The credit assessments used are manually reviewed to check that they are reasonable (i.e. that no material data error has occurred). Where there are no credit assessments from external credit assessments institutions, the credit quality step used is 'Unrated' (i.e. no internal credit assessments made at present).

The following table shows aggregated credit risk exposure for assets with external credit ratings. The table also shows the carrying value of assets that are neither past due nor impaired, the ageing of assets that are past due but not impaired and assets that have been impaired. The factors considered in determining whether the

value of an asset is impaired are: analysis of impairment, ageing of balances, past loss experience, current economic conditions and other relevant circumstances.

	2021	2020
	USD'000	USD'000
By class of asset:		
Financial investments	2,240	5,770
Debt securities and other fixed income securities	282,230	298,842
Other investments	152,109	120,860
Investments in group undertakings and participating interests	18,548	37,396
Assets arising from reinsurance contracts held	398,542	514,817
Cash and cash equivalents	160,626	132,272
Other assets	89,470	84,720
Total assets bearing credit risk	1,103,765	1,194,677

	2021	2020
	USD'000	USD'000
By credit rating:		
AAA	62,339	33,968
AA	123,923	159,505
A	199,239	195,747
BBB	213,965	193,110
Below BBB or not rated	504,209	612,347
Total assets bearing credit risk	1,103,765	1,194,677

	2021	2020
	USD'000	USD'000
Financial assets past due or impaired		
Neither past due nor impaired	50,307	59,109
Past due less than 30 days	685	1,127
Past due 31 to 60 days	1,866	984
Past due 61 to 90 days	214	241
Past due more than 90 days	8,079	3,092
Total financial assets past due or impaired	61,151	64,553

Within the total financial assets past due or impaired, is a total impairment against insurance and reinsurance operations at 31 December 2021 of USD\$26.1 million (2020 USD\$24.6 million).

C.3.2 Credit Risk Exposures, Concentrations, Mitigations and Sensitivities

Credit risk is viewed by management as the possibility that the Company and its regulated subsidiaries becomes exposed to losses occurring as a result of third parties and counterparties failing to fulfil their obligations. Credit risk on receivables is minimised by pursuing early commutation where possible and if economically beneficial, and ongoing monitoring of reinsurers for creditworthiness and ability to make payments as they arise.

The Company and its regulated subsidiaries are also exposed to credit risk via their investment portfolios. The Company's Investment Guidelines stipulate that credit quality may not fall below a weighted average of A- across the portfolio. Regular oversight of all investment decisions by the Chief Investment Officer, coupled with regular convening of the advisory Investment Committee and monitoring by the Board Risk Management Committee, ensure that Investment Guidelines are adhered to. There are specific concentration limits with regard to both sectors which can be invested in and individual obligors. The Chief Investment Officer is responsible for credit risk compliance reporting to the Board and the Risk Management Committee.

Selected credit risk metrics including any non-compliance with the Investment Guidelines are reported to the Board Risk Management Committee. These measures are designed to ensure the Company is not exposed to excessive levels of counterparty or investment credit risk.

The stress testing and sensitivity results cover both market and credit risks.

C.4 Liquidity Risk

C.4.1 Risk exposure

Liquidity risk is the risk that the companies within the CHUK Group cannot meet their obligations associated with financial liabilities as they fall due. Each company manages liquidity risk by monitoring forecast and actual cash flows. Liquidity management ensures that each company has sufficient access to funds necessary to cover insurance claims. Most of the companies' assets are marketable securities which could be converted into cash when required.

C.4.2 Liquidity Risk Exposures, Concentrations, Mitigations and Sensitivities

Each company manages liquidity risk through regular forecasting of expected cash flows. Considerations for liquidity management include analysis of asset and liability mean terms and durations as well as the negotiation and implementation, where applicable, of revolving credit facilities.

Regular oversight of each company's relative liquidity is conducted by the Chief Financial Officer, Group Treasurer and/or Chief Investment Officer in conjunction with other individuals within the companies who are informed with respect to the key drivers of that company's cash flows. Regular reporting of company assets encumbered by Letter of Credit or Trusts is supplied to the Boards. In addition, a quarterly analysis of estimated time to liquidate assets from the portfolio is presented during the BRMC to establish our exposure to illiquid positions.

Each insurance company within the CHUK Group holds significant amounts of liquid investments and cash. Liquidity stress testing and sensitivity analysis is not undertaken here given the considerable cash and cash equivalents held compared against the duration of liabilities. Within the parent Company, there is no liquidity risk as there are no commitments to pay any financial liabilities.

In order to ensure there is adequate cash available to make its financial obligations management regularly monitor the cash forecasts. If, in the unlikely event, a cash shortfall is expected, there are a range of mitigating actions management can undertake, including but not limited to; drawn down funds from CHBL the parent company, de-risking the respective investment portfolios to limit exposures; utilising derivative instruments to protect the asset portfolio; reducing the cost base to preserve cash and liquidity; soften the position on commutation negotiations and accelerate the number of deals done. Furthermore, with PRA non-objection, management may also consider; moving capital between entities to those requiring capital; agreement of intra-group or external reinsurances; and a Part VII transfers to reduce capital consumption.

The following table shows details of the expected maturity profile of the Group's undiscounted obligations with respect to its financial liabilities and estimated cash flows of recognised insurance liabilities.

	Less than 1 year 2021 USD'000	1 – 5 years 2021 USD'000	5+ years 2021 USD'000	Total 2021 USD'000
Financial liabilities and claims outstanding				
Claims outstanding	55,533	183,078	400,721	639,332
Deposits received from reinsurers	4,865	16,780	41,755	63,400
Creditors arising out of reinsurance operations	14,107	-	-	14,107
Other creditors including taxation and social security	1,462	-	-	1,462
Accruals and deferred income	9,459	35	-	9,494
	85,426	199,893	442,476	727,795

	2020 USD'000	2020 USD'000	2020 USD'000	2020 USD'000
Financial liabilities and claims outstanding				
Claims outstanding	72,996	200,376	426,214	699,586
Deposits received from reinsurers	8,606	26,777	63,266	98,649
Creditors arising out of reinsurance operations	12,023	-	-	12,023
Other creditors including taxation and social security	402	-	-	402
Bank Loan	13,673	-	-	13,673
Accruals and deferred income	7,720	-	-	7,720
	114,970	227,153	489,480	831,603

C.5 Operational Risk

C.5.1 Risk exposure

Operational risk relates to the possibility that the companies become exposed to losses occurring as a result of failures within their internal systems and processes.

Management adopts an approach to operational risk in proportion to the size of each company and its operations. As the Group acquires more businesses, there is more scope to mitigate 'key staff' operational risks associated with individuals and offices, as there are increased options to use other Group staff and/or office processes which will help to reduce those operational risks. Management believes strongly in setting performance precedents for staff, and ensuring as far as practicable the maintenance of our business systems.

Close collaboration with Human Resources ("HR") and Information Technology ("IT") allows the CRO and the local executive team to identify any vulnerabilities before they are able to adversely affect business process or maintenance of accounts. Processes and procedures are regularly enhanced.

Organisational Risk

Organisational risk is the possibility that the companies are adversely affected by the failure of the execution processes employed and relative effectiveness of the Group employees supporting the regulated entities. On a daily basis, the ability of the companies' employees to manage projects (prioritisation, resource planning and subsequent monitoring) will ensure that the companies' staff find themselves in a productive environment in which all members of the firm are confident and clear about the role they play within the corporate structure.

Management are aware that as the Group grows in presence and employee numbers, effective management of reporting lines, divisional responsibilities and governance are paramount.

Through the various Board and local entity Committees, senior management delegate responsibility for effective corporate governance across both the Group and regulated entity level.

Beyond the economic consequences of COVID-19 the working from home procedures that CSUK put in place to limit employee exposure to the pandemic have proven that CSUK can successfully meet its service obligations to the Company and the group through the pandemic. Subject to the government guidelines and in line with the latest developments, CSUK has adopted hybrid working arrangements where employees are working partly from office and partly from home.

COVID-19

While the uncertainties of the global pandemic on the Company and CHUK group have considerably lessened with vaccinations largely permitting a return to pre-pandemic life, there remains some way to go to understand fully the social and economic consequences of the pandemic. For this reason the directors will continue to monitor this.

C.6 Other Material Risks

Inflation Risk

The global economic position and outlook are that inflationary pressures will persist for the foreseeable future and will be exacerbated by the global impact from the Russia / Ukraine conflict. The potential impacts of inflation on the Company and the CHUK group are on the cost of settling claims, investment returns and operating expenses.

The UK Boards will continue to actively monitor and mitigate inflation risk in 2022 with particular emphasis on ensuring:

- Inflation drivers built into the reserving assumptions for each line of business remain appropriate;
- Inflation drivers built into the strategic asset allocation model to optimise the Company's and CHUK group's investment portfolio; and
- The CHUK group's asset liability matching programme is reviewed to consider the particular types of inflation.

Geopolitical Risk:

The on-going conflict between Russia and Ukraine which commenced in February 2022 and the resulting sanctions against Russia and Belarus has created market volatility and uncertainty. This is and will continue to be monitored as this conflict evolves. The exposure to Russia and Belarus on a direct or indirect basis is not material. The directors of the Company and the three regulated companies will continue to be vigilant in monitoring the position, compliance with applicable sanction laws and any necessary exit strategies.

Cyber Security Risk

Cyber threats are expected to persist in 2022 and with this increasing levels of sophistication are anticipated. High profile cyber security incidents have continued to impact corporates globally due to the increased use of destructive malware/ransomware exacerbated also by a change in working practices. The appointment of a Group Chief Information Security Officer ("CISO") to protect data and critical IT services, recognises the seriousness of the threats posed and the need to mitigate the operational risks posed by cyber security breaches.

Environmental Risk

The Board has responsibility for oversight and challenge of the overall strategy of the Company, including considering climate-related matters and risks. While presently, there are no regulatory requirements for managing the financial risks of climate change, there are increasing expectations. Environmental risks are managed through the following:

- *Environmental, Social and Governance ("ESG")*

The CHUK group recognises the risks of climate change and has an ambition to pursue an ESG agenda. The CHUK group has adopted the broader Catalina Group ESG policy and through this a UK ESG Committee.

The UK ESG Committee is tasked to promote the intentions of the ESG policy and the need to engage in wider society by playing a part in ensuring consideration of the environment in business decisions, including for example where to invest, how to reduce the carbon footprint and to promote the contribution to the community.

- *Investment Decisions*

The CHUK group has been reviewing its approach to investments in light of the ESG policy. This is driven by a conviction that ESG considerations are increasingly relevant as a performance driver. Actively researching and integrating ESG factors into Catalina's broader investment policy and selection process will become increasingly important.

- *Reducing our own operational environmental impacts*

The UK ESG committee is in the process of preparing proposals to reduce our operational impact. This will include the introduction of performance targets and reporting against these to the Board on a regular basis.

There are no other material risks.

D. Valuation for Solvency Purposes

This section provides a description of the bases, methods and other assumptions used in the valuation of assets, technical provisions and other liabilities on the Solvency II balance sheet. Their valuation is determined in line with the Solvency II regulations. The value of each material class of Solvency II assets and liabilities are set out together with the equivalent company Financial Statements valuation. Details of the Solvency II valuation basis can be found in the notes in sections D.1, D.2 and D.3. Any alternative methods for valuation are found in D.4.

D.1 Assets

Assets have been recognised in line with the requirements of Solvency II valuation regulations, the basis of which is the amount for which they could be exchanged between knowledgeable willing parties in an arm's length transaction.

Solvency II Classification	Solvency II	Valuation	Reclassified	Financial	Note
	Value	Differences	UK GAAP	Statements	
	2021	2021	2021	Value	
	USD'000	USD'000	USD'000	USD'000	
Goodwill	-	-	-	-	1
Deferred Tax Assets	-	11,675	-	11,675	2
Property Plant and Equipment					
Held for Own Use	319	-	-	319	3
Holdings in Related					
Undertakings Incl Participations	-	-	18,596	18,596	4
Equities Listed	2,192	-	-	2,192	5
Equities Unlisted	18,596	-	(18,596)	-	6
Government Bonds	20,677	-	(16)	20,661	7
Corporate Bonds	237,458	-	(3,062)	234,396	8
Collateralised Securities	27,319	-	(146)	27,173	9
Collective Investments					
Undertakings	111,026	-	(10)	111,016	10
Derivatives	63	-	(33)	30	11
Deposits Other than Cash					
Equivalents	102,593	-	(3)	102,590	12
Loans and Mortgages	41,695	-	(632)	41,063	13
Reinsurance Recoverables from					
Non-Life	366,801	31,741	-	398,542	14
Deposits to Cedants	9,140	-	-	9,140	15
Insurance and Intermediaries					
Receivables	5,674	-	-	5,674	16
Reinsurance Receivables	35,100	537	-	35,637	17
Receivables – Trade not					
Insurance	20,165	2,100	(43)	22,222	18
Cash and Cash Equivalents	58,035	-	1	58,036	19
Other Assets	-	902	3,901	4,803	20
Total Assets	1,056,853	46,955	(43)	1,103,765	

Solvency II Classification	Solvency II	Valuation	Reclassified	Financial	Note
	Value	Differences	UK GAAP	Statements	
	2020	2020	2020	Value	
	USD'000	USD'000	USD'000	USD'000	
Goodwill	-	(1,204)	-	(1,204)	1
Deferred Tax Assets	-	2,141	-	2,141	2
Property Plant and Equipment Held for Own Use	194	-	-	194	3
Holdings in Related Undertakings Incl Participations	-	-	37,396	37,396	4
Equities Listed	1,844	-	-	1,844	5
Equities Unlisted	41,322	-	(37,396)	3,926	6
Government Bonds	47,878	-	(346)	47,532	7
Corporate Bonds	252,557	-	(3,749)	248,808	8
Collateralised Securities Collective Investments	2,511	-	(9)	2,502	9
Undertakings	67,183	-	-	67,183	10
Derivatives	800	-	-	800	11
Deposits Other than Cash Equivalents	92,147	-	(7)	92,140	12
Loans and Mortgages	53,747	-	(870)	52,877	13
Reinsurance Recoverables from Non-Life	501,596	13,221	-	514,817	14
Deposits to Cedants Insurance and Intermediaries	9,156	-	-	9,156	15
Receivables	7,343	-	-	7,343	16
Reinsurance Receivables	30,668	36	-	30,704	17
Receivables – Trade not Insurance	28,281	1,039	-	29,321	18
Cash and Cash Equivalents	40,132	-	-	40,132	19
Other Assets	-	880	4,981	5,861	20
Total Assets	1,177,359	16,113	-	1,193,473	

Basis of Preparation

All companies in the CHUK Group that are controlled by the Company are considered to be (i) insurance or reinsurance undertakings; (ii) insurance holding companies; or (iii) ancillary services undertakings. Therefore all companies are fully consolidated.

Notes to Asset Valuation Basis

Where financial assets are valued using active markets, an active market means quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length basis.

1. Goodwill

Goodwill arising through business combinations is valued at nil for Solvency II purposes. For reporting in the CHUK Financial Statements goodwill is recognised as the fair value of consideration transferred, less the fair value of identifiable assets and liabilities assumed.

2. Deferred Tax Assets

For Solvency II purposes, deferred tax balances are only recognised in relation to all assets and liabilities that are recognised for solvency II own funds and also only where it is probable that future taxable profits

will lead to the realisation of the asset. The deferred tax asset recognised within the CHUK Financial Statements arises on brought forward tax losses, capital allowances in excess of depreciation and the discounting of insurance technical provisions of an insurance subsidiary. As these differences are not a recognised asset or liability for Solvency II purposes, no corresponding deferred tax asset or liability is recognised.

3. Property Plant and Equipment

Tangible fixed assets are stated at realisable value where this is determined as depreciated cost less impairments. Realisable value is considered to materially reflect fair value. There is no valuation or reclassification adjustment between Solvency II and the CHUK Financial Statements.

4. Investments in Group Undertakings and Participating Interests

Investments in group undertakings and participating Interests represents a 21.5% (2020: 13.7%) holding in a private company incorporated in Bermuda that invests in commercial real estate properties across the UK and a 44.1% (2020: 44.1%) holding in a private company incorporated in Guernsey that invests in real estate properties located in the UK.

For CHUK financial statement purposes there is USD\$18,548 (2020: USD\$37,396k) reported as "Holdings in Related Undertakings Incl. Participations" which, for the purposes of Solvency II disclosure, has been reported as Equities Unlisted.

5. Equities Listed

All listed equities are based on quoted prices in active markets that are readily and regularly available. The fair value of these instruments does not entail a significant degree of judgement. The valuation basis for Solvency II is consistent with the CHUK Financial Statements basis.

6. Equities - Unlisted

Equities unlisted include USD\$18,596k (2020: USD\$37,396k) which represents holdings in a non-listed legal entity that invests in commercial real estate and in another non-listed legal entity which invests in real estate in UK. As the entities investing in commercial real estate are not listed on a recognised exchange, fair value has been determined by reference to the net asset value of the entities. The net asset values are largely determined using either; acquisition price where there is reasonable proximity between acquisition and reporting date or by commercial real estate valuations performed by Chartered Surveyors (members of the Royal Institution of Chartered Surveyors). The valuations are prepared by considering the aggregate for the net annual rents receivable and where relevant, associated costs. For CHUK financial statement purposes this balance is reported as "Investments in Group Undertakings and Participating Interests".

Equities unlisted include USD\$0.3k (2020: \$3,595k) which represents holdings in a non-listed legal entity that invests in commercial real estate across Europe. As this entity is not listed on a recognised exchange, fair value has been determined by reference to the net asset value of the entity. The net asset value is largely determined using either; acquisition price where there is reasonable proximity between acquisition and reporting date or by commercial real estate valuations performed by Chartered Surveyors. The valuations are prepared by considering the aggregate for the net annual rents receivable and where relevant, associated costs.

7. Government Bonds

Government Bonds are valued using prices provided by external pricing vendors where these valuations are mostly based on quoted prices in active markets that are readily and regularly available. Where not readily available pricing vendors will often determine prices by consolidating prices of recent trades for identical or similar securities obtained from a panel of market makers into a composite price. The pricing service may make adjustments for the elapsed time from a trade date to the valuation date to take into account available market information. Lacking recently reported trades, pricing vendors will use modelling techniques to determine a security price. The valuation basis for Solvency II is consistent with the CHUK Financial Statements basis.

For Solvency II purposes within “Government Bonds” the Solvency II valuation includes Accrued interest of USD\$16k (2020: USD\$346k). For CHUK Financial Statements purposes, Accrued Interest forms part of Prepayments and Accrued Income within Other Assets.

8. Corporate Bonds

Corporate Bonds are valued using prices provided by external pricing vendors where these valuations are mostly based on quoted prices in active markets that are readily and regularly available. Where not readily available pricing vendors will often determine prices by consolidating prices of recent trades for identical or similar securities obtained from a panel of market makers into a composite price. The pricing service may make adjustments for the elapsed time from a trade date to the valuation date to take into account available market information. Lacking recently reported trades, pricing vendors will use modelling techniques to determine a security price. The valuation basis for Solvency II is consistent with the Company Financial Statements basis.

The Solvency II valuation includes Accrued interest of USD\$3,062k (2020: USD\$3,749k). For CHUK Financial Statements purposes, Accrued Interest forms part of Prepayments and Accrued Income within Other Assets.

9. Collateralised Securities

Collateralised securities representing resident and commercial backed mortgages and asset backed securities, the fair value of which is determined based on either quoted prices in active markets for similar assets or liabilities, or quoted prices in markets that are not active or for which all significant inputs are observable, directly or indirectly. The valuation basis for Solvency II is consistent with the Company Financial Statements basis.

The Solvency II valuation includes Accrued interest of USD\$146k (2020: USD\$9k). For CHUK Financial Statements purposes, Accrued Interest forms part of Prepayments and Accrued Income.

10. Collective Investment Undertakings

Collective investments undertakings represent holdings in non-listed third party investment vehicles. These are not listed on a recognised exchange hence fair value is determined via direct or indirect observable data which is generally recent transactions in the same or similar instruments. These include holdings in private equity and debt funds where look through information and valuation is sourced by the fund based on direct and indirect observable data. This is considered to represent fair value for Solvency II and CHUK Financial Statements purposes.

There is a reclass of \$10K to Derivatives relating to investments in an entity who undertakes in credit spread hedging to protect Catalina UK companies credit markets shocks.

11. Derivatives

The Company and companies within the CHUK Group have assets and liabilities denominated in multiple currencies. From time to time currency forwards are entered to eliminate or mitigate currency risk. The fair value of derivatives for both Solvency II and Financial Statements purposes is determined using readily available foreign currency exchange rates to value the open contracts at the reporting date. The difference in value between the reporting date and contract maturity date is recognised as either an asset or liability.

There is a reclass of \$10K from Collective investment undertaking relating to investments in an entity who undertakes in credit spread hedging to protect Catalina UK companies credit markets shocks.

There is a reclass of \$43K between assets and liabilities. For Solvency II purposes, derivatives are grossed up between assets and liabilities while it is shown as net for financial statements.

12. Deposits Other than Cash Equivalent

Deposits Other than Cash Equivalent are deposits with credit institutions which are not readily convertible to cash, i.e. are not accessible in under 24 hours. For both Solvency II and Company Financial Statements purposes fair value is the value of the deposit holding.

The Solvency II valuation includes Accrued interest of USD\$3k (2020: USD\$7k). For CHUK Financial Statements purposes, Accrued Interest forms part of Prepayments and Accrued Income.

13. Loans and Mortgages

For Solvency II purposes, Loans and Mortgages include direct commercial loans of USD\$41,695k (2020: USD\$43,122k) where the actual value of the loan provided is considered the best indicator of fair value at 31 December 2021. In the absence of an active market or recent transaction price for this investment, this valuation considers the proximity to the debt repayment date, stability in underlying market conditions, loan to value coverage, the underlying property valuations, the ongoing servicing of the debt, historic experience with similar investments and use of an internally generated discounted cash flow valuation model.

The valuation for Solvency II purposes includes Accrued Interest of USD632k (2020: USD\$870k). For Company Financial Statements purposes Accrued Interest forms part of Prepayments and Accrued Income.

14. Reinsurance Recoverables from Non-Life and Life

For Solvency II purposes, the fair value of reinsurers' share of technical provisions is determined after applying discounting whereas for the CHUK Group Financial Statements purposes the gross technical provisions and related reinsurers' share of technical provisions are undiscounted. Discounting for fair value purposes uses the relevant risk free yield curves for each currency. For a fuller explanation of the impact of the USD\$31,741k (2020: USD\$13,220k), refer Section D.2 Technical Provisions.

15. Deposits to Cedants

Deposits to cedants are a requirement of certain reinsurance contracts. These amounts are provided as cash and considered to represent fair value. Determination of fair value for deposits with cedants for Solvency II and CHUK Financial Statements is after consideration of impairment of any amounts receivable. The valuation basis for Solvency II is consistent with the CHUK Financial Statements basis.

16. Insurance and Intermediaries Receivables

Insurance and intermediaries receivables of USD\$5,674k (2020: USD\$7,343k) are measured at amortised cost for Company Financial Statements purposes. For Solvency II purposes, given that the level of discount or premium held against the principal receivable is immaterial, amortised cost is considered to materially reflect fair value.

17. Reinsurance Receivables

Within reinsurance receivables is a receivable due beyond twelve months where fair value is determined after applying a discounting rate that reflects the relevant risk free yield curve. The total impact of discounting is to reduce the value of Reinsurance Receivables by USD\$537k (2020: USD\$40k). The valuation basis for this receivable within the CHUK Financial Statements is undiscounted. Determination of fair value for Reinsurance Receivables for Solvency II and Financial Statements is after consideration of impairment of any amounts receivable.

18. Receivables – trade not insurance

For Solvency II purposes the fair value of receivables – trade not insurance are the amounts due after consideration of any impairment. The valuation basis for Solvency II is consistent with the CHUK Financial Statements basis.

Receivables – trade not insurance, comprise an inter-company debt representing future administration fees recoverable from CatGen. These amounts are in addition to the terms of the 80% reinsurance protection (2020: 100% reinsurance protection) afforded under the quota share arrangement. This amount is due over a period that matches the run-off of technical provisions. For Solvency II purposes fair value of the receivable has been discounted at the risk free rate. For CHUK Financial Statements purposes the valuation of USD\$16,944k (2020: USD\$26,506k) is based on the equivalent quota share premium paid to CatGen at the outset of the contract.

19. Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and call deposits and are readily accessible i.e. within 24 hours. There are no restrictions on accessing cash or cash equivalents, hence fair value under Solvency II is the value of the cash holding.

The valuation for Solvency II purposes includes Accrued Interest of USD\$1k (2020: nil). For Company Financial Statements purposes Accrued Interest forms part of Prepayments and Accrued Income.

20. Other Assets

Prepayments of USD\$902k (2020: USD\$880k) are deemed to have a fair value of nil for Solvency II purposes. Accrued interest of USD\$3,901k (2020: USD\$4,981k) has been reclassified to Investments (Government Bonds, Corporate Bonds & Collateralised Securities and Loans and Mortgages).

D.2 Technical provisions

The technical provisions comprise the best estimate of liabilities and risk margin according to Articles 75 to 86 of the Solvency II regulations.

Best Estimate Liabilities is the sum of the claims provision and the premium provision.

- The claims provision is the discounted best estimate of future cashflows relating to events prior to the valuation date, including claims which have not yet been reported. The cash flows include net claims, future expenses incurred to settle these claims and future premiums receivable in relation to the past exposure. The corresponding reinsurers' share of gross claims technical provisions, disclosed as Reinsurance Recoverables from Non Life in Section D.1, is valued using the same techniques as the gross claims technical provisions.
- The premium provision is the discounted best estimate of future cashflows relating to claim events that have not yet occurred but that are covered by contracts in existence at the valuation date. The cash flows include net claims, future expenses incurred to settle these claims and future premiums receivable in relation to future claims events. The run-off nature of the companies in the CHUK Group means that there are no future exposures at the valuation date and therefore no premium provision.

The Risk Margin is an estimate of the amount that a third party taking on the insurance obligations of the Company would require over and above Best Estimate Liabilities. The Risk Margin is calculated using a cost of capital approach.

The following table quantifies the total gross technical provisions on a Solvency II basis at 31 December 2021. The lines of business can represent direct, proportional reinsurance or non-proportional reinsurance liabilities.

	Gross Best Estimate 2021 USD'000	Risk Margin 2021 USD'000	Solvency II Provisions 2021 USD'000	Financial Statement Value 2021 USD'000
By material line of business:				
Liability	576,415	49,067	625,482	597,176
Property	11,442	752	12,194	12,355
Marine, Aviation and Transport	8,233	658	8,891	8,813
Other	259	32	291	267
Insurance Annuities	19,624	1,660	21,284	20,721
	615,973	52,169	668,142	639,332

	2020 USD'000	2020 USD'000	2020 USD'000	2020 USD'000
By material line of business:				
Liability	664,062	49,157	713,219	643,202
Motor	19	2	21	18
Property	12,572	663	13,235	12,204
Marine, Aviation and Transport	24,369	1,234	25,603	23,673
Other	360	39	399	343
Insurance Annuities	19,323	1,406	20,729	20,146
	720,705	52,501	773,206	699,586

The Company has adopted a deterministic approach to estimating the Best Estimate Liabilities by making the following adjustments to the GAAP reserves in the Company's Financial Statements:

Solvency II Liability Adjustments Increase /(decrease)	2021 USD'000	2020 USD'000
Event Not In Data (ENID) included in Solvency II Balance Sheet	18,082	19,815
Expense Provision increase included in Solvency II Balance Sheet	23,389	35,967
Discounting at the Risk Free Rate	(64,830)	(34,663)
Risk Margin	52,169	52,501
Total Solvency II Liability Adjustments	28,810	73,620

The total of the Solvency II Liability adjustments above result in the gross Best Estimate Liabilities on the Solvency II balance sheet being USD\$28.8 million lower (USD\$73.6 million lower in 2020) than the gross technical provisions of USD\$639.3 million (USD\$699.6 million in 2020) in the Company Financial Statements.

The main risks and uncertainties associated with the technical provisions relate to the following:

- Claims provisions: there is an inherent uncertainty in estimating claims provisions for the eventual outcome of outstanding notified claims as well as estimating the value of claims yet to be reported;
- Event Not In Data ("ENID"): this is an adjustment to technical provisions which is designed to capture potential future claims that do not exist in the historical data used for GAAP reserves calculation. These claims are typically low frequency and high severity impact;
- Expense provisions: the estimation of the future costs of claims management involves uncertainty over factors such as number of claims and staff costs; and
- Risk free rates: these rates are prescribed and provided by the Bank of England ("BoE") and are volatile over time.

The Company's business model is to actively manage claims, including the closure of remaining claims portfolios through commutations. This results in a tendency for actual technical provisions to reduce more quickly than the estimates used in Best Estimate Liabilities. The investment portfolio will continue to be managed in a way that supports this approach, albeit aligned to the Board approved Strategic Asset Allocations and Prudent Person Principle.

D.3 Other liabilities

For the consolidated CHUK Group the value of each material class of Solvency II liabilities other than Technical Provisions is provided in the table below followed by commentary on the determination of the Solvency II valuation basis. It further compares this value against the equivalent value and disclosure as per the CHUK Financial Statements at 31 December 2021.

Solvency II Classification	Solvency	Valuation	Reclassification	Financial	Note
	II Value	Differences	Differences	Statements Value	
	2021	2021	2021	2021	
2021	USD'000	USD'000	USD'000	USD'000	
Deposits from Reinsurers	63,400	-	-	63,400	1
Derivatives	51	-	(44)	7	2
Debts Owed to Credit Institutions	-	-	-	-	3
Reinsurance Payables	14,107	-	-	14,107	4
Payables – Trade not Insurance	10,949	-	-	10,949	4
	88,507	-	(44)	88,463	

	Solvency	Valuation	Reclassification	Financial	Note
	II Value	Differences	Differences	Statements Value	
	2020	2020	2020	2020	
2020	USD'000	USD'000	USD'000	USD'000	
Deposits from Reinsurers	98,649	-	-	98,649	1
Derivatives	222	-	-	222	2
Debts Owed to Credit Institutions	13,673	-	-	13,673	3
Reinsurance Payables	12,023	-	-	12,023	4
Payables – Trade not Insurance	7,451	-	-	7,451	4
Total Other Liabilities	132,018	-	-	132,018	

1. Deposits from Reinsurers

For Company Financial Statements purposes, deposits from reinsurers are measured at amortised cost of USD\$63,400k (2020: USD\$98,649 k).

2. Derivatives

The Company and companies within the CHUK Group have assets and liabilities denominated in multiple currencies. From time to time currency forwards are entered to eliminate or mitigate currency risk. Derivative financial assets or liabilities are financial contracts whose fair value is determined on a market basis by reference to underlying interest rate, foreign exchange rate, equity or commodity instrument or indices. The derivatives are split out across assets and liabilities in both the CHUK Financial Statements and for Solvency II purposes. The valuation basis for Solvency II is consistent with the CHUK Financial Statements basis.

There is a reclassification of \$44K between assets and liabilities. For Solvency II purposes, derivatives are grossed up between assets and liabilities while it is shown as net for financial statements.

3. Debts Owed to Credit Institutions

Debts owed to credit institutions represent credit facility drawdowns with a variable rate of interest based on LIBOR and determined by reference to the total CHBL level of gearing and variable repayment terms. The valuation basis for Solvency II is materially consistent with the CHUK Financial Statements valuation.

4. Insurance and Intermediaries Payable, Reinsurance Payables and Payables – Trade not Insurance

These amounts representing liabilities are not subject to valuation adjustment between Financial Statements and Solvency II. With these liabilities expected to be settled within 12 months, in a time of relative benign interest rate volatility, any fair value adjustment is not material. The valuation basis for Solvency II is consistent with the CHUK Financial Statements basis.

D.4 Alternative methods for valuation

Unless otherwise explained in Sections D1-D3, no other alternative methods for valuation are used.

D.5 Any other information

There are no material differences in the valuation bases, methods and assumptions between the Group Solvency II Balance Sheet and the individual group subsidiary Solvency II Balance Sheets.

The Group operates a defined contribution plan for some of its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into an entity outside the CHUK Group. Once contributions have been paid the Group has no further payment obligations. The assets of the plan are held separately from the Group in independently administered funds. For these reasons there is no pension liability under either a Solvency II or Financial Statements basis.

E. Capital Management

Capital management refers to the implementation of measures to maintain sufficient capital and to assess the internal capital adequacy of the CHUK Group and Company in order that they can meet their obligations. The CHUK Group and Company manage capital to ensure a prudent level of Own Funds to protect the CHUK Group's and Company's economic viability, finance new growth opportunities and meet the requirements of its stakeholders and regulator. The CHUK Group and regulated companies within have a standalone Capital Management Plan, which forms part of the ORSA and which demonstrates capital adequacy is expected throughout the three year planning horizon. No material changes to the objectives, policies or processes for managing Own Funds were made over the period.

The CHUK Group, and the insurance companies within, were in compliance with the solvency capital requirements of the PRA throughout the year.

E.1 Own funds

Own funds represent Ordinary Share Capital and Reconciliation Reserve. With respect to the Ordinary Share Capital there is a single class of share which is unrestricted i.e. dividends can be cancelled after they have been declared and also there are no restrictions on the repayment of capital, other than being subject to ongoing regulatory approval. For this reason Own Funds are Tier 1. With respect to insurance and other subsidiaries within the CHUK Group, all Own Funds are similarly categorised as Tier 1.

Own funds are determined having taken into account the elimination of any intra CHUK group transactions and balances.

	Tier 1 2021 USD'000	Tier 2 2021 USD'000	Tier 3 2021 USD'000	Total 2021 USD'000
Basic own funds				
Ordinary Share Capital	1,000	-	-	1,000
Reconciliation Reserve	299,204	-	-	299,204
Total basic own funds	300,204	-	-	300,204
	2020 USD'000	2020 USD'000	2020 USD'000	2020 USD'000
Basic own funds				
Ordinary Share Capital	1,000	-	-	1,000
Reconciliation Reserve	271,136	-	-	271,136
Total basic own funds	272,136	-	-	272,136

The following shows the movement in the year in Own Funds:

Reconciliation between Opening and Closing own funds	2021 USD'000	2020 USD'000
Opening own funds	272,136	159,017
Movement in Statutory Account Capital Reserve	14,044	99,366
Movement Financial Statements Retained Deficit	3,942	6,209
Movement Financial Statements Currency Translation Reserve	(3,885)	9,717
Movement Solvency II Asset Valuation and Reclassification differences – refer Section D.1 Assets	(30,799)	29,979
Movement Solvency II Liability Valuation differences – refer Section D.2 Liabilities	44,810	(32,156)
Movement Solvency II Liability Valuation and Reclassification differences – refer Section D.3 Liabilities	(44)	4
Closing Own Funds	300,204	272,136

Within Own Funds, the Reconciliation Reserve represents the retained earnings and capital reserve as reported in the Company Financial Statements less differences in valuations between Solvency II and Company Financial Statements valuations for assets and liabilities. The components of the Reconciliation Reserve at 31 December are;

Reconciliation Reserve Components	2021	2020	Movement
	USD'000	USD'000	USD'000
Financial Statements Capital Reserve	386,100	372,056	14,044
Financial Statements Retained Deficit	(32,050)	(35,992)	3,942
Financial Statements Currency Translation Reserve	20,920	24,805	(3,885)
Solvency II Asset Valuation and Reclassification differences – refer Section D.1 Assets	(46,912)	(16,113)	(30,799)
Solvency II Technical Provision Valuation differences – refer Section D.2 Liabilities	(28,810)	(73,620)	44,810
Solvency II Other Liability Valuation and Reclassification differences – refer Section D.3 Other Liabilities	(44)	-	(44)
Total Solvency II Excess of Assets over Liabilities	299,204	271,136	28,068

The eligibility of tiered Capital to cover the SCR and Minimum Consolidated Group Capital Requirement (“MCR”) depends on the tiering levels of the Company’s Own Funds. The Company’s Own Funds are all Tier 1 and comply with the Solvency II Regulations that:

- Eligible tier 1 items shall be at least 50% of the SCR; and
- Eligible tier 1 items shall be at least 80% of the MCR.

Available and eligible own funds	Tier 1	Tier 2	Tier 3	Total
	2021	2021	2021	2021
	USD'000	USD'000	USD'000	USD'000
Total available own funds to meet the SCR	300,204	-	-	300,204
Total available own funds to meet the MCR	300,204	-	-	300,204
Total eligible own funds to meet the SCR	300,204	-	-	300,204
Total eligible own funds to meet the MCR	300,204	-	-	300,204
SCR				176,125
MCR				44,031
Ratio of Eligible own funds to SCR				170%
Ratio of Eligible own funds to MCR				682%

Available and eligible own funds	Tier 1	Tier 2	Tier 3	Total
	2020	2020	2020	2020
	USD'000	USD'000	USD'000	USD'000
Total available own funds to meet the SCR	272,136	-	-	272,136
Total available own funds to meet the MCR	272,136	-	-	272,136
Total eligible own funds to meet the SCR	272,136	-	-	272,136
Total eligible own funds to meet the MCR	272,136	-	-	272,136
SCR				167,415
MCR				41,854
Ratio of Eligible own funds to SCR				163%
Ratio of Eligible own funds to MCR				650%

E.2 Solvency Capital Requirement and Minimum Consolidated Group SCR

The Group currently uses the Standard Formula to calculate its Solvency Capital Requirement (“SCR”).

	2021 USD'000	2020 USD'000
By risk module		
Market risk	114,434	98,236
Default risk	13,176	24,110
Non-life risk	75,168	69,643
Health risk	475	549
Life risk	239	-
Basic SCR before diversification	203,492	192,538
Diversification Benefits	(45,346)	(46,251)
Basic SCR	158,146	146,287
Operational risk	17,979	21,128
SCR	176,125	167,415
Minimum Consolidated Group SCR	44,031	41,854

Market risk, counterparty default risk, non-life premium, life premium and reserve risk and operational risk all contribute to the SCR, although the main drivers of the SCR are the market risk and reserve risk. These modules are discussed in more detail in Section C of the main body of the report.

The main diversification in calculating the SCR is between market risk and reserve risk, these are the largest risk charges.

The consolidation method (also known as Method 1) has been used to calculate the Group SCR. In this method, the SCR for CHUK is calculated as though it, and its subsidiaries, were one company (the alternative is the aggregation and deduction method, which in the context of the Company would involve adding up the SCRs of the insurance subsidiaries).

In calculating the Group SCR, there are no capital requirements for the financial participations (for instance, credit institutions and financial institutions), no SCRs from the related insurance entities (e.g. JV's and associates), as there are no financial participations nor any related insurance entities. Although there was one operating service company (CSUK) in the Group at year end 2021, it does not have an SCR and so did not contribute to the Group SCR.

The Minimum Consolidated Group SCR is calculated as the sum of the Minimum Capital Requirements of the insurance subsidiaries of the Group plus the minimum capital requirement related to the changes in the SCR that arise on consolidation. CHUK does not have any financial participations (for instance; credit institutions and financial institutions), nor related insurance entities, so none are included in the above Minimum Consolidated Group SCR calculation.

E.3 Use of the duration-based equity risk sub-module in the calculation of the SCR

The CHUK Group has not used the duration-based equity risk sub-module in the calculation of the SCR.

E.4 Internal model

The CHUK Group calculates the SCR using the standard formula. No internal or partial internal model is used in the calculation of the SCR.

E.5 Non-compliance with the MCR and significant non-compliance with the SCR

There has not been any non-compliance with the SCR or the MCR over the year nor is there expected to be any non-compliance with the SCR and MCR in the Business Planning period.

E.6 Any other information

With the exception of the Company, on a standalone entity basis there are no companies within the CHUK Group, with material own funds issued, that are not insurance entities. While for the CHUK Group the consolidated position on Own Funds is considered in Section E1, for the stand-alone Company, which is not an insurance entity and hence own funds are not separately determined, the equity shareholder's funds per the CHUK Financial Statements are USD\$316,248k (2020: USD\$303,357k). For similar reasons as described in Section E1 these funds would be all considered Tier 1.

Under Solvency II as part of the assessment of group solvency, groups must undertake an assessment of whether any of their entities are reliant upon capital held in another entity to cover their capital requirements. Where this is the case it must assess whether the capital in the other entity could in practice be made available. Within the CHUK group capital is deemed to be fully transferrable. In such circumstances where capital is needed from one insurance subsidiary to support a legal entity elsewhere in the CHUK Group, it will be repatriated. As all insurance companies in the CHUK Group are UK regulated companies such capital movements would firstly require the approval of the PRA.

Appendix 1: Catalina Worthing Insurance Limited solo SFCR sections

Executive Summary

Catalina Worthing Insurance Limited has been in run-off since 2012. Its principal activities are therefore the efficient and proper run-off of its claims portfolio, the management of its cash and investments, and the timely collection of its reinsurance assets and other debts. The acquisition of CWIL by the Catalina Group in 2017, and the subsequent 100% quota share arrangement entered into, which was reduced to 80% on 1 January 2021, are explained in the main body of the report.

The Group SFCR meets the regulatory requirement for public disclosure in respect of CWIL, AGF and CLL. As mentioned in the introduction in the main body of the report, CWIL, AGF and CLL are legal entities meeting all regulatory and governance requirements and their individual risk profile and capital requirements are monitored to ensure ongoing regulatory compliance. However, the Group does not manage each entity as an individual business and does not set individual business strategies. In light of this, it is important for the reader to understand that the focus of the Group SFCR is the activities of the Catalina UK Group as a whole.

A. Business and Performance

A.1 Business and external environment

A.1.1 Undertaking, financial supervisory authority

Name of the undertaking:	Catalina Worthing Insurance Limited
Address of its registered office:	Unit B/C, Downlands Business Park, Lyons Way, Worthing, West Sussex, BN14 9RX, England
Legal status:	Private Limited Company
Company registration number:	05965916
Legal Entity Identifier (LEI):	213800JEV93JTFJ41Q27
Ultimate parent:	Catalina Holdings (Bermuda) Ltd.
Financial supervisory authority:	Prudential Regulation Authority : Bank of England, Threadneedle Street, London, EC2R 8AH, England

A simplified group structure chart is included in section A.1.1 of the main body of the report.

A.1.2 Material lines of business and geographical areas where the Company carries out business

CWIL was purchased by CHUK on 10th May 2017 when 100% of CWIL's share capital was purchased from Nutmeg Insurance Company, part of The Hartford Financial Services Group, Inc. ("The Hartford"). The ultimate parent of CHUK is CHBL. CHBL is a specialist consolidator of non-life general insurance and reinsurance companies and portfolios in run-off. CHBL acquires and manages portfolios in run-off with the purpose of achieving a competitive return on equity and consistent growth in net tangible assets. The Group is based in Bermuda and currently has offices in Bermuda, the United Kingdom, the Republic of Ireland, Singapore, the United States of America and Switzerland.

The Company was initially established by The Hartford as a specialist Directors and Officers ("D&O") writer in the London market where it wrote business from 2007 until July 2012 when it was placed into run off. In October 2015, the insurance business of Excess Insurance Company Limited ("Excess"), Hart Re (the trading name of the London branch of Hartford Fire Insurance Company Limited) and a portfolio of business originally written by London & Edinburgh Insurance Company ("L&E") was transferred into the company by order of the High Court pursuant to Part VII of the Financial Services and Markets Act 2000. These transfers were part of The Hartford's rationalisation of its UK run offs.

The business transferred in from Excess has been in run off since 1993 and represents the bulk of the Company's business. The Company's principal activities are the efficient and proper run off of its claims portfolio, the management of its cash and investments, and the timely collection of its reinsurance assets and other debts.

The company's portfolio comprises:

- Original D&O business written 2007 -2012;
- Business of Excess written prior to 1992; which mainly comprise US direct and treaty business Asbestos, Pollution and Health ("APH") and UK Employers Liability business;
- Business of Hart Re, a pure reinsurer of European insurers which wrote business from 1993 to 2002, remaining risks being UK and European motor (including Periodic Payment Orders ("PPO"s)) and some pharmaceutical losses; and
- Portfolio of L&E business almost entirely being US direct and treaty APH written through pools including Old Tower, Tower X, HS Weavers and B D Cooke.

There were no significant changes to CWIL during the reporting period.

As mentioned in section A.1.2 of the main body of the report, the functional and presentational currency of CWIL is GBP.

A.2 Performance from underwriting activities

The table below shows the underwriting performance for the year end 31 December 2021, together with comparatives for the previous year.

	2021	2020
	GBP'000	GBP'000
Earned premiums, net of reinsurance	66,749	-
Claims incurred, net of reinsurance	(64,416)	-
Net operating expenses	(4,582)	(5,571)
Balance on the technical account	(2,249)	(5,571)
By class of business:		
Direct Insurance		
Marine, aviation and transport	269	(224)
Property	(223)	(11)
Casualty	766	(3,425)
Reinsurance		
Casualty	(3,161)	(1,728)
Marine/Aviation	(43)	(25)
Property	143	(158)
Balance on the technical account	(2,249)	(5,571)

Full commentary on the current year and prior year performance can be found in section A.2 of the main body of the report, however, it should be noted that the change in earned premium and claims incurred in 2021 reflects the impact of QS cession variation from 100% to 80%.

A.3 Performance from investment activities

The table below shows the investment income performance for the year ended 31 December 2021, together with comparatives for the previous year.

	Net investment income	Net investment expense	Net realised gains and losses	Changes in fair value	Net investment result
	2021 GBP'000	2021 GBP'000	2021 GBP'000	2021 GBP'000	2021 GBP'000
Investments:					
- measured at FVTPL	3,105	(62)	1,764	(2,291)	2,516
- measured at amortised cost	38	-	-	-	38
	3,143	(62)	1,764	(2,291)	2,554
	2020 GBP'000	2020 GBP'000	2020 GBP'000	2020 GBP'000	2020 GBP'000
Investments:					
- measured at FVTPL	3,407	(47)	(1,238)	5,587	7,709
- measured at amortised cost	48	-	-	-	48
	3,455	(47)	(1,238)	5,587	7,757

Commentary on the current year and prior year performance can be found in section A.2 of the main body of the report.

A.4 Other operating income and expenses

The table below details any other material operating income and expenses not shown in A.2 and A.3 above.

	2021 GBP'000	2020 GBP'000
Foreign exchange losses	(191)	(390)
Tax on profit on ordinary activities	6,650	-

Details of Tax credit on profit on ordinary activities can be found in section A.4 of the main body of the report.

A.5 Any other disclosures

Not applicable.

B. System of Governance

The system of governance for CWIL is identical to that of the Group and is described in Section B in the main body of the report

C. Risk Profile

Catalina Worthing Insurance Limited's risks are managed in the same way as the risks of the Catalina UK Group, the details of which are included in section C of the main body of the report. The risk sensitivities of Catalina Worthing Insurance Limited are detailed below.

C.1 Underwriting (Liability) Risk

Catalina Worthing Insurance Limited's risks are managed in the same way as the risks of the Catalina UK Group, the details of which are included in section C of the main body of the report.

C.2 Market Risk

Catalina Worthing Insurance Limited's sensitivities to interest rate, foreign exchange and other price risks are detailed below.

Interest rate risk	Pre-tax profit		Shareholder's equity	
	2021	2020	2021	2020
	GBP'000	GBP'000	GBP'000	GBP'000
1% increase	(3,550)	(1,439)	(3,550)	(1,439)
1% decrease	3,550	1,439	3,550	1,439

Foreign exchange risk	Pre-tax profit		Shareholders' equity	
	2021	2020	2021	2020
	GBP'000	GBP'000	GBP'000	GBP'000
GBP / USD				
10% increase in USD/GBP exchange rate	(2,710)	(1,484)	(2,710)	(1,484)
10% decrease in USD/GBP exchange rate	2,710	1,484	2,710	1,484
GBP / EUR				
10% increase in USD/EUR exchange rate	13	(168)	13	(168)
10% decrease in USD/EUR exchange rate	(13)	168	(13)	168

Other price risk	Pre-tax profit		Shareholders' equity	
	2021	2020	2021	2020
	GBP'000	GBP'000	GBP'000	GBP'000
1% increase				
Movement in fair value of share and other variable securities in unit trusts	124	158	124	158
Movement in fair value of debt securities and other fixed income securities	652	478	652	478
Movement in fair value of other financial investments	403	318	403	318
1% decrease				
Movement in fair value of share and other variable securities in unit trusts	(124)	(158)	(124)	(158)
Movement in fair value of debt securities and other fixed income securities	(652)	(478)	(652)	(478)
Movement in fair value of other financial investments	(403)	(318)	(403)	(318)

C.3 Credit Risk

Catalina Worthing Insurance Limited's risks are managed in the same way as the risks of the Catalina UK Group, the details of which are included in section C of the main body of the report.

The split of assets by credit rating is detailed in the table below.

	2021	2020
	GBP'000	GBP'000
By class of asset:		
Financial investments	12,351	15,817
Debt securities and other fixed income securities	65,192	47,776
Other Financial Investments	103,145	88,267
Assets arising from reinsurance contracts held	312,499	389,981
Assets arising from insurance contracts held	2,744	2,588
Cash and cash equivalents	21,294	16,038
Other assets	745	1,447
Total assets bearing credit risk	517,970	561,914

	2021 GBP'000	2020 GBP'000
By credit rating:		
AAA	14,434	8,967
AA	67,374	64,064
A	87,673	80,647
BBB	41,815	20,843
Below BBB or not rated	306,674	387,393
Total assets bearing credit risk	517,970	561,914
By past due ageing of debtors:		
Neither past due nor impaired	34,902	33,605
Past due less than 30 days	506	824
Past due 31-60 days	1,379	714
Past due 61 – 90 days	74	81
Past due more than 90 days	3,062	1,350
Total financial assets past due or impaired	39,923	36,574

The total allowance for the impairment of debtors arising out of direct insurance and reinsurance operations at 31 December 2021 is £11.8 million (2020: £10.2 million).

C.4 Liquidity Risk

Catalina Worthing Insurance Limited's risks are managed in the same way as the risks of the Catalina UK Group, the details of which are included in section C of the main body of the report

The following table shows details of the expected maturity profile of the Group's undiscounted obligations with respect to its financial liabilities and estimated cash flows of recognised insurance liabilities.

	Less than 1 year 2021 GBP'000	1 – 5 years 2021 GBP'000	5+ years 2021 GBP'000	Total 2021 GBP'000
Financial liabilities and claims outstanding				
Claims outstanding	25,329	87,373	217,410	330,112
Deposits received from reinsurers	3,596	12,403	30,863	46,862
Creditors arising out of reinsurance operations	8,719	-	-	8,719
Other creditors including taxation and social security	20	-	-	20
Accruals and deferred income	301	-	-	301
	37,965	99,776	248,273	386,014
	2020 GBP'000	2020 GBP'000	2020 GBP'000	2020 GBP'000
Financial liabilities and claims outstanding				
Claims outstanding	31,054	96,632	228,309	355,995
Deposits received from reinsurers	6,294	19,584	46,271	72,149
Creditors arising out of reinsurance operations	7,585	-	-	7,585
Other creditors including taxation and social security	711	-	-	711
Accruals and deferred income	282	-	-	282
	45,926	116,216	274,580	436,722

C.5 Operational Risk

Catalina Worthing Insurance Limited's risks are managed in the same way as the risks of the Catalina UK Group, the details of which are included in section C of the main body of the report.

C.6 Other Material Risks

Catalina Worthing Insurance Limited's risks are managed in the same way as the risks of the Catalina UK Group, the details of which are included in section C of the main body of the report.

D. Valuation for Solvency Purposes

D.1 Assets

Assets have been recognised in line with the requirements of Solvency II valuation regulations, the basis of which is the amount for which they could be exchanged between knowledgeable willing parties in an arm's length transaction.

	Solvency II Value 2021 GBP'000	Valuation Differences 2021 GBP'000	Reclassified UK GAAP 2021 GBP'000	Financial Statements Value 2021 GBP'000
Equities Unlisted	4,985	-	7,366	12,351
Corporate Bonds	46,629	-	(475)	46,154
Collateralised securities	19,145	-	(107)	19,038
Collective Investment Undertakings	41,208	-	(7,369)	33,839
Derivatives	19	-	3	22
Loans and mortgages	6,613	-	(155)	6,458
Deposits Other than Cash Equivalents	62,828	-	(2)	62,826
Reinsurance Recoverable from Non Life	253,407	21,913	-	275,320
Deposits to Cedants	6,512	-	-	6,512
Insurance and Intermediaries Receivables	2,744	-	-	2,744
Reinsurance Receivables	17,940	-	-	17,940
Cash and Cash Equivalents	14,782	-	-	14,782
Receivables – trade not insurance	11,030	8,205	4	19,239
Other Assets	-	10	735	745
Total Assets	487,842	30,128	-	517,970

	2020 GBP'000	2020 GBP'000	2020 GBP'000	2020 GBP'000
Equities Listed	761	-	-	761
Equities Unlisted	15,056	-	-	15,056
Government Bonds	2,624	-	(3)	2,621
Corporate Bonds	46,175	-	(1,020)	45,155
Collective Investment Undertakings	14,632	-	-	14,632
Derivatives	158	-	-	158
Loans and mortgages	17,400	-	(407)	16,993
Deposits Other than Cash Equivalents	56,489	-	(5)	56,484
Reinsurance Recoverable from Non Life	346,867	9,128	-	355,995
Deposits to Cedants	6,580	-	-	6,580
Insurance and Intermediaries Receivables	2,588	-	-	2,588
Reinsurance Receivables	14,510	-	-	14,510
Cash and Cash Equivalents	9,458	-	-	9,458
Receivables – trade not insurance	18,676	800	-	19,476
Other Assets	-	12	1,435	1,447
Total Assets	551,974	9,940	-	561,914

The bases, methods and assumptions used to value the above assets are consistent across the Catalina UK Group, and are detailed in Section D of the main body of the report. Similarly, any difference between the

company Financial Statements and Solvency II valuations are consistent across the Catalina UK Group, and are also detailed in Section D of the main body of the report.

D.2 Technical provisions

The following table quantifies the total gross technical provisions on a Solvency II basis at 31 December 2021. The lines of business can represent direct, proportional reinsurance or non-proportional reinsurance liabilities.

	Gross Best Estimate	Risk Margin	Total Solvency II Gross Provisions Value	Total Financial Statements Value
	2021	2021	2021	2021
	GBP'000	GBP'000	GBP'000	GBP'000
By material line of business:				
Direct Insurance				
Marine, aviation and transport	2,546	143	2,689	2,780
Fire and other damage to property	1,785	100	1,885	5,431
General liability	204,045	11,423	215,468	214,916
Proportional and Non-proportional Reinsurance				
Casualty	85,835	4,805	90,640	87,691
Marine, aviation and transport	1,401	78	1,479	1,528
Property	5,457	306	5,763	2,448
Annuities relating to insurance obligation other than health insurance obligations	14,506	812	15,318	15,318
Total 2021	315,575	17,667	333,242	330,112
	2020	2020	2020	2020
	GBP'000	GBP'000	GBP'000	GBP'000
By material line of business:				
Direct Insurance				
Marine, aviation and transport	14,079	601	14,680	13,714
Fire and other damage to property	721	31	752	703
General liability	226,651	9,668	236,319	220,785
Proportional and Non-proportional Reinsurance				
Casualty	101,255	4,319	105,574	97,668
Marine, aviation and transport	1,564	67	1,631	1,524
Property	7,049	301	7,350	6,867
Annuities relating to insurance obligation other than health insurance obligations	14,133	601	14,734	14,734
Total 2020	365,452	15,588	381,040	355,995

The bases, methods and assumptions used to value the above technical provisions are consistent across the Catalina UK Group, and are detailed in Section D of the main body of the report.

The Company has adopted a deterministic approach to estimating Best Estimate Liabilities by making the following adjustments to the GAAP reserves in the Company's Financial Statements:

Solvency II Liability Adjustments	2021	2020
Increase /(decrease)	GBP'000	GBP'000
Event Not In Data (ENID) included in Solvency II Balance Sheet	9,443	10,195
Expense Provision increase included in Solvency II Balance Sheet	11,949	19,386
Discounting at the Risk Free Rate	(35,929)	(20,123)
Risk Margin	17,667	15,588
Total Solvency II Liability Adjustments	3,130	25,046

The differences between the company Financial Statements and Solvency II valuations are consistent across the Catalina UK Group, and are detailed in Section D of the main body of the report.

D.3 Other liabilities

The table below shows for Catalina Worthing Insurance Limited the value of each material class of Solvency II liabilities other than Technical Provisions.

Solvency II Classification	Solvency II	Valuation	Reclassification	Financial
	Value	Differences	Differences	Statements
	2021	2021	2021	2021
	GBP'000	GBP'000	GBP'000	GBP'000
Deposits received from Reinsurers	46,862	-	-	46,862
Insurance and Intermediaries	8,719	-	-	8,719
Payables (trade, not insurance)	324	-	-	324
Total Other Liabilities	55,905	-	-	55,905
	2020	2020	2020	2020
	GBP'000	GBP'000	GBP'000	GBP'000
Deposits received from Reinsurers	72,149	-	-	72,149
Insurance and Intermediaries	7,585	-	-	7,585
Payables (trade, not insurance)	993	-	-	993
Total Other Liabilities	80,727	-	-	80,727

The bases, methods and assumptions used to value the above liabilities are consistent across the Catalina UK Group, and are detailed in Section D of the main body of the report.

D.4 Alternative methods for valuation

Unless otherwise explained in Sections D1 to D3 of the main body of the report, no other alternative methods for valuation are used.

D.5 Any other information

Not applicable.

E. Capital Management

The objectives, policies and processes used to manage capital are consistent across the Catalina UK Group, and are detailed in Section E of the main body of the report.

E.1 Own Funds

Own funds represent Ordinary Share Capital and Reconciliation Reserve. The explanation for their categorisation as Tier 1 is included in section E.1 of the main body of the report.

	Tier 1	Tier 2	Tier 3	Total
	2021	2021	2021	2021
	GBP'000	GBP'000	GBP'000	GBP'000
Basic Own Funds				
Ordinary Share Capital	158,000	-	-	158,000
Reconciliation Reserve	(59,302)			(59,302)
Total basic Own Funds	98,698	-	-	98,698
	2020	2020	2020	2020
	GBP'000	GBP'000	GBP'000	GBP'000
Basic Own Funds				
Ordinary Share Capital	158,000	-	-	158,000
Reconciliation Reserve	(67,794)			(67,794)
Total basic Own Funds	90,206	-	-	90,206

The following shows the movement in Own Funds:

	2021	2020
	GBP'000	GBP'000
Opening own funds	90,206	85,213
Movement Financial Statements Retained Deficit	6,764	1,796
Movement Solvency II Asset Valuation differences – refer Section D.1 Assets	(20,188)	22,117
Movement Solvency II Liability Valuation differences – refer Section D.2 Technical Provisions	21,916	(18,920)
Closing Own Funds	98,698	90,206

Within Own Funds, the Reconciliation Reserve represents the retained earnings and capital reserve as reported in the Company Financial Statements less differences in valuations between Solvency II and Company Financial Statements valuations for assets and liabilities. The components of the Reconciliation Reserve at 31 December are:

Reconciliation Reserve Components	2021	2020	Movement
	GBP'000	GBP'000	GBP'000
Financial Statements Capital Reserve	19,920	19,920	-
Financial Statements Retained Deficit	(45,964)	(52,728)	6,764
Solvency II Asset Valuation differences – refer Section D.1 Assets	(30,128)	(9,940)	(20,188)
Solvency II Liability Valuation differences – refer Section D.2 Technical Provisions	(3,130)	(25,046)	21,916
Total Reconciliation Reserve	(59,302)	(67,794)	8,492

The eligibility of tiered Capital to cover the SCR and Minimum Capital requirement (“MCR”) depends on the tiering levels of the Company’s Own Funds. The Company’s Own Funds are all Tier 1 and comply with the Solvency II Regulations that:

- Eligible tier 1 items shall be at least 50% of the SCR; and
- Eligible tier 1 items shall be at least 80% of the MCR

	Tier 1 2021 GBP'000	Tier 2 2021 GBP'000	Tier 3 2021 GBP'000	Total 2021 GBP'000
Available and eligible own funds				
Total available own funds to meet the SCR	98,698	-	-	98,698
Total available own funds to meet the MCR	98,698	-	-	98,698
Total eligible own funds to meet the SCR	98,698	-	-	98,698
Total eligible own funds to meet the MCR	98,698	-	-	98,698
SCR				54,007
MCR				13,502
Ratio of Eligible own funds to SCR				183%
Ratio of Eligible own funds to MCR				731%

	Tier 1 2020 GBP'000	Tier 2 2020 GBP'000	Tier 3 2020 GBP'000	Total 2020 GBP'000
Available and eligible own funds				
Total available own funds to meet the SCR	90,206	-	-	90,206
Total available own funds to meet the MCR	90,206	-	-	90,206
Total eligible own funds to meet the SCR	90,206	-	-	90,206
Total eligible own funds to meet the MCR	90,206	-	-	90,206
SCR				35,436
MCR				8,859
Ratio of Eligible own funds to SCR				255%
Ratio of Eligible own funds to MCR				1018%

E.2 Solvency Capital Requirement and Minimum Capital Requirement

CWIL, in line with the Catalina UK Group, currently uses the Standard Formula to calculate its Solvency Capital Requirement ("SCR").

	2021 GBP'000	2020 GBP'000
By risk module		
Market risk	33,111	15,202
Default risk	6,172	14,924
Life risk	175	-
Non-life risk	18,736	6,133
Basic SCR before diversification	58,194	36,259
Diversification Benefits	(13,284)	(9,001)
Basic SCR	44,910	27,258
Operational risk	9,097	8,178
SCR	54,007	35,436
MCR	13,502	8,859

Market risk, counterparty default risk, non-life premium and reserve risk and operational risk all contribute to the SCR, although the main drivers of the SCR are the market risk and default risk. These modules are discussed in more detail in Section C of the main body of the report.

E.3 Use of the duration-based equity risk sub-module in the calculation of the SCR

The Company has not used the duration-based equity risk sub-module in the calculation of the SCR.

E.4 Internal model

The Company calculates the SCR using the standard formula. No internal or partial internal model is used in the calculation of the SCR.

E.5 Non-compliance with the MCR and significant non-compliance with the SCR

There has not been any non-compliance with the SCR or the MCR over the financial year nor is there expected to be any non-compliance with the SCR and MCR in the Business Planning period.

E.6 Any other information

Not applicable

Appendix 2: AGF Insurance Limited solo SFCR sections

Executive Summary

AGF Insurance Limited has been in run-off since 1998. Its principal activities are therefore the efficient and proper run-off of its claims portfolio, the management of its cash and investments, and the timely collection of its reinsurance assets and other debts.

The Group SFCR meets the regulatory requirement for public disclosure in respect of CWIL, AGF and CLL. As mentioned in the introduction in the main body of the report, CWIL, AGF and CLL are legal entities meeting all regulatory and governance requirements and their individual risk profile and capital requirements are monitored to ensure ongoing regulatory compliance. However, the Group does not manage each entity as an individual business and does not set individual business strategies. In light of this, it is important for the reader to understand that the focus of the Group SFCR is the activities of the Catalina UK Group as a whole.

A. Business and Performance

A.1 Business and external environment

A.1.1 Undertaking, financial supervisory authority

Name of the undertaking:	AGF Insurance Limited
Address of its registered office:	1 Alie Street, London, E1 8DE, England
Legal status:	Private Limited Company
Company registration number:	0661294
Legal Entity Identifier (LEI):	213800RACE2PXX1QU17
Ultimate parent:	Catalina Holdings (Bermuda) Ltd.
Financial supervisory authority:	Prudential Regulation Authority : Bank of England, Threadneedle Street, London, EC2R 8AH, England

A simplified group structure chart is included in section A.1.1 of the main body of the report.

A.1.2 Material lines of business and geographical areas where the Company carries out business

AGF was part of the Allianz SE Group, and was incorporated in 1960 under the name Employers' Mutual Insurance Association Limited. AGF wrote predominately direct Employers' Liability and Public Liability insurance within the UK. It ceased writing new business in 1999 and has since been in run-off. AGF has exposure pre-1960 as a result of its acquisition of NEM Insurance Co in 1989. An approximate breakdown of the claims outstanding by number of claims are: 45% Noise Induced Hearing Loss, 19% Mesothelioma, 14% Abuse, 7% Asbestosis and 15% Other.

Liabilities are classed as "General Liability" and are based in the UK. The Company's functional and presentational currency is GBP, reflecting the historical distribution of the Company's geographical business mix.

There were no significant changes to AGF during the reporting period.

A.2 Performance from underwriting activities

The table below shows the underwriting performance for the year end 31 December 2021, together with comparatives for the previous year.

	2021 GBP'000	2020 GBP'000
Earned premiums, net of reinsurance	-	-
Claims incurred, net of reinsurance	(4,608)	(9,033)
Net operating expenses	(3,870)	(4,319)
Balance on the technical account	(8,478)	(13,352)
By class of business:		
General Liability	(8,478)	(13,352)
Balance on the technical account	(8,478)	(13,352)

Commentary on the current year and prior year performance can be found in section A.2 of the main body of the report.

A.3 Performance from investment activities

The table below shows the investment income performance for the year ended 31 December 2021, together with comparatives for the previous year.

	Net investment income 2021 GBP'000	Net investment expense 2021 GBP'000	Net realised gains and losses 2021 GBP'000	Changes in fair value 2021 GBP'000	Net investment result 2021 GBP'000
Investments:					
- measured at FVTPL	7,595	(225)	4,989	(8,725)	3,634
- measured at amortised cost	1	-	-	-	1
	7,596	(225)	4,989	(8,725)	3,635
	2020	2020	2020	2020	2020
	GBP'000	GBP'000	GBP'000	GBP'000	GBP'000
Investments:					
- measured at FVTPL	7,483	(179)	708	8,174	16,186
- measured at amortised cost	3	-	-	-	3
	7,486	(179)	708	8,174	16,189

Commentary on the current year and prior year performance can be found in section A.2 of the main body of the report.

A.4 Other operating income and expenses

The table below details any other material operating income and expenses not shown in A.2 and A.3 above.

	2021 GBP'000	2020 GBP'000
Foreign exchange (loss) / gain	(8)	3

A.5 Any other disclosures

Not applicable.

B. System of Governance

The system of governance for AGF is identical to that of the Group and is described in Section B in the main body of the report

C. Risk Profile

AGF Insurance Limited's risks are managed in the same way as the risks of the Catalina UK Group, the details of which are included in section C of the main body of the report. The risk sensitivities of AGF Insurance Limited are detailed below.

C.1 Underwriting (Liability) Risk

AGF Insurance Limited's risks are managed in the same way as the risks of the Catalina UK Group, the details of which are included in section C of the main body of the report.

C.2 Market Risk

AGF Insurance Limited's sensitivities to interest rate, foreign exchange and other price risks are detailed below.

Interest rate risk	Pre-tax profit		Shareholder's equity	
	2021	2020	2021	2020
	GBP'000	GBP'000	GBP'000	GBP'000
1% increase	(11,681)	(11,558)	(9,462)	(9,362)
1% decrease	11,681	11,558	9,462	9,362

Foreign exchange risk	Pre-tax profit		Shareholders' equity	
	2021	2020	2021	2020
	GBP'000	GBP'000	GBP'000	GBP'000
GBP / USD				
10% increase in USD/GBP exchange rate	(15)	(8)	(12)	(7)
10% decrease in USD/GBP exchange rate	15	8	12	7
GBP / EUR				
10% increase in USD/EUR exchange rate	(38)	(21)	(31)	(17)
10% decrease in USD/EUR exchange rate	38	21	31	17

Other price risk	Pre-tax profit		Shareholders' equity	
	2021	2020	2021	2020
	GBP'000	GBP'000	GBP'000	GBP'000
1% increase				
Movement in fair value of share and other variable securities in unit trusts	98	120	79	97
Movement in fair value of debt securities and other fixed income securities	1,247	1,509	1,010	1,222
Movement in fair value of other financial investments	636	520	515	421
1% decrease				
Movement in fair value of share and other variable securities in unit trusts	(98)	(120)	(79)	(97)
Movement in fair value of debt securities and other fixed income securities	(1,247)	(1,509)	(1,010)	(1,222)
Movement in fair value of other financial investments	(636)	(520)	(515)	(421)

C.3 Credit Risk

AGF Insurance Limited's risks are managed in the same way as the risks of the Catalina UK Group, the details of which are included in section C of the main body of the report.

The split of assets by credit rating is detailed in the table below.

	2021	2020
	GBP'000	GBP'000
By class of asset:		
Financial investments	9,776	11,977
Debt securities and other fixed income securities	124,684	150,938
Other Financial Investments	59,878	51,953
Assets arising from reinsurance contracts held	9,797	9,129
Assets arising from insurance contracts held	1,166	2,532
Cash and cash equivalents	22,913	2,196
Other assets	3,102	15,264
Total assets bearing credit risk	231,316	243,989
By credit rating:		
AAA	29,774	13,375
AA	13,293	42,038
A	36,223	36,539
BBB	101,741	108,082
Below BBB or not rated	49,285	43,955
Total assets bearing credit risk	231,316	243,989
By past due ageing of debtors:		
Neither past due nor impaired	1,166	2,532
Past less than 30 days	-	-
Past due 31-60 days	-	6
Past due 61 – 90 days	42	95
Past due more than 90 days	1,480	1,331
Total financial assets past due or impaired	2,688	3,964

The total allowance for the impairment of debtors arising out of direct insurance and reinsurance operations at 31 December 2021 is £0.1million (2020: £0.2 million).

C.4 Liquidity Risk

AGF Insurance Limited's risks are managed in the same way as the risks of the Catalina UK Group, the details of which are included in section C of the main body of the report.

The following table shows details of the expected maturity profile of the Group's obligations with respect to its financial liabilities and estimated cash flows of recognised insurance liabilities.

	Less than 1 year 2021 GBP'000	1 – 5 years 2021 GBP'000	5+ years 2021 GBP'000	Total 2021 GBP'000
Financial liabilities and claims outstanding				
Claims outstanding	10,208	32,375	53,748	96,331
Creditors arising out of insurance operations	606	-	-	606
Other creditors including taxation and social security	420	-	-	420
Accruals and deferred income	181	26	-	207
	11,415	32,401	53,748	97,564

	Less than 1 year 2020 GBP'000	1 – 5 years 2020 GBP'000	5+ years 2020 GBP'000	Total 2020 GBP'000
Financial liabilities and claims outstanding				
Claims outstanding	11,849	34,210	58,742	104,801
Creditors arising out of insurance operations	606	-	-	606
Other creditors including taxation and social security	793	-	-	793
Accruals and deferred income	115	-	-	115
	13,363	34,210	58,742	106,315

C.5 Operational Risk

AGF Insurance Limited's risks are managed in the same way as the risks of the Catalina UK Group, the details of which are included in section C of the main body of the report.

C.6 Other Material Risks

AGF Insurance Limited's risks are managed in the same way as the risks of the Catalina UK Group, the details of which are included in section C of the main body of the report.

D. Valuation for Solvency Purposes

D.1 Assets

Assets have been recognised in line with the requirements of Solvency II valuation regulations, the basis of which is the amount for which they could be exchanged between knowledgeable willing parties in an arm's length transaction.

Solvency II Classification	Solvency II Value	Valuation Differences	Reclassified UK GAAP	Financial Statements Value
	2021 GBP'000	2021 GBP'000	2021 GBP'000	2021 GBP'000
Equities Listed	1,051			1,051
Equities Unlisted	8,725			8,725
Government Bonds	14,500		(8)	14,492
Corporate Bonds	111,694	(1)	(1,653)	110,040
Collateralised Securities	152			152
Collective Investment Undertakings	35,987		(3)	35,984
Deposits Other than Cash Equivalents	3,692	-	(3,692)	-
Derivatives	27	(31)	4	-
Loans and mortgages	24,206		(312)	23,894
Reinsurance Recoverable from Non Life	9,343	(1,068)		8,275
Insurance and intermediaries receivables	1,166			1,166
Receivables (trade, not insurance)	1,520	2		1,522
Reinsurance Receivables	145		(35)	110
Cash and Cash Equivalents	19,221		3,692	22,913
Other Assets	-	985	2,007	2,992
Total Assets	231,429	(113)	-	231,316
	2020 GBP'000	2020 GBP'000	2020 GBP'000	2020 GBP'000
Equities Unlisted	11,976	-	1	11,977
Government Bonds	30,494	-	(235)	30,259
Corporate Bonds	120,799	-	(1,630)	119,169
Collateralised Securities	1,516	-	(6)	1,510
Collective Investment Undertakings	29,846	-		29,846
Deposits Other than Cash Equivalents	-	-	-	-
Derivatives	427	-		427
Loans and mortgages	21,909	-	(229)	21,680
Reinsurance Recoverable from Non Life	9,136	(1,439)		7,697
Insurance and intermediaries receivables	2,532	-		2,532
Receivables (trade, not insurance)	1,429	3		1,432
Reinsurance Receivables	54	(10)		44
Cash and Cash Equivalents	15,264	-		15,264
Other Assets	-	53	2,099	2,152
Total Assets	245,382	(1,393)	-	243,989

The bases, methods and assumptions used to value the above assets are consistent across the Catalina UK Group, and are detailed in Section D of the main body of the report. Similarly, any difference between the

company Financial Statements and Solvency II valuations are consistent across the Catalina UK Group, and are also detailed in Section D of the main body of the report.

D.2 Technical provisions

The following table quantifies the total gross technical provisions on a Solvency II basis at 31 December 2021. The lines of business can represent direct, proportional reinsurance or non-proportional reinsurance liabilities.

	Gross Best Estimate GBP'000	Risk Margin GBP'000	Solvency II Gross Provisions Value GBP'000	Financial Statements Value GBP'000
2021				
By material line of business:				
Liability	115,728	20,067	135,795	96,331
	115,728	20,067	135,795	96,331
2020				
By material line of business:				
Liability	130,498	23,787	154,285	104,801
	130,498	23,787	154,285	104,801

The bases, methods and assumptions used to value the above technical provisions are consistent across the Catalina UK Group, and are detailed in Section D of the main body of the report.

The Company has adopted a deterministic approach to estimating Best Estimate Liabilities by making the following adjustments to the GAAP reserves in the Company's Financial Statements:

Solvency II Liability Adjustments Increase /(decrease)	2021 GBP'000	2020 GBP'000
Removal of 2.5% (2020:2.5%) discount per GAAP accounts	21,321	21,193
Event Not In Data (ENID) included in Solvency II Balance Sheet	3,308	3,594
Expense Provision increase included in Solvency II Balance Sheet	4,135	4,700
Discounting at the Risk Free Rate	(9,367)	(3,790)
Risk Margin	20,067	23,787
Total Solvency II Liability Adjustments	39,464	49,484

The differences between the company Financial Statements and Solvency II valuations are consistent across the Catalina UK Group, and are detailed in Section D of the main body of the report.

D.3 Other liabilities

The table below shows for AGF Insurance Limited the value of each material class of Solvency II liabilities other than Technical Provisions.

Solvency II Classification	Solvency II Value 2021 GBP'000	Valuation Differences 2021 GBP'000	Reclassification Differences 2021 GBP'000	Financial Statements Value 2021 GBP'000
Creditors arising out of insurance operations	606	-	-	606
Derivatives	38	-	(38)	-
Payables (trade, not insurance)	620	-	7	627
Total Other Liabilities	1,264	-	(31)	1,233
	2020 GBP'000	2020 GBP'000	2020 GBP'000	2020 GBP'000
Creditors arising out of insurance operations	606	-	-	606
Derivatives	-	-	-	-
Payables (trade, not insurance)	907	-	-	907
Total Other Liabilities	1,513	-	-	1,513

The bases, methods and assumptions used to value the above liabilities are consistent across the Catalina UK Group, and are detailed in Section D of the main body of the report.

D.4 Alternative methods for valuation

Unless otherwise explained in Sections D.1 to D.3 of the main body of the report, no other alternative methods for valuation are used.

D.5 Any other information

Not applicable.

E. Capital Management

The objectives, policies and processes used to manage capital are consistent across the Catalina UK Group, and are detailed in Section E of the main body of the report.

E.1 Own Funds

Own funds represent Ordinary Share Capital and Reconciliation Reserve. The explanation for their categorisation as Tier 1 is included in section E.1 of the main body of the report.

	Tier 1	Tier 2	Tier 3	Total
2021	GBP'000	GBP'000	GBP'000	GBP'000
Basic Own Funds				
Ordinary Share Capital	210,485	-	-	210,485
Reconciliation Reserve	(116,115)	-	-	(116,115)
Total basic Own Funds	94,370	-	-	94,370
2020				
Basic Own Funds				
Ordinary Share Capital	210,485	-	-	210,485
Reconciliation Reserve	(120,902)	-	-	(120,902)
Total basic Own Funds	89,583	-	-	89,583

The following shows the movement in Own Funds:

	2021	2020
	GBP'000	GBP'000
Opening own funds	89,583	90,543
Movement Financial Statements Retained Deficit	(3,922)	2,331
Movement Solvency II Asset Valuation differences – refer Section D.1 Assets	(1,280)	1,220
Movement Solvency II Liability Valuation and Reclassification differences – refer Section D.2 Technical Provisions	10,020	(4,511)
Movement Solvency II Liability Valuation and Reclassification differences – refer Section D.3 Liabilities	(31)	-
Closing Own Funds	94,370	89,583

Within Own Funds, the Reconciliation Reserve represents the retained earnings and capital reserve as reported in the Company Financial Statements less differences in valuations between Solvency II and Company Financial Statements valuations for assets and liabilities. The components of the Reconciliation Reserve at 31 December are:

Reconciliation Reserve Components	2021	2020	Movement
	GBP'000	GBP'000	GBP'000
Financial Statements Capital Reserve	15,000	15,000	-
Financial Statements Retained Deficit	(162,576)	(158,654)	(3,922)
Financial Statements Other Non-Distributable Reserves	70,843	70,843	-
Solvency II Asset Valuation and Reclassification differences – refer Section D.1 Assets	113	1,393	(1,280)
Solvency II Liability Valuation and Reclassification differences – refer Section D.2 Technical Provisions	(39,464)	(49,484)	10,020
Solvency II Liability Valuation and Reclassification differences – refer Section D.3 Liabilities	(31)	-	(31)
Total Reconciliation Reserve	(116,115)	(120,902)	4,787

The eligibility of tiered Capital to cover the SCR and Minimum Capital requirement (“MCR”) depends on the tiering levels of the Company’s Own Funds. The Company’s Own Funds are all Tier 1 and comply with the Solvency II Regulations that:

- Eligible tier 1 items shall be at least 50% of the SCR; and
- Eligible tier 1 items shall be at least 80% of the MCR.

	Tier 1 2021 GBP'000	Tier 2 2021 GBP'000	Tier 3 2021 GBP'000	Total 2021 GBP'000
Available and eligible own funds				
Total available own funds to meet the SCR	94,370	-	-	94,370
Total available own funds to meet the MCR	94,370	-	-	94,370
Total eligible own funds to meet the SCR	94,370	-	-	94,370
Total eligible own funds to meet the MCR	94,370	-	-	94,370
SCR				51,986
MCR				12,997
Ratio of Eligible own funds to SCR				182%
Ratio of Eligible own funds to MCR				726%

	Tier 1 2020 GBP'000	Tier 2 2020 GBP'000	Tier 3 2020 GBP'000	Total 2020 GBP'000
Available and eligible own funds				
Total available own funds to meet the SCR	89,583	-	-	89,583
Total available own funds to meet the MCR	89,583	-	-	89,583
Total eligible own funds to meet the SCR	89,583	-	-	89,583
Total eligible own funds to meet the MCR	89,583	-	-	89,583
SCR				57,898
MCR				14,475
Ratio of Eligible own funds to SCR				155%
Ratio of Eligible own funds to MCR				619%

E.2 Solvency Capital Requirement and Minimum Capital Requirement

AGF, in line with the Catalina UK Group, currently uses the Standard Formula to calculate its Solvency Capital Requirement (“SCR”).

	2021 GBP'000	2020 GBP'000
By risk module		
Market risk	24,045	26,476
Default risk	2,439	1,446
Non-life risk	35,107	40,049
Basic SCR before diversification	61,591	67,971
Diversification Benefits	(13,077)	(13,987)
Basic SCR	48,514	53,984
Operational risk	3,472	3,914
SCR	51,986	57,898
MCR	12,997	14,475

Market risk, counterparty default risk, non-life premium and reserve risk and operational risk all contribute to the SCR, although the main drivers of the SCR are the market risk and non-life premium and reserve risk. These modules are discussed in more detail in Section C of the main body of the report.

E.3 Use of the duration-based equity risk sub-module in the calculation of the SCR

The Company has not used the duration-based equity risk sub-module in the calculation of the SCR.

E.4 Internal model

The Company calculates the SCR using the standard formula. No internal or partial internal model is used in the calculation of the SCR.

E.5 Non-compliance with the MCR and significant non-compliance with the SCR

There has not been any non-compliance with the SCR or the MCR over the financial year nor is there expected to be any non-compliance with the SCR and MCR in the Business Planning period.

E.6 Any other information

Not applicable.

Appendix 3: Catalina London Limited solo SFCR sections

Executive Summary

Catalina London Limited has been in run-off since 2005. Its principal activities are therefore the efficient and proper run-off of its claims portfolio, the management of its cash and investments, and the timely collection of its reinsurance assets and other debts.

The Group SFCR meets the regulatory requirement for public disclosure in respect of CWIL, AGF and CLL. As mentioned in the introduction in the main body of the report, CWIL, AGF and CLL are legal entities meeting all regulatory and governance requirements and their individual risk profile and capital requirements are monitored to ensure ongoing regulatory compliance. However, the Group does not manage each entity as an individual business and does not set individual business strategies. In light of this, it is important for the reader to understand that the focus of the Group SFCR is the activities of the Catalina UK Group as a whole.

A. Business and Performance

A.1 Business and external environment

A.1.1 Undertaking, financial supervisory authority

Name of the undertaking:	Catalina London Limited
Address of its registered office:	1 Alie Street, London, E1 8DE, England
Legal status:	Private Limited Company
Company registration number:	01531718
Legal Entity Identifier (LEI):	5493009IUEXJFUIM2W86
Ultimate parent:	Catalina Holdings (Bermuda) Ltd.
Financial supervisory authority:	Prudential Regulation Authority : Bank of England, Threadneedle Street, London, EC2R 8AH, England

A simplified group structure chart is included in section A.1.1 of the main body of the report.

A.1.2 Material lines of business and geographical areas where the Company carries out business

CLL, formerly “Alea London Limited” (“ALL”), was purchased by CHBL in October 2009. CHBL is a specialist consolidator of non-life general insurance and reinsurance companies and portfolios in run-off. CHBL acquires and manages such portfolios in run-off with the purpose of achieving a competitive return on equity and consistent growth in net tangible assets. The Group is based in Bermuda and currently has other offices in the United Kingdom, the Republic of Ireland, Singapore, the United States of America and Switzerland.

ALL was created following the acquisition of The Imperial Fire and Marine Re-Insurance Company by the Alea Group in July 2000. ALL wrote general insurance and reinsurance business from 2000 until 5th December 2005 when it announced its intention to place its operations into run-off. In May 2009, the Alea Group took the strategic decision to sell ALL and commenced a sales process in order to do so. Catalina emerged as the successful bidder.

On 30 November 2017, by way of a Part VII Transfer, the whole of the insurance business of KX Reinsurance Limited and OX Reinsurance Limited, both Catalina owned UK companies, was transferred to CLL.

KX Re was formerly a UK regulated subsidiary of CNA Financial Corporation, part of the Loews Corporation, and wrote direct and reinsurance business principally in the London Insurance Market between 1951 and 1992 when it was closed to new business. After ceasing to write new business in 1992, KX Re entered into

a number of inwards transfer agreements. Under these agreements certain UK portfolios of fellow group UK subsidiaries were transferred to KX Re. The portfolios transferred cover a wide range of insurance and reinsurance risks including aviation, marine, personal lines (including motor, yacht, personal accident, etc.) and London Market amongst others. Following the Part VII transfer to CLL, KX Re was dissolved in September 2018.

OX Re was a member of a pool of reinsurers which reinsured property and casualty risks written by Community Re between 1979 and 1983. The vast majority of OX Re's reserves have been paid out via various Schemes of Arrangement and the book now consists of its membership of the Community Re pool which is 100% reinsured and very limited UK Employers' Liability exposures from the WFUM pool which were not subject to a Scheme of Arrangement. On behalf of CLL, the business is managed and administered by Hampden plc. Following the Part VII transfer to CLL, OX Re was dissolved in September 2018.

There were no significant changes to CLL during the reporting period.

A.2 Performance from underwriting activities

The table below shows the underwriting performance for the year end 31 December 2021, together with comparatives for the previous year.

	2021	2020
	USD'000	USD'000
Earned premiums, net of reinsurance	12	6
Claims incurred, net of reinsurance	1,388	(2,964)
Net operating expenses	(3,270)	(2,855)
Balance on the technical account	(1,870)	(5,813)
By class of business:		
Direct Insurance		
Property	(695)	(631)
Casualty	(792)	(270)
Reinsurance		
Casualty	(707)	(4,458)
Marine/Aviation	415	(169)
Property	(91)	(285)
Balance on the technical account	(1,870)	(5,813)

Commentary on the current year and prior year performance, can be found in section A.2 of the main body of the report.

A.3 Performance from investment activities

The table below shows the investment income performance for the year ended 31 December 2021, together with comparatives for the previous year.

	Net investment income	Net investment expense	Net realised gains and losses	Changes in fair value	Net investment result
	2021	2021	2021	2021	2021
	USD'000	USD'000	USD'000	USD'000	USD'000
Investments:					
- measured at FVTPL	924	(41)	2,330	(2,598)	615
	924	(41)	2,330	(2,598)	615

	Net investment income	Net investment expense	Net realised gains and losses	Changes in fair value	Net investment result
	2020	2020	2020	2020	2020
	USD'000	USD'000	USD'000	USD'000	USD'000
Investments:					
- measured at FVTPL	1,064	(41)	(7)	1,224	2,240
- measured at amortised cost	14	-	-	-	14
	1,078	(41)	(7)	1,224	2,254

Commentary on the current year and prior year performance, can be found in section A.2 of the main body of the report.

A.4 Other operating income and expenses

The table below details any other material operating income and expenses not shown in A.2 and A.3 above.

	2021	2020
	USD'000	USD'000
Foreign exchange loss	(5)	(142)

A.5 Any other disclosures

Not applicable.

B. System of Governance

The system of governance for CLL is identical to that of the Group and is described in Section B in the main body of the report

C. Risk Profile

Catalina London Limited's risks are managed in the same way as the risks of the Catalina UK Group, the details of which are included in section C of the main body of the report. The risk sensitivities of Catalina London Limited are detailed below.

C.1 Underwriting (Liability) Risk

Catalina London Limited's risks are managed in the same way as the risks of the Catalina UK Group, the details of which are included in section C of the main body of the report.

C.2 Market Risk

Catalina London Limited's sensitivities to interest rate, foreign exchange and other price risks are detailed below.

<u>Interest rate risk</u>	Pre-tax profit		Shareholder's equity	
	2021	2020	2021	2020
	USD'000	USD'000	USD'000	USD'000
1% increase	(539)	(857)	(539)	(857)
1% decrease	539	857	539	857

Foreign exchange risk	Pre-tax profit		Shareholders' equity	
	2021	2020	2021	2020
	USD'000	USD'000	USD'000	USD'000
USD / GBP				
10% increase in USD/GBP exchange rate	113	9	113	9
10% decrease in USD/GBP exchange rate	(113)	(9)	(113)	(9)
USD / EUR				
10% increase in USD/EUR exchange rate	(22)	12	(22)	12
10% decrease in USD/EUR exchange rate	22	(12)	22	(12)

Other price risk	Pre-tax profit		Shareholders' equity	
	2021	2020	2021	2020
	USD'000	USD'000	USD'000	USD'000
1% increase				
Movement in fair value of share and other variable securities in unit trusts	8	52	8	52
Movement in fair value of debt securities and other fixed income securities	253	271	253	271
Movement in fair value of other financial investments	66	64	66	64
1% decrease				
Movement in fair value of share and other variable securities in unit trusts	(8)	(52)	(8)	(52)
Movement in fair value of debt securities and other fixed income securities	(253)	(271)	(253)	(271)
Movement in fair value of other financial investments	(66)	(64)	(66)	(64)

C.3 Credit Risk

Catalina London Limited's risks are managed in the same way as the risks of the Catalina UK Group, the details of which are included in section C of the main body of the report.

The split of assets by credit rating is detailed in the table below.

	2021	2020
	USD'000	USD'000
By class of asset:		
Financial investments	818	5,163
Debt securities and other fixed income securities	25,346	27,141
Other Financial Investments	6,589	6,369
Assets arising from reinsurance contracts held	26,638	29,262
Assets arising from insurance contracts held	384	342
Cash and cash equivalents	19,866	18,407
Other assets	667	1,439
Total assets bearing credit risk	80,308	88,123
By credit rating:		
AAA	2,530	3,420
AA	15,237	15,347
A	29,574	35,346
BBB	15,458	14,053
Below BBB or not rated	17,509	19,957
Total assets bearing credit risk	80,308	88,123
Financial assets past due or impaired		
Neither past due nor impaired	9,758	9,822
Past due less than 30 days	-	-
Past due more than 90 days	1,916	1,324
Total financial assets past due or impaired	11,674	11,146

The total allowance for the impairment of debtors arising out of direct insurance and reinsurance operations at 31 December 2021 is USD\$10.0 million (2020:USD\$10.4 million).

C.4 Liquidity Risk

Catalina London Limited's risks are managed in the same way as the risks of the Catalina UK Group, the details of which are included in section C of the main body of the report

The following table shows details of the expected maturity profile of the Group's undiscounted obligations with respect to its financial liabilities and estimated cash flows of recognised insurance liabilities.

	Less than 1 year \$'000	1 – 5 years \$'000	5+ years \$'000	Total \$'000
2021				
Financial liabilities and claims outstanding				
Claims outstanding	4,720	12,394	19,466	36,580
Creditors arising out of reinsurance operations	3,473	-	-	3,473
Other creditors including taxation and social security	167	-	-	167
Accruals and deferred income	200	-	-	200
	8,560	12,394	19,466	40,420
2020				
Financial liabilities and claims outstanding				
Claims outstanding	11,429	13,088	19,327	43,844
Creditors arising out of reinsurance operations	2,718	-	-	2,718
Other creditors including taxation and social security	230	-	-	230
Accruals and deferred income	186	-	-	186
	14,563	13,088	19,327	46,978

C.5 Operational Risk

Catalina London Limited's risks are managed in the same way as the risks of the Catalina UK Group, the details of which are included in section C of the main body of the report

C.6 Other Material Risks

Catalina London Limited's risks are managed in the same way as the risks of the Catalina UK Group, the details of which are included in section C of the main body of the report

D. Valuation for Solvency Purposes

D.1 Assets

Assets have been recognised in line with the requirements of Solvency II valuation regulations, the basis of which is the amount for which they could be exchanged between knowledgeable willing parties in an arm's length transaction.

Solvency II Classification	Solvency II Value	Valuation Differences	Reclassified UK GAAP	Financial Statements Value
	2021 USD'000	2021 USD'000	2021 USD'000	2021 USD'000
Equities Listed	770	-	-	770
Equities Unlisted	48	-	-	48
Government Bonds	1,060	-	(5)	1,055
Corporate Bonds	23,263	-	(182)	23,081
Collateralised Securities	1,213	-	(3)	1,210
Collective Investment Undertakings	6,589	-	-	6,589
Deposits Other than Cash Equivalents	12,599	-	(1)	12,598
Reinsurance Recoverable from Non Life	14,315	1,033	-	15,348
Deposits to Cedants	330	-	-	330
Insurance and intermediaries receivables	384	-	-	384
Reinsurance Receivables	10,753	537	-	11,290
Receivables (trade, not insurance)	324	-	-	324
Cash and Cash Equivalents	6,938	-	-	6,938
Other Assets	-	152	191	343
Total Assets	78,586	1,722	-	80,308
	2020	2020	2020	2020
	USD'000	USD'000	USD'000	USD'000
Equities Listed	804	-	-	804
Equities Unlisted	4,359	-	-	4,359
Government Bonds	2,597	-	(22)	2,575
Corporate Bonds	24,253	-	(125)	24,128
Collateralised Securities	439	-	(1)	438
Collective Investment Undertakings	6,369	-	-	6,369
Deposits Other than Cash Equivalents	14,910	-	(1)	14,909
Reinsurance Recoverable from Non Life	18,330	128	-	18,458
Deposits to Cedants	159	-	-	159
Insurance and intermediaries receivables	342	-	-	342
Reinsurance Receivables	10,768	36	-	10,804
Receivables (trade, not insurance)	1,100	-	-	1,100
Cash and Cash Equivalents	3,339	-	-	3,339
Other Assets	-	190	149	339
Total Assets	87,769	354	-	88,123

The bases, methods and assumptions used to value the above assets are consistent across the Catalina UK Group, and are detailed in Section D of the main body of the report. Similarly, any difference between the company's Financial Statement and Solvency II valuations are consistent across the Catalina UK Group, and are also detailed in Section D of the main body of the report.

D.2 Technical provisions

The following table quantifies the total gross technical provisions on a Solvency II basis at 31 December 2021. The lines of business can represent direct, proportional reinsurance or non-proportional reinsurance liabilities.

2021	Gross Best	Risk Margin	Total Solvency II	Total Financial
	Estimate		Gross Provisions	Statements
	2021	2021	Value	Value
	USD'000	USD'000	2021	2021
			USD'000	USD'000
By material line of business:				
Liability	29,138	3,617	32,755	30,068
Property	1,644	203	1,847	1,695
Marine, Aviation and Transport	2,893	359	3,252	2,985
Workers Compensation	1,517	188	1,705	1,565
Other	259	32	291	267
	35,451	4,399	39,850	36,580
<hr/>				
2020	2020	2020	2020	2020
	USD'000	USD'000	USD'000	USD'000
By material line of business:				
Liability	39,069	4,209	43,278	37,203
Motor	19	2	21	18
Property	1,948	209	2,157	1,854
Marine, Aviation and Transport	2,980	321	3,301	2,838
Workers Compensation	1,667	180	1,847	1,588
Other	360	39	399	343
	46,043	4,960	51,003	43,844

The bases, methods and assumptions used to value the above technical provisions are consistent across the Catalina UK Group, and are detailed in Section D of the main body of the report.

The Company has adopted a deterministic approach to estimating Best Estimate Liabilities by making the following adjustments to the GAAP reserves in the Company's Financial Statements:

Solvency II Liability Adjustments	2021	2020
Increase /(decrease)	USD'000	USD'000
Event Not In Data (ENID) included in Solvency II Balance Sheet	827	963
Expense Provision increase included in Solvency II Balance Sheet	1,629	3,034
Discounting at the Risk Free Rate	(3,585)	(1,798)
Risk Margin	4,399	4,960
Total Solvency II Liability Adjustments	3,270	7,159

The differences between the company Financial Statements and Solvency II valuations are consistent across the Catalina UK Group, and are detailed in Section D of the main body of the report.

D.3 Other liabilities

The table below shows for Catalina London Limited the value of each material class of Solvency II liabilities other than Technical Provisions.

Solvency II Classification	Solvency II	Valuation	Reclassification	Financial
	Value	Differences	Differences	Statements
	2021	2021	2021	Value
	USD'000	USD'000	USD'000	2021
				USD'000
Reinsurance Payables	3,473	-	-	3,473
Payables (trade, not insurance)	367	-	-	367
Total Other Liabilities	3,840	-	-	3,840
	2020	2020	2020	2020
	USD'000	USD'000	USD'000	USD'000
Derivatives	222	-	-	222
Reinsurance Payables	2,717	-	-	2,717
Payables (trade, not insurance)	194	-	-	194
Total Other Liabilities	3,133	-	-	3,133

The bases, methods and assumptions used to value the above liabilities are consistent across the Catalina UK Group, and are detailed in Section D of the main body of the report.

D.4 Alternative methods for valuation

Unless otherwise explained in Sections D.1 to D.3 of the main body of the report, no other alternative methods for valuation are used.

D.5 Any other information

Not applicable.

E. Capital Management

The objectives, policies and processes used to manage capital are consistent across the Catalina UK Group, and are detailed in Section E of the main body of the report.

E.1 Own Funds

Own funds represent Ordinary Share Capital and Reconciliation Reserve. The explanation for their categorisation as Tier 1 is included in section E.1 of the main body of the report.

	Tier 1 2021 USD'000	Tier 2 2021 USD'000	Tier 3 2021 USD'000	Total 2021 USD'000
Basic Own Funds				
Ordinary Share Capital	1,000	-	-	1,000
Reconciliation Reserve	33,896	-	-	33,896
Total basic Own Funds	34,896	-	-	34,896
	2020 USD'000	2020 USD'000	2020 USD'000	2020 USD'000
Basic Own Funds				
Ordinary Share Capital	1,000	-	-	1,000
Reconciliation Reserve	32,632	-	-	32,632
Total basic Own Funds	33,632	-	-	33,632

The following shows the movement in Own Funds:

	2021 USD'000	2020 USD'000
Opening own funds	33,632	37,608
Movement Financial Statements Retained Deficit	(1,257)	(3,701)
Movement Solvency II Asset Valuation differences – refer Section D.1 Assets	(1,368)	1,410
Movement Solvency II Liability Valuation differences – refer Section D.2 Technical Provisions	3,889	(1,685)
Movement Solvency II Liability Valuation differences – refer Section D.3 Other Liabilities	-	-
Closing Own Funds	34,896	33,632

Within Own Funds, the Reconciliation Reserve represents the retained earnings and capital reserve as reported in the Company Financial Statements less differences in valuations between Solvency II and Company Financial Statements valuations for assets and liabilities. The components of the Reconciliation Reserve at 31 December are:

Reconciliation Reserve Components	2021 USD'000	2020 USD'000	Movement USD'000
Financial Statements Capital Reserve	51,643	51,643	-
Financial Statements Retained Deficit	(12,755)	(11,498)	(1,257)
Solvency II Asset Valuation differences – refer Section D.1 Assets	(1,722)	(354)	(1,368)
Solvency II Liability Valuation differences – refer Sections D.2 Technical Provisions	(3,270)	(7,159)	3,889
Total Reconciliation Reserve	33,896	32,632	1,264

The eligibility of tiered Capital to cover the SCR and Minimum Capital requirement (“MCR”) depends on the tiering levels of the Company’s Own Funds. The Company’s Own Funds are all Tier 1 and comply with the Solvency II Regulations that:

- Eligible tier 1 items shall be at least 50% of the SCR; and
- Eligible tier 1 items shall be at least 80% of the MCR.

	Tier 1 2021 USD'000	Tier 2 2021 USD'000	Tier 3 2021 USD'000	Total 2021 USD'000
Available and eligible own funds				
Total available own funds to meet the SCR	34,896	-	-	34,896
Total available own funds to meet the MCR	34,896	-	-	34,896
Total eligible own funds to meet the SCR	34,896	-	-	34,896
Total eligible own funds to meet the MCR	34,896	-	-	34,896
SCR				12,120
MCR				4,309
Ratio of Eligible own funds to SCR				288%
Ratio of Eligible own funds to MCR				810%

	Tier 1 2020 USD'000	Tier 2 2020 USD'000	Tier 3 2020 USD'000	Total 2020 USD'000
Available and eligible own funds				
Total available own funds to meet the SCR	33,632	-	-	33,632
Total available own funds to meet the MCR	33,632	-	-	33,632
Total eligible own funds to meet the SCR	33,632	-	-	33,632
Total eligible own funds to meet the MCR	33,632	-	-	33,632
SCR				15,553
MCR				4,328
Ratio of Eligible own funds to SCR				216%
Ratio of Eligible own funds to MCR				777%

E.2 Solvency Capital Requirement and Minimum Capital Requirement

CLL, in line with the Catalina UK Group, currently uses the Standard Formula to calculate its Solvency Capital Requirement ("SCR").

	2021 USD'000	2020 USD'000
By risk module		
Market risk	4,035	4,487
Default risk	3,113	3,973
Non-life risk	7,639	10,210
Basic SCR before diversification	14,787	18,670
Diversification Benefits	(3,731)	(4,498)
Basic SCR	11,056	14,172
Operational risk	1,064	1,381
SCR	12,120	15,553
MCR	4,309	4,328

Market risk, counterparty default risk, non-life premium and reserve risk and operational risk all contribute to the SCR, although the main drivers of the SCR are the market risk and non-life premium and reserve risk. These modules are discussed in more detail in Section C of the main body of the report.

E.3 Use of the duration-based equity risk sub-module in the calculation of the SCR

The Company has not used the duration-based equity risk sub-module in the calculation of the SCR.

E.4 Internal model

The Company calculates the SCR using the standard formula. No internal or partial internal model is used in the calculation of the SCR.

E.5 Non-compliance with the MCR and significant non-compliance with the SCR

There has not been any non-compliance with the SCR or the MCR over the financial year nor is there expected to be any non-compliance with the SCR and MCR in the Business Planning period.

E.6 Any other information

Not applicable.

Appendix 4: Reporting templates

The quantitative reporting templates which form part of the Annual Regulatory Templates listed below are required to be published alongside the SFCR.

Catalina Holdings UK Limited

S.02.01.02	Balance Sheet Information
S.05.01.02	Information on Premiums, Claims and Expenses, applying the valuation and recognition principles used in the company's financial statements.
S.23.01.22	Information on Own funds
S.25.01.22	Information on the SCR using the Standard Formula
S.32.01.22	Undertakings in the scope of the Group

Catalina Worthing Insurance Limited

S.02.01.02	Balance Sheet Information
S.05.01.02	Information on Premiums, Claims and Expenses, applying the valuation and recognition principles used in the company's financial statements.
S.05.02.01	Information on Premiums, Claims and Expenses - by Country, applying the valuation and recognition principles used in the company's financial statements.
S.12.01.02	Life and Health SLT Technical Provisions
S.17.01.02	Information on non-life technical provisions by LOB
S.19.01.21	Information on non-life insurance claims by LOB in the format of development triangles.
S.23.01.01	Information on Own funds
S.25.01.21	Information on the SCR using the Standard Formula
S.28.01.01	Minimum Capital Requirement for the Entity

AGF Insurance Limited

S.02.01.02	Balance Sheet Information
S.05.01.02	Information on Premiums, Claims and Expenses, applying the valuation and recognition principles used in the company's financial statements.
S.17.01.02	Information on non-life technical provisions by LOB
S.19.01.21	Information on non-life insurance claims by LOB in the format of development triangles.
S.23.01.01	Information on Own funds
S.25.01.21	Information on the SCR using the Standard Formula
S.28.01.01	Minimum Capital Requirement for the Entity

Catalina London Limited

S.02.01.02	Balance Sheet Information
S.05.01.02	Information on Premiums, Claims and Expenses, applying the valuation and recognition principles used in the company's financial statements.
S.17.01.02	Information on non-life technical provisions by LOB
S.19.01.21	Information on non-life insurance claims by LOB in the format of development triangles.
S.23.01.01	Information on Own funds
S.25.01.21	Information on the SCR using the Standard Formula
S.28.01.01	Minimum Capital Requirement for the Entity

CATALINA HOLDINGS UK LIMITED

Annex I

S.02.01.02

Balance sheet

Assets

Intangible assets
Deferred tax assets
Pension benefit surplus
Property, plant & equipment held for own use
Investments (other than assets held for index-linked and unit-linked contracts)
Property (other than for own use)
Holdings in related undertakings, including participations
Equities
Equities - listed
Equities - unlisted
Bonds
Government Bonds
Corporate Bonds
Structured notes
Collateralised securities
Collective Investments Undertakings
Derivatives
Deposits other than cash equivalents
Other investments
Assets held for index-linked and unit-linked contract
Loans and mortgages
Loans on policies
Loans and mortgages to individuals
Other loans and mortgages
Reinsurance recoverables from:
Non-life and health similar to non-life
Non-life excluding health
Health similar to non-life
Life and health similar to life, excluding health and index-linked and unit-link
Health similar to life
Life excluding health and index-linked and unit-link
Life index-linked and unit-linked
Deposits to cedants
Insurance and intermediaries receivables
Reinsurance receivables
Receivables (trade, not insurance)
Own shares (held directly)
Amounts due in respect of own fund items or initial fund called up but not yet paid i
Cash and cash equivalents
Any other assets, not elsewhere shown
Total assets

Liabilities

Technical provisions – non-life
Technical provisions – non-life (excluding health)
TP calculated as a whole
Best Estimate
Risk margin
Technical provisions - health (similar to non-life)
TP calculated as a whole
Best Estimate
Risk margin
Technical provisions - life (excluding index-linked and unit-link)
Technical provisions - health (similar to life)
TP calculated as a whole
Best Estimate
Risk margin
Technical provisions – life (excluding health and index-linked and unit-link)
TP calculated as a whole
Best Estimate
Risk margin
Technical provisions – index-linked and unit-linked
TP calculated as a whole
Best Estimate
Risk margin
Contingent liabilities
Provisions other than technical provisions
Pension benefit obligations
Deposits from reinsurers
Deferred tax liabilities
Derivatives
Debts owed to credit institutions
Financial liabilities other than debts owed to credit institution
Insurance & intermediaries payables
Reinsurance payables
Payables (trade, not insurance)
Subordinated liabilities
Subordinated liabilities not in BOF
Subordinated liabilities in BOF
Any other liabilities, not elsewhere shown
Total liabilities
Excess of assets over liabilities

	Solvency II value
	C0010
R0030	
R0040	
R0050	
R0060	319
R0070	519,924
R0080	
R0090	
R0100	20,788
R0110	2,192
R0120	18,596
R0130	285,454
R0140	20,677
R0150	237,458
R0160	
R0170	27,319
R0180	111,026
R0190	63
R0200	102,593
R0210	
R0220	
R0230	41,695
R0240	
R0250	
R0260	41,695
R0270	366,801
R0280	350,860
R0290	350,860
R0300	
R0310	15,941
R0320	
R0330	15,941
R0340	
R0350	9,140
R0360	5,674
R0370	35,100
R0380	20,165
R0390	
R0400	
R0410	58,035
R0420	
R0500	1,056,853
	Solvency II value
	C0010
R0510	646,854
R0520	644,951
R0530	
R0540	594,590
R0550	50,362
R0560	1,903
R0570	
R0580	1,754
R0590	149
R0600	21,288
R0610	
R0620	
R0630	
R0640	
R0650	21,288
R0660	
R0670	19,625
R0680	1,662
R0690	
R0700	
R0710	
R0720	
R0740	
R0750	
R0760	
R0770	63,400
R0780	
R0790	51
R0800	
R0810	
R0820	
R0830	14,107
R0840	10,949
R0850	
R0860	
R0870	
R0880	
R0900	756,649
R1000	300,204

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

	Line of Business for: non-life insurance and reinsurance obligations (direct business)					Line of business for:				Total
	Motor vehicle liability insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Health	Casualty	Marine, aviation, transport	Property	
	C0040	C0060	C0070	C0080	C0090	C0130	C0140	C0150	C0160	
Premiums written										
Gross - Direct Business	R0110									
Gross - Proportional reinsurance accepted	R0120			-9						-9
Gross - Non-proportional reinsurance accepted	R0130					10	2	84		97
Reinsurers' share	R0140	-3,357	-198	-52,225		-28,292	-18	-2,539		-86,629
Net	R0200	3,357	198	52,217		28,302	20	2,623		86,717
Premiums earned										
Gross - Direct Business	R0210									
Gross - Proportional reinsurance accepted	R0220			-9						-9
Gross - Non-proportional reinsurance accepted	R0230					10	2	84		97
Reinsurers' share	R0240	-3,357	-198	-52,225		-28,292	-18	-2,539		-86,629
Net	R0300	3,357	198	52,217		28,302	20	2,623		86,717
Claims incurred										
Gross - Direct Business	R0310	-14,966	1,714	35,173						21,921
Gross - Proportional reinsurance accepted	R0320	-87	-1,399	-2,317						-3,835
Gross - Non-proportional reinsurance accepted	R0330					-264	-4,592	760	-1,230	-5,326
Reinsurers' share	R0340	-54	-17,979	376	-19,593	-165	-34,878	403	-3,433	-75,322
Net	R0400	-33	2,981	-61	52,449	-100	30,286	357	2,202	88,082
Changes in other technical provisions										
Gross - Direct Business	R0410									
Gross - Proportional reinsurance accepted	R0420									
Gross - Non-proportional reinsurance accepted	R0430									
Reinsurers' share	R0440									
Net	R0500									
Expenses incurred	R0550	77	-56	1,279	10,662	235	2,937	-692	315	14,756
Other expenses	R1200									
Total expenses	R1300									14,756

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

	Line of Business for: life insurance obligations		Life reinsurance obligations		Total
	Other life insurance	Annuities stemming from non-life insurance contracts and relating to insurance obligations other	Health reinsurance	Life-reinsurance	
	C0240	C0260	C0270	C0280	
Premiums written					
Gross	R1410				
Reinsurers' share	R1420	-2,119			-2,119
Net	R1500	2,119			2,119
Premiums earned					
Gross	R1510				
Reinsurers' share	R1520	-2,119			-2,119
Net	R1600	2,119			2,119
Claims incurred					
Gross	R1610	879			879
Reinsurers' share	R1620	-1,245			-1,245
Net	R1700	2,124			2,124
Changes in other technical provisions					
Gross	R1710				
Reinsurers' share	R1720				
Net	R1800				
Expenses incurred	R1900	169			169
Other expenses	R2500				
Total expenses	R2600				169

Basic own funds before deduction for participations in other financial sector

Ordinary share capital (gross of own shares)
 Non-available called but not paid in ordinary share capital at group level
 Share premium account related to ordinary share capital
 Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings
 Subordinated mutual member accounts
 Non-available subordinated mutual member accounts at group level
 Surplus funds
 Non-available surplus funds at group level
 Preference shares
 Non-available preference shares at group level
 Share premium account related to preference shares
 Non-available share premium account related to preference shares at group level
 Reconciliation reserve
 Subordinated liabilities
 Non-available subordinated liabilities at group level
 An amount equal to the value of net deferred tax assets
 The amount equal to the value of net deferred tax assets not available at the group level
 Other items approved by supervisory authority as basic own funds not specified above
 Non available own funds related to other own funds items approved by supervisory authority
 Minority interests (if not reported as part of a specific own fund item)
 Non-available minority interests at group level

Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds

Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds

Deductions

Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities
 whereof deducted according to art 228 of the Directive 2009/138/EC
 Deductions for participations where there is non-availability of information (Article 229)
 Deduction for participations included by using D&A when a combination of methods is used
 Total of non-available own fund items

Total deductions

Total basic own funds after deductions

Ancillary own funds

Unpaid and uncalled ordinary share capital callable on demand
 Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand
 Unpaid and uncalled preference shares callable on demand
 Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC
 Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC

Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC
 Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC
 Non available ancillary own funds at group level
 Other ancillary own funds

Total ancillary own funds

Own funds of other financial sectors

Reconciliation reserve

Institutions for occupational retirement provision
 Non regulated entities carrying out financial activities
 Total own funds of other financial sectors

Own funds when using the D&A, exclusively or in combination of method 1

Own funds aggregated when using the D&A and combination of method
 Own funds aggregated when using the D&A and a combination of method net of IGT

Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)

Total available own funds to meet the minimum consolidated group SCR

Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)

Total-eligible own funds to meet the minimum consolidated group SCR

Minimum consolidated Group SCR

Ratio of Eligible own funds to Minimum Consolidated Group SCR

Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)

Group SCR

Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A

Reconciliation reserve

Excess of assets over liabilities
 Own shares (included as assets on the balance sheet)
 Forseeable dividends, distributions and charges
 Other basic own fund items
 Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds
 Other non available own funds

Reconciliation reserve before deduction for participations in other financial sector

Expected profits

Expected profits included in future premiums (EPIFP) - Life business
 Expected profits included in future premiums (EPIFP) - Non- life business

Total EPIFP

	Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
	C0010	C0020	C0030	C0040	C0050
R0010	1,000	1,000			
R0020					
R0030					
R0040					
R0050					
R0060					
R0070					
R0080					
R0090					
R0100					
R0110					
R0120					
R0130	299,204	299,204			
R0140					
R0150					
R0160					
R0170					
R0180					
R0190					
R0200					
R0210					
R0220					
R0230					
R0240					
R0250					
R0260					
R0270					
R0280					
R0290	300,204	300,204			
R0300					
R0310					
R0320					
R0350					
R0340					
R0360					
R0370					
R0380					
R0390					
R0400					
R0410					
R0420					
R0430					
R0440					
R0450					
R0460					
R0520	300,204	300,204			
R0530	300,204	300,204			
R0560	300,204	300,204			
R0570	300,204	300,204			
R0610	44,031				
R0650	681.80%				
R0660	300,204	300,204			
R0680	176,125				
R0690	170.45%				
C0060					
R0700	300,204				
R0710					
R0720					
R0730	1,000				
R0740					
R0750					
R0760	299,204				
R0770					
R0780					
R0790					

Annex I

S.25.01.22

Solvency Capital Requirement - for groups on Standard Formula

Market risk

Counterparty default risk

Life underwriting risk

Health underwriting risk

Non-life underwriting risk

Diversification

Intangible asset risk

Basic Solvency Capital Requirement

Calculation of Solvency Capital Requirement

Operational risk

Loss-absorbing capacity of technical provisions

Loss-absorbing capacity of deferred taxes

Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC

Solvency capital requirement excluding capital add-on

Capital add-on already set

Solvency capital requirement

Other information on SCR

Capital requirement for duration-based equity risk sub-module

Total amount of Notional Solvency Capital Requirements for remaining part

Total amount of Notional Solvency Capital Requirements for ring fenced funds

Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios

Diversification effects due to RFF nSCR aggregation for article 304

Minimum consolidated group solvency capital requirement

Information on other entities

Capital requirement for other financial sectors (Non-insurance capital requirements)

Capital requirement for other financial sectors (Non-insurance capital requirements) - Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies

Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational retirement provisions

Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement for non-regulated entities carrying out financial activities

Capital requirement for non-controlled participation requirements

Capital requirement for residual undertakings

Overall SCR

SCR for undertakings included via D and A

Solvency capital requirement

	Gross solvency capital requirement	USP	Simplifications
	C0110	C0090	C0120
R0010	114,434		
R0020	13,176		
R0030	237		
R0040	475		
R0050	75,168		
R0060	-45,346		
R0070			
R0100	158,146		
	C0100		
R0130	17,979		
R0140			
R0150			
R0160			
R0200	176,125		
R0210			
R0220	176,125		
R0400			
R0410			
R0420			
R0430			
R0440			
R0470	44,031		
R0500			
R0510			
R0520			
R0530			
R0540			
R0550			
R0560			
R0570	176,125		

CATALINA HOLDINGS UK LIMITED
Annex I
S.32.01.22
Undertakings in the scope of the group

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority	Criteria of influence						Inclusion in the scope of group supervision		Group solvency calculation
								% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	YES/NO	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
GB	33800RACEL2PXX1QU1	LEI	Insurance Company Ltd	2	Limited	2	al Regulation A	100.00%	1	100.00%		1	100.00%	1		1
GB	549300H9ZV454BK2FJ76	LEI	Catalina London Limited	3	Limited	2	al Regulation A	100.00%	1	100.00%		1	100.00%	1		1
GB	0TGWLOTZ6EKVQ66GF	SC	Catalina Services UK Limi	10	Limited	2		100.00%	1	100.00%		1	100.00%	1		1
GB	213800JEV93JTFJ41O27	LEI	Worthing Insurance L	3	Limited	2	al Regulation A	100.00%	1	100.00%		1	100.00%	1		1
GB	09300TGWLOTZ6EKVQ66GF	LEI	Catalina Holdings UK Limi	5	Limited	2		100.00%	1	100.00%		1	100.00%	1		1

CATALINA WORTHING INSURANCE LIMITED

Annex I

S.02.01.02

Balance sheet

Assets

Intangible assets
Deferred tax assets
Pension benefit surplus
Property, plant & equipment held for own use
Investments (other than assets held for index-linked and unit-linked contracts)
Property (other than for own use)
Holdings in related undertakings, including participations
Equities
Equities - listed
Equities - unlisted
Bonds
Government Bonds
Corporate Bonds
Structured notes
Collateralised securities
Collective Investments Undertakings
Derivatives
Deposits other than cash equivalents
Other investments
Assets held for index-linked and unit-linked contract
Loans and mortgages
Loans on policies
Loans and mortgages to individuals
Other loans and mortgages
Reinsurance recoverables from:
Non-life and health similar to non-life
Non-life excluding health
Health similar to non-life
Life and health similar to life, excluding health and index-linked and unit-link
Health similar to life
Life excluding health and index-linked and unit-linked
Life index-linked and unit-linked
Deposits to cedants
Insurance and intermediaries receivables
Reinsurance receivables
Receivables (trade, not insurance)
Own shares (held directly)
Amounts due in respect of own fund items or initial fund called up but not yet paid i
Cash and cash equivalents
Any other assets, not elsewhere shown
Total assets

		Solvency II value
		C0010
R0030		
R0040		
R0050		
R0060		
R0070	174,813	
R0080		
R0090		
R0100	4,985	
R0110		
R0120	4,985	
R0130	65,773	
R0140		
R0150	46,629	
R0160		
R0170	19,144	
R0180	41,208	
R0190	19	
R0200	62,828	
R0210		
R0220		
R0230	6,613	
R0240		
R0250		
R0260	6,613	
R0270	253,407	
R0280	241,624	
R0290	241,624	
R0300		
R0310	11,783	
R0320		
R0330	11,783	
R0340		
R0350	6,512	
R0360	2,744	
R0370	17,940	
R0380	11,030	
R0390		
R0400		
R0410	14,782	
R0420		
R0500	487,842	

Liabilities

Technical provisions – non-life
Technical provisions – non-life (excluding health)
TP calculated as a whole
Best Estimate
Risk margin
Technical provisions - health (similar to non-life)
TP calculated as a whole
Best Estimate
Risk margin
Technical provisions - life (excluding index-linked and unit-linke
Technical provisions - health (similar to life)
TP calculated as a whole
Best Estimate
Risk margin
Technical provisions – life (excluding health and index-linked and unit-linke
TP calculated as a whole
Best Estimate
Risk margin
Technical provisions – index-linked and unit-linked
TP calculated as a whole
Best Estimate
Risk margin
Contingent liabilities
Provisions other than technical provisions
Pension benefit obligations
Deposits from reinsurers
Deferred tax liabilities
Derivatives
Debts owed to credit institutions
Financial liabilities other than debts owed to credit institution
Insurance & intermediaries payables
Reinsurance payables
Payables (trade, not insurance)
Subordinated liabilities
Subordinated liabilities not in BOF
Subordinated liabilities in BOF
Any other liabilities, not elsewhere shown
Total liabilities
Excess of assets over liabilities

		Solvency II value
		C0010
R0510	317,921	
R0520	317,921	
R0530		
R0540	301,067	
R0550	16,855	
R0560		
R0570		
R0580		
R0590		
R0600	15,318	
R0610		
R0620		
R0630		
R0640		
R0650	15,318	
R0660		
R0670	14,506	
R0680	812	
R0690		
R0700		
R0710		
R0720		
R0740		
R0750		
R0760		
R0770	46,862	
R0780		
R0790		
R0800		
R0810		
R0820		
R0830	8,719	
R0840	323	
R0850		
R0860		
R0870		
R0880		
R0900	389,144	
R1000	98,698	

CATALINA WORTHING INSURANCE LIMITED

Annex I

S.12.01.02

Life and Health SLT Technical Provisions

Technical provisions calculated as a whole

Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole

Technical provisions calculated as a sum of BE and RM

Best Estimate

Gross Best Estimate

Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default

Best estimate minus recoverables from reinsurance/SPV and Finite Re - total

Risk Margin

Amount of the transitional on Technical Provisions

Technical Provisions calculated as a whole

Best estimate

Risk margin

Technical provisions - total

	Insurance with profit participation	Index-linked and unit-linked insurance		Other life insurance		Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	Total (Life other than health insurance, incl. Unit-Linked)	Health insurance (direct business)		Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
		C0020	C0030	Contracts without options and guarantees	Contracts with options or guarantees				C0060	Contracts without options and guarantees			
R0010													
R0020													
R0030							14,506	14,506					
R0080							11,783	11,783					
R0090							2,723	2,723					
R0100							812	812					
R0110													
R0120													
R0130													
R0200							15,318						

CATALINA WORTHING INSURANCE LIMITED

Annex 1

S.17.01.02

Non-life Technical Provisions

	Direct business and accepted proportional reinsurance					Accepted non-proportional reinsurance			Total Non-Life obligation
	Motor vehicle liability insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
	C0050	C0070	C0080	C0090	C0100	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole									
R0010									
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole									
R0050									
Technical provisions calculated as a sum of BE and RM									
Best estimate									
Premium provision:									
Gross									
R0060									
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default									
R0140									
Net Best Estimate of Premium Provision									
R0150									
Claims provisions									
Gross									
R0160	8,145	2,546	1,785	195,853	45	85,835	1,401	5,457	301,067
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default									
R0240	6,264	1,815	1,377	158,731	34	67,579	1,332	4,490	241,624
Net Best Estimate of Claims Provision:									
R0250	1,881	730	408	37,122	10	18,255	68	967	59,443
Total Best estimate - gross									
R0260	8,145	2,546	1,785	195,853	45	85,835	1,401	5,457	301,067
Total Best estimate - net									
R0270	1,881	730	408	37,122	10	18,255	68	967	59,443
Risk margin									
R0280	456	143	100	10,964	3	4,805	78	306	16,855
Amount of the transitional on Technical Provision:									
Technical Provisions calculated as a whole									
R0290									
Best estimate									
R0300									
Risk margin									
R0310									
Technical provisions - total									
Technical provisions - tota									
R0320	8,601	2,688	1,885	206,817	47	90,640	1,479	5,763	317,921
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - tota									
R0330	6,264	1,815	1,377	158,731	34	67,579	1,332	4,490	241,624
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total									
R0340	2,337	873	508	48,087	13	23,061	147	1,272	76,297

CATALINA WORTHING INSURANCE LIMITED

Annex I

S.19.01.21

Non-life Insurance Claims Information

Total Non-Life Business

Accident year /
Underwriting year

Z0020	Underwriting year [UWY]
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Gross Claims Paid (non-cumulative)

(absolute amount)

Year	Development year										In Current year	Sum of years (cumulative)		
	1	2	3	4	5	6	7	8	9	10 & +			C0170	C0180
	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110			
Prior	R0100										31,169	R0100	31,169	31,169
2012	R0160											R0160		
2013	R0170											R0170		
2014	R0180											R0180		
2015	R0190											R0190		
2016	R0200											R0200		
2017	R0210											R0210		
2018	R0220											R0220		
2019	R0230											R0230		
2020	R0240											R0240		
2021	R0250											R0250		
												Total R0260	31,169	31,169

Gross undiscounted Best Estimate Claims Provisions

(absolute amount)

Year	Development year										Year end (discounted data)		
	1	2	3	4	5	6	7	8	9	10 & +		C0360	
	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300		
Prior	R0100										341,123	R0100	301,067
2012	R0160											R0160	
2013	R0170											R0170	
2014	R0180											R0180	
2015	R0190											R0190	
2016	R0200											R0200	
2017	R0210											R0210	
2018	R0220											R0220	
2019	R0230											R0230	
2020	R0240											R0240	
2021	R0250											R0250	
												Total R0260	301,067

Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35

	Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
	C0010	C0020	C0030	C0040	C0050
Ordinary share capital (gross of own shares)	R0010	158,000	158,000		
Share premium account related to ordinary share capital	R0030				
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040				
Subordinated mutual member accounts	R0050				
Surplus funds	R0070				
Preference shares	R0090				
Share premium account related to preference shares	R0110				
Reconciliation reserve	R0130	-59,302	-59,302		
Subordinated liabilities	R0140				
An amount equal to the value of net deferred tax assets	R0160				
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180				

Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds

Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220				
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Deductions

Deductions for participations in financial and credit institutions	R0230				
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Total basic own funds after deductions

Total basic own funds after deductions	R0290	98,698	98,698		
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Ancillary own funds

Unpaid and uncalled ordinary share capital callable on demand	R0300				
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual - type undertakings, callable on demand	R0310				
Unpaid and uncalled preference shares callable on demand	R0320				
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330				
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340				
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350				
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360				
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370				
Other ancillary own funds	R0390				

Total ancillary own funds

Total ancillary own funds	R0400				
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Available and eligible own funds

Total available own funds to meet the SCR	R0500	98,698	98,698		
Total available own funds to meet the MCR	R0510	98,698	98,698		
Total eligible own funds to meet the SCR	R0540	98,698	98,698		
Total eligible own funds to meet the MCR	R0550	98,698	98,698		

SCR

SCR	R0580	54,007			
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MCR

MCR	R0600	13,502			
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Ratio of Eligible own funds to SCR

Ratio of Eligible own funds to SCR	R0620	182.75%			
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Ratio of Eligible own funds to MCR

Ratio of Eligible own funds to MCR	R0640	731.00%			
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Reconciliation reserve

Excess of assets over liabilities	R0700	98,698			
Own shares (held directly and indirectly)	R0710				
Foreseeable dividends, distributions and charges	R0720				
Other basic own fund items	R0730	158,000			
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740				
Reconciliation reserve	R0760	-59,302			

Expected profits

Expected profits included in future premiums (EPIFP) - Life business	R0770				
Expected profits included in future premiums (EPIFP) - Non- life business	R0780				
Total Expected profits included in future premiums (EPIFP)	R0790				

	Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
	C0010	C0020	C0030	C0040	C0050
Ordinary share capital (gross of own shares)	R0010	158,000	158,000		
Share premium account related to ordinary share capital	R0030				
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040				
Subordinated mutual member accounts	R0050				
Surplus funds	R0070				
Preference shares	R0090				
Share premium account related to preference shares	R0110				
Reconciliation reserve	R0130	-59,302	-59,302		
Subordinated liabilities	R0140				
An amount equal to the value of net deferred tax assets	R0160				
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180				
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220				
Deductions for participations in financial and credit institutions	R0230				
Total basic own funds after deductions	R0290	98,698	98,698		
Unpaid and uncalled ordinary share capital callable on demand	R0300				
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual - type undertakings, callable on demand	R0310				
Unpaid and uncalled preference shares callable on demand	R0320				
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330				
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340				
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350				
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360				
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370				
Other ancillary own funds	R0390				
Total ancillary own funds	R0400				
Total available own funds to meet the SCR	R0500	98,698	98,698		
Total available own funds to meet the MCR	R0510	98,698	98,698		
Total eligible own funds to meet the SCR	R0540	98,698	98,698		
Total eligible own funds to meet the MCR	R0550	98,698	98,698		
SCR	R0580	54,007			
MCR	R0600	13,502			
Ratio of Eligible own funds to SCR	R0620	182.75%			
Ratio of Eligible own funds to MCR	R0640	731.00%			

	C0060	
Excess of assets over liabilities	R0700	98,698
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	158,000
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	-59,302
Expected profits included in future premiums (EPIFP) - Life business	R0770	
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	
Total Expected profits included in future premiums (EPIFP)	R0790	

CATALINA WORTHING INSURANCE LIMITED

Annex I

S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

Market risk

Counterparty default risk

Life underwriting risk

Health underwriting risk

Non-life underwriting risk

Diversification

Intangible asset risk

Basic Solvency Capital Requirement

Calculation of Solvency Capital Requirement

Operational risk

Loss-absorbing capacity of technical provisions

Loss-absorbing capacity of deferred taxes

Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC

Solvency capital requirement excluding capital add-on

Capital add-on already set

Solvency capital requirement

Other information on SCR

Capital requirement for duration-based equity risk sub-module

Total amount of Notional Solvency Capital Requirement for remaining part

Total amount of Notional Solvency Capital Requirements for ring fenced funds

Total amount of Notional Solvency Capital Requirement for matching adjustment portfolio

Diversification effects due to RFF nSCR aggregation for article 304

	Gross solvency capital requirement	USP	Simplifications
	C0110	C0090	C0120
R0010	33,110		
R0020	6,172		
R0030	175		
R0040			
R0050	18,736		
R0060	-13,284		
R0070			
R0100	44,910		
	C0100		
R0130	9,097		
R0140			
R0150			
R0160			
R0200	54,007		
R0210			
R0220	54,007		
R0400			
R0410			
R0420			
R0430			
R0440			

Annex I

S.28.01.01

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

Linear formula component for non-life insurance and reinsurance obligations

MCR _{NL} Result	C0010		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
	R0010	7,687		
			C0020	C0030
Medical expense insurance and proportional reinsurance	R0020			
Income protection insurance and proportional reinsurance	R0030			
Workers' compensation insurance and proportional reinsurance	R0040			
Motor vehicle liability insurance and proportional reinsurance	R0050		1,881	
Other motor insurance and proportional reinsurance	R0060			
Marine, aviation and transport insurance and proportional reinsurance	R0070		730	
Fire and other damage to property insurance and proportional reinsurance	R0080		408	
General liability insurance and proportional reinsurance	R0090		37,122	
Credit and suretyship insurance and proportional reinsurance	R0100		10	
Legal expenses insurance and proportional reinsurance	R0110			
Assistance and proportional reinsurance	R0120			
Miscellaneous financial loss insurance and proportional reinsurance	R0130			
Non-proportional health reinsurance	R0140			
Non-proportional casualty reinsurance	R0150		18,255	
Non-proportional marine, aviation and transport reinsurance	R0160		68	
Non-proportional property reinsurance	R0170		967	

Linear formula component for life insurance and reinsurance obligations

MCR _L Result	C0040		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
	R0200	57		
			C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210			
Obligations with profit participation - future discretionary benefits	R0220			
Index-linked and unit-linked insurance obligations	R0230			
Other life (re)insurance and health (re)insurance obligations	R0240		2,723	
Total capital at risk for all life (re)insurance obligations	R0250			

Overall MCR calculation

	C0070	
Linear MCR	R0300	7,744
SCR	R0310	54,007
MCR cap	R0320	24,303
MCR floor	R0330	13,502
Combined MCR	R0340	13,502
Absolute floor of the MCR	R0350	3,126
		C0070
Minimum Capital Requirement	R0400	13,502

AGF INSURANCE LIMITED

Annex I

S.02.01.02

Balance sheet

Assets

Intangible assets
Deferred tax assets
Pension benefit surplus
Property, plant & equipment held for own use
Investments (other than assets held for index-linked and unit-linked contracts)
Property (other than for own use)
Holdings in related undertakings, including participations
Equities
Equities - listed
Equities - unlisted
Bonds
Government Bonds
Corporate Bonds
Structured notes
Collateralised securities
Collective Investments Undertakings
Derivatives
Deposits other than cash equivalents
Other investments
Assets held for index-linked and unit-linked contract
Loans and mortgages
Loans on policies
Loans and mortgages to individuals
Other loans and mortgages
Reinsurance recoverables from:
Non-life and health similar to non-life
Non-life excluding health
Health similar to non-life
Life and health similar to life, excluding health and index-linked and unit-link
Health similar to life
Life excluding health and index-linked and unit-link
Life index-linked and unit-linked
Deposits to cedants
Insurance and intermediaries receivables
Reinsurance receivables
Receivables (trade, not insurance)
Own shares (held directly)
Amounts due in respect of own fund items or initial fund called up but not yet paid i
Cash and cash equivalents
Any other assets, not elsewhere shown
Total assets

Liabilities

Technical provisions – non-life
Technical provisions – non-life (excluding health)
TP calculated as a whole
Best Estimate
Risk margin
Technical provisions - health (similar to non-life)
TP calculated as a whole
Best Estimate
Risk margin
Technical provisions - life (excluding index-linked and unit-link)
Technical provisions - health (similar to life)
TP calculated as a whole
Best Estimate
Risk margin
Technical provisions – life (excluding health and index-linked and unit-link)
TP calculated as a whole
Best Estimate
Risk margin
Technical provisions – index-linked and unit-linked
TP calculated as a whole
Best Estimate
Risk margin
Contingent liabilities
Provisions other than technical provisions
Pension benefit obligations
Deposits from reinsurers
Deferred tax liabilities
Derivatives
Debts owed to credit institutions
Financial liabilities other than debts owed to credit institution
Insurance & intermediaries payables
Reinsurance payables
Payables (trade, not insurance)
Subordinated liabilities
Subordinated liabilities not in BOF
Subordinated liabilities in BOF
Any other liabilities, not elsewhere shown
Total liabilities
Excess of assets over liabilities

		Solvency II value
		C0010
R0030		
R0040		
R0050		
R0060		
R0070	175,828	
R0080		
R0090		
R0100	9,776	
R0110	1,051	
R0120	8,725	
R0130	126,346	
R0140	14,500	
R0150	111,694	
R0160		
R0170	152	
R0180	35,987	
R0190	27	
R0200	3,692	
R0210		
R0220		
R0230	24,206	
R0240		
R0250		
R0260	24,206	
R0270	9,343	
R0280	9,343	
R0290	9,343	
R0300		
R0310		
R0320		
R0330		
R0340		
R0350		
R0360	1,166	
R0370	1,521	
R0380	146	
R0390		
R0400		
R0410	19,221	
R0420		
R0500	231,431	
		Solvency II value
		C0010
R0510	135,796	
R0520	135,796	
R0530		
R0540	115,728	
R0550	20,067	
R0560		
R0570		
R0580		
R0590		
R0600		
R0610		
R0620		
R0630		
R0640		
R0650		
R0660		
R0670		
R0680		
R0690		
R0700		
R0710		
R0720		
R0740		
R0750		
R0760		
R0770		
R0780		
R0790	38	
R0800		
R0810		
R0820		
R0830	606	
R0840	620	
R0850		
R0860		
R0870		
R0880		
R0900	137,060	
R1000	94,370	

Annex I

S.05.01.02

Premiums, claims and expenses by line of business

	Line of Business for: non-life		Line of business for:				Total
	General liability insurance	Credit and suretyship insurance	Health	Casualty	Marine, aviation, transport	Property	
	C0080	C0090	C0130	C0140	C0150	C0160	
Premiums written							
Gross - Direct Business	R0110						
Gross - Proportional reinsurance accepted	R0120						
Gross - Non-proportional reinsurance accepted	R0130						
Reinsurers' share	R0140						
Net	R0200						
Premiums earned							
Gross - Direct Business	R0210						
Gross - Proportional reinsurance accepted	R0220						
Gross - Non-proportional reinsurance accepted	R0230						
Reinsurers' share	R0240						
Net	R0300						
Claims incurred							
Gross - Direct Business	R0310	5,924					5,924
Gross - Proportional reinsurance accepted	R0320						
Gross - Non-proportional reinsurance accepted	R0330						
Reinsurers' share	R0340	1,316					1,316
Net	R0400	4,608					4,608
Changes in other technical provisions							
Gross - Direct Business	R0410						
Gross - Proportional reinsurance accepted	R0420						
Gross - Non-proportional reinsurance accepted	R0430						
Reinsurers' share	R0440						
Net	R0500						
Expenses incurred	R0550	3,870					3,870
Other expenses	R1200						
Total expenses	R1300						3,870

Annex I

S.05.01.02

Premiums, claims and expenses by line of business

	Life reinsurance		Total
	C0280	C0300	
Premiums written			
Gross	R1410		
Reinsurers' share	R1420		
Net	R1500		
Premiums earned			
Gross	R1510		
Reinsurers' share	R1520		
Net	R1600		
Claims incurred			
Gross	R1610		
Reinsurers' share	R1620		
Net	R1700		
Changes in other technical provisions			
Gross	R1710		
Reinsurers' share	R1720		
Net	R1800		
Expenses incurred	R1900		
Other expenses	R2500		
Total expenses	R2600		

AGF INSURANCE LIMITED
Annex I
S.17.01.02
Non-life Technical Provisions

	Direct business and accepted proportional reinsurance		Accepted non-proportional reinsurance				Total Non-Life obligation
	General liability insurance	Credit and suretyship insurance	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
	C0090	C0100	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole							
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole							
Technical provisions calculated as a sum of BE and RM							
Best estimate							
Premium provisions							
Gross							
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default							
Net Best Estimate of Premium Provisions							
Claims provisions							
Gross							
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default							
Net Best Estimate of Claims Provisions							
Total Best estimate - gross							
Total Best estimate - net							
Risk margin							
Amount of the transitional on Technical Provisions							
Technical Provisions calculated as a whole							
Best estimate							
Risk margin							
Technical provisions - total							
Technical provisions - total							
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total							
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total							

AGF INSURANCE LIMITED

Annex I

S.19.01.21

Non-life Insurance Claims Information

Total Non-Life Business

Accident year /
Underwriting year

Z0020	Underwriting year [UWY]
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Gross Claims Paid (non-cumulative)

(absolute amount)

Year	Development year										In Current year	Sum of years (cumulative)			
	1	2	3	4	5	6	7	8	9	10 & +			C0170	C0180	
	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110				
Prior	R0100										14,025	R0100	14,025	14,025	
2012	R0160											R0160			
2013	R0170											R0170			
2014	R0180											R0180			
2015	R0190											R0190			
2016	R0200											R0200			
2017	R0210											R0210			
2018	R0220											R0220			
2019	R0230											R0230			
2020	R0240											R0240			
2021	R0250											R0250			
												Total	R0260	14,025	14,025

Gross undiscounted Best Estimate Claims Provisions

(absolute amount)

Year	Development year										Year end (discounted data)			
	1	2	3	4	5	6	7	8	9	10 & +		C0360		
	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300			
Prior	R0100										125,094	R0100	115,728	
2012	R0160											R0160		
2013	R0170											R0170		
2014	R0180											R0180		
2015	R0190											R0190		
2016	R0200											R0200		
2017	R0210											R0210		
2018	R0220											R0220		
2019	R0230											R0230		
2020	R0240											R0240		
2021	R0250											R0250		
												Total	R0260	115,728

Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35

	Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
	C0010	C0020	C0030	C0040	C0050
Ordinary share capital (gross of own shares)	R0010	210,485	210,485		
Share premium account related to ordinary share capital	R0030				
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040				
Subordinated mutual member accounts	R0050				
Surplus funds	R0070				
Preference shares	R0090				
Share premium account related to preference shares	R0110				
Reconciliation reserve	R0130	-116,115	-116,115		
Subordinated liabilities	R0140				
An amount equal to the value of net deferred tax assets	R0160				
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180				

Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds

Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220				
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Deductions

Deductions for participations in financial and credit institutions	R0230				
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Total basic own funds after deductions

Total basic own funds after deductions	R0290	94,370	94,370		
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Ancillary own funds

Unpaid and uncalled ordinary share capital callable on demand	R0300				
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual - type undertakings, callable on demand	R0310				
Unpaid and uncalled preference shares callable on demand	R0320				
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330				
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340				
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350				
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360				
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370				
Other ancillary own funds	R0390				

Total ancillary own funds

Total ancillary own funds	R0400				
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Available and eligible own funds

Total available own funds to meet the SCR	R0500	94,370	94,370		
Total available own funds to meet the MCR	R0510	94,370	94,370		
Total eligible own funds to meet the SCR	R0540	94,370	94,370		
Total eligible own funds to meet the MCR	R0550	94,370	94,370		

SCR

SCR	R0580	51,986			
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MCR

MCR	R0600	12,997			
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Ratio of Eligible own funds to SCR

Ratio of Eligible own funds to SCR	R0620	181.53%			
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Ratio of Eligible own funds to MCR

Ratio of Eligible own funds to MCR	R0640	726.12%			
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Reconciliation reserve

	C0060	
Excess of assets over liabilities	R0700	94,370
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	210,485
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	-116,115

Expected profits

Expected profits included in future premiums (EPIFP) - Life business	R0770	
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	
Total Expected profits included in future premiums (EPIFP)	R0790	

	Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
	C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35					
Ordinary share capital (gross of own shares)	R0010	210,485	210,485		
Share premium account related to ordinary share capital	R0030				
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040				
Subordinated mutual member accounts	R0050				
Surplus funds	R0070				
Preference shares	R0090				
Share premium account related to preference shares	R0110				
Reconciliation reserve	R0130	-116,115	-116,115		
Subordinated liabilities	R0140				
An amount equal to the value of net deferred tax assets	R0160				
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180				
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220				
Deductions					
Deductions for participations in financial and credit institutions	R0230				
Total basic own funds after deductions	R0290	94,370	94,370		
Ancillary own funds					
Unpaid and uncalled ordinary share capital callable on demand	R0300				
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual - type undertakings, callable on demand	R0310				
Unpaid and uncalled preference shares callable on demand	R0320				
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330				
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340				
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350				
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360				
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370				
Other ancillary own funds	R0390				
Total ancillary own funds	R0400				
Available and eligible own funds					
Total available own funds to meet the SCR	R0500	94,370	94,370		
Total available own funds to meet the MCR	R0510	94,370	94,370		
Total eligible own funds to meet the SCR	R0540	94,370	94,370		
Total eligible own funds to meet the MCR	R0550	94,370	94,370		
SCR	R0580	51,986			
MCR	R0600	12,997			
Ratio of Eligible own funds to SCR	R0620	181.53%			
Ratio of Eligible own funds to MCR	R0640	726.12%			

	C0060	
Excess of assets over liabilities	R0700	94,370
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	210,485
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	-116,115
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	
Total Expected profits included in future premiums (EPIFP)	R0790	

AGF INSURANCE LIMITED

Annex I

S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

Market risk

Counterparty default risk

Life underwriting risk

Health underwriting risk

Non-life underwriting risk

Diversification

Intangible asset risk

Basic Solvency Capital Requirement

Calculation of Solvency Capital Requirement

Operational risk

Loss-absorbing capacity of technical provisions

Loss-absorbing capacity of deferred taxes

Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC

Solvency capital requirement excluding capital add-on

Capital add-on already set

Solvency capital requirement

Other information on SCR

Capital requirement for duration-based equity risk sub-module

Total amount of Notional Solvency Capital Requirement for remaining part

Total amount of Notional Solvency Capital Requirements for ring fenced funds

Total amount of Notional Solvency Capital Requirement for matching adjustment portfolio

Diversification effects due to RFF nSCR aggregation for article 304

	Gross solvency capital requirement	USP	Simplifications
	C0110	C0090	C0120
R0010	24,045		
R0020	2,439		
R0030			
R0040			
R0050	35,107		
R0060	-13,077		
R0070			
R0100	48,514		
	C0100		
R0130	3,472		
R0140			
R0150			
R0160			
R0200	51,986		
R0210			
R0220	51,986		
R0400			
R0410			
R0420			
R0430			
R0440			

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

Linear formula component for non-life insurance and reinsurance obligations

MCR _{NL} Result	C0010		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
	R0010	10,958		
Medical expense insurance and proportional reinsurance	R0020			
Income protection insurance and proportional reinsurance	R0030			
Workers' compensation insurance and proportional reinsurance	R0040			
Motor vehicle liability insurance and proportional reinsurance	R0050			
Other motor insurance and proportional reinsurance	R0060			
Marine, aviation and transport insurance and proportional reinsurance	R0070			
Fire and other damage to property insurance and proportional reinsurance	R0080			
General liability insurance and proportional reinsurance	R0090		106,386	
Credit and suretyship insurance and proportional reinsurance	R0100			
Legal expenses insurance and proportional reinsurance	R0110			
Assistance and proportional reinsurance	R0120			
Miscellaneous financial loss insurance and proportional reinsurance	R0130			
Non-proportional health reinsurance	R0140			
Non-proportional casualty reinsurance	R0150			
Non-proportional marine, aviation and transport reinsurance	R0160			
Non-proportional property reinsurance	R0170			

Linear formula component for life insurance and reinsurance obligations

MCR _L Result	C0040		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
	R0200			
Obligations with profit participation - guaranteed benefits	R0210			
Obligations with profit participation - future discretionary benefits	R0220			
Index-linked and unit-linked insurance obligations	R0230			
Other life (re)insurance and health (re)insurance obligations	R0240			
Total capital at risk for all life (re)insurance obligations	R0250			

Overall MCR calculation

	C0070	
Linear MCR	R0300	10,958
SCR	R0310	51,986
MCR cap	R0320	23,394
MCR floor	R0330	12,997
Combined MCR	R0340	12,997
Absolute floor of the MCR	R0350	2,112
	C0070	
Minimum Capital Requirement	R0400	12,997

CATALINA LONDON LIMITED

Annex I

S.02.01.02

Balance sheet

Assets

Intangible assets
Deferred tax assets
Pension benefit surplus
Property, plant & equipment held for own use
Investments (other than assets held for index-linked and unit-linked contracts)
Property (other than for own use)
Holdings in related undertakings, including participations
Equities
Equities - listed
Equities - unlisted
Bonds
Government Bonds
Corporate Bonds
Structured notes
Collateralised securities
Collective Investments Undertakings
Derivatives
Deposits other than cash equivalents
Other investments
Assets held for index-linked and unit-linked contract
Loans and mortgages
Loans on policies
Loans and mortgages to individuals
Other loans and mortgages
Reinsurance recoverables from:
Non-life and health similar to non-life
Non-life excluding health
Health similar to non-life
Life and health similar to life, excluding health and index-linked and unit-link
Health similar to life
Life excluding health and index-linked and unit-link
Life index-linked and unit-linked
Deposits to cedants
Insurance and intermediaries receivables
Reinsurance receivables
Receivables (trade, not insurance)
Own shares (held directly)
Amounts due in respect of own fund items or initial fund called up but not yet paid i
Cash and cash equivalents
Any other assets, not elsewhere shown
Total assets

		Solvency II value
		C0010
R0030		
R0040		
R0050		
R0060		
R0070	45,542	
R0080		
R0090		
R0100	817	
R0110	770	
R0120	48	
R0130	25,536	
R0140	1,060	
R0150	23,263	
R0160		
R0170	1,213	
R0180	6,589	
R0190		
R0200	12,599	
R0210		
R0220		
R0230		
R0240		
R0250		
R0260		
R0270	14,316	
R0280	14,316	
R0290	14,316	
R0300		
R0310		
R0320		
R0330		
R0340		
R0350	330	
R0360	384	
R0370	10,753	
R0380	324	
R0390		
R0400		
R0410	6,938	
R0420		
R0500	78,586	

Liabilities

Technical provisions – non-life
Technical provisions – non-life (excluding health)
TP calculated as a whole
Best Estimate
Risk margin
Technical provisions - health (similar to non-life)
TP calculated as a whole
Best Estimate
Risk margin
Technical provisions - life (excluding index-linked and unit-link)
Technical provisions - health (similar to life)
TP calculated as a whole
Best Estimate
Risk margin
Technical provisions – life (excluding health and index-linked and unit-link)
TP calculated as a whole
Best Estimate
Risk margin
Technical provisions – index-linked and unit-linked
TP calculated as a whole
Best Estimate
Risk margin
Contingent liabilities
Provisions other than technical provisions
Pension benefit obligations
Deposits from reinsurers
Deferred tax liabilities
Derivatives
Debts owed to credit institutions
Financial liabilities other than debts owed to credit institution
Insurance & intermediaries payables
Reinsurance payables
Payables (trade, not insurance)
Subordinated liabilities
Subordinated liabilities not in BOF
Subordinated liabilities in BOF
Any other liabilities, not elsewhere shown
Total liabilities
Excess of assets over liabilities

		Solvency II value
		C0010
R0510	39,850	
R0520	37,878	
R0530		
R0540	33,696	
R0550	4,182	
R0560	1,972	
R0570		
R0580	1,754	
R0590	218	
R0600		
R0610		
R0620		
R0630		
R0640		
R0650		
R0660		
R0670		
R0680		
R0690		
R0700		
R0710		
R0720		
R0740		
R0750		
R0760		
R0770		
R0780		
R0790		
R0800		
R0810		
R0820		
R0830	3,474	
R0840	367	
R0850		
R0860		
R0870		
R0880		
R0900	43,690	
R1000	34,896	

Annex 1
S.05.01.02
Premiums, claims and expenses by line of business

	Line of Business for non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of business for:				Total	
	Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property		
	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160		C0200
Premiums written																		
Gross - Direct Business	R0110																	
Gross - Proportional reinsurance accepted	R0120							-9										-9
Gross - Non-proportional reinsurance accepted	R0130																	
Reinsurers' share	R0140							-20										-20
Net	R0200							12										12
Premiums earned																		
Gross - Direct Business	R0210																	
Gross - Proportional reinsurance accepted	R0220							-9										-9
Gross - Non-proportional reinsurance accepted	R0230																	
Reinsurers' share	R0240							-20										-20
Net	R0300							12										12
Claims incurred																		
Gross - Direct Business	R0310					183		905										1,088
Gross - Proportional reinsurance accepted	R0320			-103		-38	-1,651	-2,735										-4,525
Gross - Non-proportional reinsurance accepted	R0330												-312	-1,344	958	-210		-908
Reinsurers' share	R0340			-54		77	-871	-966				-165	-709	506	-111			-2,293
Net	R0400			-48		69	-779	-864				-147	-635	453	-99			-2,052
Changes in other technical provisions																		
Gross - Direct Business	R0410																	
Gross - Proportional reinsurance accepted	R0420																	
Gross - Non-proportional reinsurance accepted	R0430																	
Reinsurers' share	R0440																	
Net	R0500																	
Expenses incurred	R0550			77		-109	1,242	1,377					235	1,011	-721	158		3,270
Other expenses	R1200																	
Total expenses	R1300																	3,270

Annex 1
S.05.01.02
Premiums, claims and expenses by line of business

	Line of Business for life insurance obligations						Life reinsurance obligations		Total
	Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other	Health reinsurance	Life-reinsurance	
	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	
Premiums written									
Gross	R1410								
Reinsurers' share	R1420								
Net	R1500								
Premiums earned									
Gross	R1510								
Reinsurers' share	R1520								
Net	R1600								
Claims incurred									
Gross	R1610								
Reinsurers' share	R1620								
Net	R1700								
Changes in other technical provisions									
Gross	R1710								
Reinsurers' share	R1720								
Net	R1800								
Expenses incurred	R1900								
Other expenses	R2500								
Total expenses	R2600								

Non-life Technical Provisions

Technical provisions calculated as a whole

Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole

Technical provisions calculated as a sum of BE and RM

Best estimate

Premium provisions

Gross

Total recoverable from reinsurance/SPV and Finite Re after the

adjustment for expected losses due to counterparty default

Net Best Estimate of Premium Provisions

Claims provisions

Gross

Total recoverable from reinsurance/SPV and Finite Re after the

adjustment for expected losses due to counterparty default

Net Best Estimate of Claims Provisions

Total Best estimate - gross

R0260

R0270

Total Best estimate - net

R0280

Risk margin

R0290

R0300

R0310

Technical provisions - total

R0320

R0330

R0340

Re - total

	Direct business and accepted proportional reinsurance					Accepted non-proportional reinsurance				Total Non-Life obligation	
	Medical expense insurance	Workers' compensation insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance		Non-proportional property reinsurance
	C0020	C0040	C0070	C0080	C0090	C0130	C0140	C0150	C0160		C0170
R0010											
R0050											
R0060											
R0140											
R0150											
R0160	14	1,517	657	325	11,242	21	224	17,896	2,235	1,319	35,451
R0240			322	148	3,218	1		8,788	1,387	453	14,316
R0250	14	1,517	335	176	8,024	21	224	9,108	849	867	21,135
R0260	14	1,517	657	325	11,242	21	224	17,896	2,235	1,319	35,451
R0270	14	1,517	335	176	8,024	21	224	9,108	849	867	21,135
R0280	2	188	82	40	1,395	3	28	2,221	277	164	4,399
R0290											
R0300											
R0310											
R0320	15	1,705	739	365	12,637	24	251	20,117	2,513	1,483	39,850
R0330			322	148	3,218	1		8,788	1,387	453	14,316
R0340	15	1,705	417	217	9,419	23	251	11,329	1,126	1,030	25,534

CATALINA LONDON LIMITED

Annex I

S.19.01.21

Non-life Insurance Claims Information

Total Non-Life Business

Accident year /
Underwriting year

Z0020	Underwriting year [UWY]
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Gross Claims Paid (non-cumulative)

(absolute amount)

Year	Development year										In Current year	Sum of years (cumulative)		
	1	2	3	4	5	6	7	8	9	10 & +			C0170	C0180
	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110			
Prior	R0100										2,409	R0100	2,409	2,409
2012	R0160											R0160		
2013	R0170											R0170		
2014	R0180											R0180		
2015	R0190											R0190		
2016	R0200											R0200		
2017	R0210											R0210		
2018	R0220											R0220		
2019	R0230											R0230		
2020	R0240											R0240		
2021	R0250											R0250		
												Total R0260	2,409	2,409

Gross undiscounted Best Estimate Claims Provisions

(absolute amount)

Year	Development year										Year end (discounted data)		
	1	2	3	4	5	6	7	8	9	10 & +		C0360	
	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300		
Prior	R0100										39,099	R0100	35,451
2012	R0160											R0160	
2013	R0170											R0170	
2014	R0180											R0180	
2015	R0190											R0190	
2016	R0200											R0200	
2017	R0210											R0210	
2018	R0220											R0220	
2019	R0230											R0230	
2020	R0240											R0240	
2021	R0250											R0250	
												Total R0260	35,451

CATALINA LONDON LIMITED

Annex 1

S.23.01.01

Own funds

Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35

	Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
	C0010	C0020	C0030	C0040	C0050
Ordinary share capital (gross of own shares)	R0010	1,000	1,000		
Share premium account related to ordinary share capital	R0030				
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040				
Subordinated mutual member accounts	R0050				
Surplus funds	R0070				
Preference shares	R0090				
Share premium account related to preference shares	R0110				
Reconciliation reserve	R0130	33,896	33,896		
Subordinated liabilities	R0140				
An amount equal to the value of net deferred tax assets	R0160				
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180				

Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds

Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220				
---	-------	--	--	--	--

Deductions

Deductions for participations in financial and credit institutions	R0230				
--	-------	--	--	--	--

Total basic own funds after deductions

Total basic own funds after deductions	R0290	34,896	34,896		
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Ancillary own funds

Unpaid and uncalled ordinary share capital callable on demand	R0300				
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual - type undertakings, callable on demand	R0310				
Unpaid and uncalled preference shares callable on demand	R0320				
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330				
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340				
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350				
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360				
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370				
Other ancillary own funds	R0390				

Total ancillary own funds

Total ancillary own funds	R0400				
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Available and eligible own funds

Total available own funds to meet the SCR	R0500	34,896	34,896		
Total available own funds to meet the MCR	R0510	34,896	34,896		
Total eligible own funds to meet the SCR	R0540	34,896	34,896		
Total eligible own funds to meet the MCR	R0550	34,896	34,896		

SCR

SCR	R0580	12,120			
-----	-------	--------	--	--	--

MCR

MCR	R0600	4,309			
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Ratio of Eligible own funds to SCR

Ratio of Eligible own funds to SCR	R0620	287.92%			
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Ratio of Eligible own funds to MCR

Ratio of Eligible own funds to MCR	R0640	809.91%			
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Reconciliation reserve

	C0060	
Excess of assets over liabilities	R0700	34,896
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	1,000
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	33,896

Expected profits

Expected profits included in future premiums (EPIFP) - Life business	R0770	
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	
Total Expected profits included in future premiums (EPIFP)	R0790	

	Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
	C0010	C0020	C0030	C0040	C0050
Ordinary share capital (gross of own shares)	R0010	1,000	1,000		
Share premium account related to ordinary share capital	R0030				
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040				
Subordinated mutual member accounts	R0050				
Surplus funds	R0070				
Preference shares	R0090				
Share premium account related to preference shares	R0110				
Reconciliation reserve	R0130	33,896	33,896		
Subordinated liabilities	R0140				
An amount equal to the value of net deferred tax assets	R0160				
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180				
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220				
Deductions for participations in financial and credit institutions	R0230				
Total basic own funds after deductions	R0290	34,896	34,896		
Unpaid and uncalled ordinary share capital callable on demand	R0300				
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual - type undertakings, callable on demand	R0310				
Unpaid and uncalled preference shares callable on demand	R0320				
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330				
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340				
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350				
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360				
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370				
Other ancillary own funds	R0390				
Total ancillary own funds	R0400				
Total available own funds to meet the SCR	R0500	34,896	34,896		
Total available own funds to meet the MCR	R0510	34,896	34,896		
Total eligible own funds to meet the SCR	R0540	34,896	34,896		
Total eligible own funds to meet the MCR	R0550	34,896	34,896		
SCR	R0580	12,120			
MCR	R0600	4,309			
Ratio of Eligible own funds to SCR	R0620	287.92%			
Ratio of Eligible own funds to MCR	R0640	809.91%			

	C0060	
Excess of assets over liabilities	R0700	34,896
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	1,000
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	33,896
Expected profits included in future premiums (EPIFP) - Life business	R0770	
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	
Total Expected profits included in future premiums (EPIFP)	R0790	

CATALINA LONDON LIMITED

Annex I

S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

Market risk

Counterparty default risk

Life underwriting risk

Health underwriting risk

Non-life underwriting risk

Diversification

Intangible asset risk

Basic Solvency Capital Requirement

Calculation of Solvency Capital Requirement

Operational risk

Loss-absorbing capacity of technical provisions

Loss-absorbing capacity of deferred taxes

Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC

Solvency capital requirement excluding capital add-on

Capital add-on already set

Solvency capital requirement

Other information on SCR

Capital requirement for duration-based equity risk sub-module

Total amount of Notional Solvency Capital Requirement for remaining part

Total amount of Notional Solvency Capital Requirements for ring fenced funds

Total amount of Notional Solvency Capital Requirement for matching adjustment portfolio

Diversification effects due to RFF nSCR aggregation for article 304

	Gross solvency capital requirement	USP	Simplifications
	C0110	C0090	C0120
R0010	4,035		
R0020	3,113		
R0030			
R0040	475		
R0050	7,163		
R0060	-3,731		
R0070			
R0100	11,057		
	C0100		
R0130	1,064		
R0140			
R0150			
R0160			
R0200	12,120		
R0210			
R0220	12,120		
R0400			
R0410			
R0420			
R0430			
R0440			

CATALINA LONDON LIMITED

Annex I

S.28.01.01

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

Linear formula component for non-life insurance and reinsurance obligations

MCR _{NL} Result	C0010		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
	R0010	3,099		
			C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	14		
Income protection insurance and proportional reinsurance	R0030			
Workers' compensation insurance and proportional reinsurance	R0040	1,517		
Motor vehicle liability insurance and proportional reinsurance	R0050	0		
Other motor insurance and proportional reinsurance	R0060			
Marine, aviation and transport insurance and proportional reinsurance	R0070	335		
Fire and other damage to property insurance and proportional reinsurance	R0080	176		
General liability insurance and proportional reinsurance	R0090	8,024		0
Credit and suretyship insurance and proportional reinsurance	R0100			
Legal expenses insurance and proportional reinsurance	R0110			
Assistance and proportional reinsurance	R0120			
Miscellaneous financial loss insurance and proportional reinsurance	R0130	21		
Non-proportional health reinsurance	R0140	224		
Non-proportional casualty reinsurance	R0150	9,108		
Non-proportional marine, aviation and transport reinsurance	R0160	849		
Non-proportional property reinsurance	R0170	867		

Linear formula component for life insurance and reinsurance obligations

MCR _L Result	C0040		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
	R0200			
			C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210			
Obligations with profit participation - future discretionary benefits	R0220			
Index-linked and unit-linked insurance obligations	R0230			
Other life (re)insurance and health (re)insurance obligations	R0240			
Total capital at risk for all life (re)insurance obligations	R0250			

Overall MCR calculation

	C0070	
Linear MCR	R0300	3,099
SCR	R0310	12,120
MCR cap	R0320	5,454
MCR floor	R0330	3,030
Combined MCR	R0340	3,099
Absolute floor of the MCR	R0350	4,309
		C0070
Minimum Capital Requirement	R0400	4,309