



Alwyn Insurance Company Limited

Solvency and Financial Condition Report 2025

April 2026

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Executive Summary

This document is the Solvency and Financial Condition Report (“SFCR”) of Alwyn Insurance Company Limited (“AICL” or the “Company”) as at 31 December 2025.

AICL is a private company limited by shares, incorporated and domiciled in Gibraltar, and authorised and regulated by the Gibraltar Financial Services Commission (“GFSC”).

AICL holds a financial strength rating of “A+” (Superior) from AM Best.

The Company’s ultimate parent is Arch Capital Group Ltd. (“ACGL” or, together with its subsidiaries, the “Group” or the “Arch Group”), a Bermuda public limited liability company listed on the Nasdaq Stock Market (Nasdaq: ACGL) and a constituent of the S&P 500 Index. ACGL, through its subsidiaries, provides insurance, reinsurance and mortgage insurance on a global basis.

This report sets out the solvency and financial condition of AICL in accordance with Gibraltar solvency rules, as implemented under the Financial Services (Solvency II) (Technical Standards) Regulations 2025, the Financial Services (Insurance Supervisory Reporting) (Technical Standards) Regulations 2025 and the Financial Services (Insurance Companies) Regulations 2020.

AICL’s presentation currency is pounds sterling (“GBP”).

Business, Strategy & Performance

During the year ended 31 December 2025, AICL wrote gross written premium of £575.8 million (2024: £641.6 million) and reported a profit before tax of £9.8 million (2024: £9.0 million). The reduction in premium volume reflects competitive conditions in the UK motor insurance market.

All underwriting activity is conducted through Managing General Agents (“MGAs”), with the portfolio predominantly comprising UK motor insurance. The majority of premium is generated by Somerset Bridge Insurance Services Limited (“SBISL”), a connected party owned by Arch Reinsurance Limited (“ARL”), with this business written on a coinsurance basis with Watford Insurance Company Europe Limited (“WICE”). The Company has a small legal expenses portfolio in run-off since 31 December 2024 and a small pet insurance portfolio expected to enter run-off in Q2 2026.

AICL purchases reinsurance to mitigate underwriting volatility and support efficient capital management. External reinsurance is placed on both an excess of loss and quota share basis, with excess of loss protection providing a maximum retention of £2 million per risk (2024: £2 million). In addition, quota share arrangements are used for specific capacity structures.

The Company also benefits from a whole account quota share reinsurance arrangement with ARL, under which 85% of written premium is ceded.

Systems of Governance

AICL has established and maintains a system of governance designed to ensure the sound and prudent management of its operations. This system is applied on a proportionate basis, taking into account the nature, scale and complexity of the Company’s activities.

AICL operates an entirely outsourced business model through MGAs, and accordingly the majority of its expense base comprises fees and commissions payable to such counterparties. The Company also

maintains outsourcing arrangements with group entities, including Arch Underwriters Ltd., Arch Underwriters Europe Ltd., Arch Investment Management Ltd. and Arch Capital Services Inc.

Outsourcing arrangements give rise to operational and oversight risks, including the potential loss of direct control over key activities. The Company's risk management and governance framework therefore places significant emphasis on the oversight and monitoring of outsourced service providers, including formalised due diligence, contractual controls and ongoing performance assessment.

During the year, the Board comprised five executive directors and two independent non-executive directors, including the Chair.

The Board is responsible for the overall oversight of the Company, including its outsourced activities, and for ensuring delivery of the business strategy within the defined risk appetite. It also sets standards of conduct and promotes a culture of integrity.

In early 2025, a Risk Committee was established to support the Board, with responsibility for oversight of the Company's risk management framework and for monitoring the identification, assessment and management of material risks.

Risk Profile

AICL's risk appetite framework articulates the level and types of risk the Company is willing to accept in pursuit of its strategic objectives. It comprises both quantitative metrics and qualitative statements, which together define the Company's overall risk tolerance and inform decision-making across the business. The framework supports the effective operation of the risk management system and ensures that material risks are considered in key business decisions.

AICL has a defined appetite for insurance (underwriting) risk, while maintaining a more limited tolerance for other risk categories.

The Company's risk philosophy encompasses its principal risk exposures and is aligned to the following objectives:

- Underwriting business that meets defined target returns
- Partnering with selected MGAs
- Writing carefully selected lines of business
- Managing underwriting volumes in line with market conditions and the insurance cycle
- Limiting downside risk to maintain an appropriate solvency position

Valuation for Solvency Purposes

AICL prepares its financial statements in accordance with Gibraltar Generally Accepted Accounting Principles ("GAAP"). The Company's Solvency II balance sheet is prepared on an economic fair value basis.

The most significant differences between the GAAP and the Solvency II balance sheet arise from:

- Valuation of gross technical provisions
- Valuation of reinsurers' share of technical provisions
- Reclassification of insurance and intermediary receivables
- Reclassification of reinsurance payables and receivables
- Valuation of deferred costs



Capital Management

As at 31 December 2025, the Company's Solvency Capital Requirement ("SCR") coverage ratio was 184% (2024: 189%), supported by Eligible Own Funds of £89.0 million (2024: £73.2 million) against an SCR of £48.3 million (2024: £38.7 million). The Minimum Capital Requirement ("MCR") was £12.1 million (2024: £10.6 million).

The Company maintained a robust capital position throughout the year and remained in continuous compliance with its regulatory capital requirements. The business plan projects ongoing compliance over the planning horizon.

In Q4 2025, the Company received a capital contribution of £10.0 million from its parent Arch Financial Holdings B.V. to support projected business volumes and maintain appropriate solvency coverage.

The Company has entered into a capital commitment deed with ARL, approved by the Gibraltar Financial Services Commission in Q4 2021. Following further approval from the GFSC in late 2025, the deed was amended to permit recognition of an ancillary Own Funds item of up to £21.0 million, subject to a maximum solvency coverage ratio of 180%.



Section A. Business and Performance

A.1. Business

A.1.1. Name and Legal Form of the Undertaking

Alwyn Insurance Company Limited (“AICL” or the “Company”) is incorporated in Gibraltar (Registered Number: 106261) and is a company limited by shares. The address of the registered office of the Company is:

Unit 3A-C
Leisure Island Business Centre
Ocean Village Promenade
Gibraltar
GX11 1AA

This SFCR covers AICL on a solo basis.

A.1.2. Insurance Supervisor and Group Supervisor

Insurance Supervisor

Gibraltar Financial Services Commission (GFSC)
Suite 3, Ground Floor
Atlantic Suites
Europort Avenue
Gibraltar
GX11 1AA

Group Supervisor

Bermuda Monetary Authority (BMA)
BMA House
43 Victoria Street
Hamilton HM 12 Bermuda

A.1.3. External Auditor

PricewaterhouseCoopers Limited
327 Main Street
Gibraltar
GX11 1AA

A.1.4. Ownership and Shareholding Structure

AICL is wholly owned by Arch Financial Holdings B.V., which holds 100% of the issued share capital. The ultimate parent of both AICL and Arch Financial Holdings B.V. is ACGL.

A.1.5. Group Structure

AICL’s ultimate parent and controlling party is Arch Capital Group Ltd. ACGL prepares consolidated financial statements and is the largest group for which group financial statements are prepared and of which AICL is a member.

ACGL’s common shares are listed on the Nasdaq Stock Market (Nasdaq: ACGL) and the company is a constituent of the S&P 500 Index. Copies of ACGL’s consolidated financial statements are available on its

website (www.archcapgroup.com) and on the website of the U.S. Securities and Exchange Commission (www.sec.gov).

A complete organisation chart showing ACGL and AICL's position within the Group is included in Appendix 1. AICL does not have any branches.

A.1.6. Business Lines and Geographical Distribution

The following tables set forth summary information regarding gross premiums written, by class of business. All business has been underwritten in the UK, other than a small amount written in Gibraltar.

Table A.1.6. GWP by Class of Business 2025 vs. 2024

	As at 31 December 2025		As at 31 December 2024	
	Amount	% of Total	Amount	% of Total
	£'000	%	£'000	%
Gross written premiums - class				
Motor vehicle liability insurance	570,537	99%	622,611	97%
Legal expenses insurance	1,053	0%	3,796	1%
Miscellaneous financial loss	4,211	1%	15,185	2%
Total	575,800	100%	641,593	100%

A.1.7. Significant Business or Other Events

At 31 December 2025, the Southern Rock Insurance Company Limited ("SRICL") Part VII transfer was completed, with all associated technical assets and liabilities transferred to AICL. The total reserves transferred amounted to £118.4 million.

A.2. Underwriting Performance

AICL primarily underwrites UK motor business through capacity provided to Managing General Agent (“MGA”) partners, with the majority of premium generated by Somerset Bridge Insurance Services Limited (“SBISL”), a connected party of the Group. This business is written on a coinsurance basis with Watford Insurance Company Europe Limited (“WICE”).

During the year ended 31 December 2025, AICL wrote gross written premium of £575.8 million (2024: £641.6 million). The reduction in premium reflects competitive conditions in the UK motor insurance market. The Company reported an underwriting profit of £6.9 million (2024: £7.4 million) and a profit before tax of £9.8 million (2024: £9.0 million).

In addition to UK motor, the Company wrote a small UK pet insurance portfolio during the year. The legal expenses portfolio was in run-off throughout 2025, having ceased underwriting on 31 December 2024. A legacy property facultative reinsurance book has been in run-off since end-2021. The pet insurance portfolio, launched in March 2023, is expected to enter run-off in Q2 2026.

The Company prepares its financial statements under Gibraltar GAAP, applying UK Financial Reporting Council standards including FRS 102. Accordingly, the underwriting performance presented in this section is on a GAAP basis. The table below summarises the technical account by line of business for the year ended 31 December 2025, with comparatives for 2024.

Table A.2.1. Underwriting Performance as at 31 December 2025

	Total Motor £'000	Motor Liability £'000	Other Motor £'000	Legal Expenses £'000	Pet Cover (misc.)	Total £'000
Gross written premiums	570,537	513,483	57,054	1,053	4,211	575,800
Outward reinsurance premiums	(519,760)	(468,500)	(51,260)	(956)	(3,824)	(524,540)
Net written premiums	50,777	44,983	5,794	97	387	51,261
Change in the gross provision of unearned premiums	(29,994)	(26,995)	(2,999)	(5,008)	157	(34,845)
Change in the provision for unearned premiums - reinsurers' share	(26,980)	(24,572)	(2,407)	(4,918)	516	(31,381)
Change in the net provision for unearned premiums	3,014	2,422	592	90	359	3,463
Earned premiums, net of reinsurance	53,791	47,406	6,386	186	746	54,724
Claims incurred, net of reinsurance	(47,097)	(42,024)	(5,074)	(179)	(714)	(47,990)
Net operating expenses	(205)	(184)	(20)	(0)	(2)	(207)
Balance on the technical account	6,899	5,567	1,332	8	33	6,940

Table A.2.2. Underwriting Performance as at 31 December 2024

	Total Motor	Motor Liability	Other Motor	Legal Expenses	Pet Cover (misc.)	Total
	£'000	£'000	£'000	£'000		£'000
Gross written premiums	622,611	560,350	62,261	3,796	15,185	641,593
Outward reinsurance premiums	(563,977)	(508,655)	(55,321)	(3,446)	(13,785)	(581,207)
Net written premiums	58,635	51,695	6,940	350	1,400	60,385
Change in the gross provision of unearned premiums	71,490	64,341	7,149	346	1,385	73,221
Change in the provision for unearned premiums - reinsurers' share	57,979	52,412	5,566	314	1,255	59,548
Change in the net provision for unearned premiums	(13,511)	(11,929)	(1,583)	(32)	0	(13,673)
Earned premiums, net of reinsurance	45,123	39,766	5,357	318	1,271	46,712
Claims incurred, net of reinsurance	(40,353)	(36,898)	(3,454)	(60)	(239)	(40,651)
Net operating expenses	(1,273)	(935)	(339)	(21)	(83)	(1,377)
Balance on the technical account	6,043	3,802	2,240	278	1,114	7,437

A.3. Investment Performance

AICL invests in a limited portfolio of UK treasuries and money market funds, with the balance held in cash. As at 31 December 2025, investments comprised £43.8 million (2024: £41.9 million) in UK treasuries, £0.1 million (2024: £0.1 million) in money market funds, and £35.0 million (2024: £39.7 million) in cash held with banks.

All investment gains and losses are recognised in the profit and loss account. The Company does not hold any investments in securitisations.

The components of net investment income included in the statement of income and expenses are set out in the table below.

Table A.3.1. Investment performance 2025 and 2024

	2025	2024
	£'000s	£'000s
Income from Fixed maturities	2,658	2,249
Gross investment income	2,658	2,249
Investment expenses (2)	(84)	(49)
Net investment income	2,574	2,200

A.4. Performance of Other Activities

The following table summarizes the profit and loss account in GBP for the non-technical account for year ended 31 December 2025 and year ended 31 December 2024.

Table A.4.1. Other material income and expenses 2025 and 2024

	As at 31/12/2025	As at 31/12/2024
	£'000	£'000
Balance on the technical account	6,940	7,438
Realized & unrealized foreign exchange gains / (losses)	247	(672)
Net investment return including in the non technical account	2,574	2,200
Profit on ordinary activities before taxation	9,762	8,965
Tax on profit on ordinary activities	(1,056)	(1,214)
Profit on ordinary activities after taxation	8,706	7,752

Other than the investment performance above, there were no other items of income or expenditure.

A.4.1. Expected Profit in Future Premium

As of 31 December 2025, the expected profit in future premium is £0.1 million (2024 – £0.3 million).

A.5. Any Other Information

The Company has entered into a capital commitment deed with ARL, approved by the Gibraltar Financial Services Commission in Q4 2021. Following further approval from the GFSC in late 2025, the deed was amended to permit recognition of an ancillary Own Funds item of up to £21.0 million, subject to a maximum solvency coverage ratio of 180%.

Section B. System of Governance

B.1. General Information on the System of Governance

B.1.1. Overview

AICL operates a governance framework comprising the Board and its principal committees: Audit Committee, Risk Committee and Product Oversight and Conduct Committee. Each committee operates under formal Terms of Reference.

The executive management team is accountable to the Board and provides regular reporting, including at least quarterly Board meetings.

During the year, the Board comprised five executive directors and two independent non-executive directors, including the Chair.

The Board is responsible for the overall oversight of the Company, including its outsourced activities, and for ensuring delivery of the business strategy within the defined risk appetite. It also sets standards of conduct and promotes a culture of integrity.

B.1.2. Audit Committee

The Audit Committee comprises an independent non-executive director, the independent non-executive Chair of the Board and the Head of Finance, who is an executive director.

The Committee oversees internal and external audit arrangements, including audit planning, performance and effectiveness, and reports to the Board on related matters. It meets at least quarterly, with outputs reported to the Board.

B.1.3. Product Oversight and Conduct Committee

The Product Oversight and Conduct Committee comprises the independent non-executive Chair, who also serves as the designated Consumer Duty Champion, together with relevant members of senior management.

The Committee is responsible for oversight of product governance and conduct. This includes monitoring customer outcomes, reviewing management information, and ensuring that appropriate systems and controls are in place. It reports to the Board on matters relating to customer outcomes and any identified or potential customer harm.

B.1.4. Risk Committee

The Risk Committee comprises an independent non-executive director as Chair and executive directors, with input from the Risk Function.

The Committee supports the Board in overseeing the Risk Management Framework, including the identification, assessment, monitoring and management of risks. It reviews the effectiveness of risk management processes and provides recommendations to the Board as appropriate.

B.1.5. Code of Business Conduct

AICL has adopted a Code of Business Conduct which sets out the ethical principles and standards expected across the Company, supported by Corporate Governance Guidelines.

B.1.6. Independent Control Functions

The Company has established four key independent control functions in accordance with the Financial Services (Insurance Companies) Regulations 2020:

- Risk Management;
- Compliance;
- Actuarial; and
- Internal Audit.

These functions provide oversight, challenge and assurance to the Board in respect of the Company's system of governance and control framework.

Each function operates with appropriate authority and independence and reports to the Board, ensuring effective oversight and transparency in the discharge of their responsibilities.

B.1.7. Risk Function

The Risk Management Function is a key function under Solvency II. During 2025, the function was overseen by an executive director acting as the Key Function Holder for Risk Management. The individual had held this role for a number of years and remained in position throughout the reporting period, stepping down from both the role and the business on 21 January 2026. The executive director was the approved Key Function Holder for Risk Management as at 31 December 2025.

Following this, the function has been overseen by an interim Head of Risk, who has been approved by the GFSC, while a permanent appointment is being progressed.

The Key Function Holder is supported by additional risk resources, which provide input into and support AICL's risk management activities.

Responsibility for oversight of the Risk Management Framework rests with the Risk Committee, established in 2025. The Risk Committee is chaired by an independent non-executive director and includes representation from executive management and relevant functions. It meets on a quarterly basis to review key risk issues, with matters escalated to the Board as appropriate, including recommendations requiring Board approval.

B.1.8. Compliance Function

The Board has established a compliance framework to promote high standards of ethical conduct and to ensure compliance with applicable Gibraltar legislation, regulatory requirements and supervisory expectations. The framework is designed to support prudent management of the Company's business and to protect its reputation.

The requirements of the compliance framework apply to all employees, officers and directors of the Company and, where appropriate, to agents acting on its behalf.

AICL maintains compliance policies and procedures which establish systems of control and supervision designed to provide reasonable assurance that the Company, and those acting on its behalf, complies with

applicable Gibraltar legislation and manages the associated risks in accordance with prudent business practices.

B.1.9. Actuarial Function

The Actuarial Function is a key function under Solvency II. The Actuarial Function Holder (“AFH”) is an executive director based in Gibraltar and has overall responsibility for the function.

The AFH is supported by appropriately qualified actuarial resources. These resources operate independently from the activities they review.

The responsibilities of the Actuarial Function include:

- coordinating the calculation of technical provisions;
- assessing the sufficiency and quality of data used in those calculations;
- informing the Board of the reliability and adequacy of technical provisions;
- providing an opinion on the underwriting policy;
- providing an opinion on the adequacy of reinsurance arrangements;
- contributing to the effective operation of the risk management system; and
- preparing the annual Actuarial Function Report.

B.1.10. Internal Audit

The Company has an Internal Audit function, which operates in accordance with an Internal Audit Charter that sets out its objectives, authority and responsibilities. The function is outsourced to Arch Capital Services Inc.

The Internal Audit function provides independent and objective assurance on the adequacy and effectiveness of the Company’s system of governance, internal controls and risk management framework. During the year, oversight of the Internal Audit function was provided by an independent non-executive director. The outsourced Internal Audit function is appropriately resourced with suitably qualified and experienced individuals and operates independently of the Company’s operational activities.

B.1.11. Material Changes

In 2025, AICL established a Risk Committee to oversee the Risk Management Framework and function, and to ensure that risks are appropriately identified, assessed and managed.

At the end of 2024, AICL established a Product Oversight and Conduct Committee to support the Board in overseeing MGA relationships from a product governance and conduct perspective.

The Head of Risk and Compliance resigned from the Board with effect from 21 January 2026. Two interim individuals have been appointed by AICL and approved by the GFSC to perform these roles while a permanent appointment is being progressed. These individuals attend Board meetings in their functional capacity but are not members of the Board.

B.1.12. Remuneration Policy and Practices

AICL currently has six permanent employees (including two executive directors) and two independent non-executive directors who receive remuneration from the Company. The remaining executive directors are remunerated under separate group arrangements. No employees or directors receive remuneration directly linked to the performance of AICL. No share-based remuneration or share options are provided. All employees are eligible for pension benefits.

The Company intends to establish a Remuneration Committee in 2026.

B.1.13. Material Transactions

During the year, AICL ceded circa 85% of its business under a whole account quota share reinsurance arrangement with ARL, a connected party to the Company. Total premium ceded amounted to £330.3 million (2024: £368.8 million), with an outstanding balance of £6.9 million at 31 December 2025 (2024: £29.1 million).

At 31 December 2025, the SRICL Part VII transfer was completed, with all associated technical assets and liabilities transferred to AICL. The total reserves transferred amounted to £118.4 million.

B.2. Fit and Proper Requirements

AICL maintains a Fitness and Propriety Policy to ensure that individuals performing Board, Key Function Holder and Regulated Individual roles are fit and proper on appointment and on an ongoing basis. The Head of Compliance is responsible for oversight of the policy, including implementation, monitoring and annual review.

All Regulated Individuals are subject to GFSC approval prior to appointment. The Compliance function conducts appropriate due diligence prior to appointment and on a periodic basis thereafter, supported by annual self-certification from relevant individuals. The Compliance function reports to the Board on these matters.

The Company ensures that individuals have the appropriate professional qualifications, experience and knowledge to provide sound and prudent management, and that they are of good repute and integrity.

The Board is assessed to ensure that, collectively, it has appropriate knowledge and expertise across:

- insurance and financial markets;
- business strategy and operations;
- systems of governance;
- financial and actuarial matters; and
- the applicable regulatory framework.

Propriety assessments take into account the individual's character, conduct and any relevant criminal, financial or regulatory matters.

B.3. Risk Management System Including the Own Risk and Solvency Assessment

B.3.1. Risk Management Process and Procedures

This section provides an overview of AICL's Risk Management Framework, which sets out the approach to identifying, measuring, managing and reporting the key risks to which the Company is exposed. It also describes how risk management is embedded within AICL's organisational structure and decision-making processes.

Overview

AICL classifies its principal risks as follows:

- Strategic risk;
- Underwriting risk;
- Market risk;
- Credit risk;

- Operational risk, including governance, legal and compliance, key personnel, delegated underwriting oversight, data quality, claims handling, IT (including cybersecurity), business continuity and conduct risk;
- Reputational risk;
- Sustainability risk;
- Group risk.

The Risk Management Framework includes:

- The Company's risk culture and supporting policies addressing material risks; and
- The processes and controls in place to manage and mitigate those risks.

These policies and controls underpin AICL's approach to meeting its business and regulatory obligations. The Company adopts a holistic approach to risk management, considering both top-down and bottom-up risk assessments.

AICL's system of governance is designed to:

- Maintain a clear, transparent and documented organisational structure with defined lines of responsibility;
- Ensure personnel have the appropriate skills, knowledge and experience to discharge their responsibilities;
- Support effective internal reporting and communication at all relevant levels;
- Maintain information systems that deliver reliable, consistent, timely and relevant information on business activities and risk exposures;
- Safeguard the security, integrity and confidentiality of information; and
- Ensure outsourced activities are appropriately governed, with ultimate responsibility retained by the Board.

The system of governance is applied on a proportional basis, reflecting the nature, scale and complexity of AICL's operations. Appropriate systems, resources and procedures are in place to support this.

Responsibilities

The Board retains overall responsibility for risk management. During 2025, a Risk Committee was established to oversee the risk management function, with key matters escalated to the Board for review and approval, including risk identification, assessment, monitoring and reporting.

The former Head of Risk Management stepped down in early 2026. In accordance with the Financial Services (Insurance Companies) Regulations 2020, an interim Head of Risk Management has been appointed and approved by the GFSC and is responsible for providing regular reporting to the Risk Committee while the Company progresses the appointment of a permanent replacement.

Risk management is embedded within AICL's operations through oversight of business partners, appropriate contractual arrangements, and ongoing monitoring against defined risk appetite and capital thresholds. The Risk Management Framework is based on the Three Lines of Defence model and is integrated within the Company's overall system of governance.

Risk Identification, Assessment, Monitoring and Reporting

AICL's risk profile is defined within its risk management framework and is subject to oversight and challenge by the Risk Committee, with key matters escalated to the Board for approval. The Board sets

the overall risk appetite. AICL has an appetite for underwriting risk and a tolerance for other risk types, as articulated in the Risk Appetite Statement and supporting risk policies, which are reviewed annually.

A formal risk taxonomy is maintained to identify all Level 1 and Level 2 risks. Each risk is assigned an owner responsible for defining, analysing and assessing the risk using the Company's risk assessment framework, including evaluation of likelihood and impact.

Risks and associated controls are recorded in the Risk Register, which captures both gross and net exposures. The Risk Register includes qualitative and quantitative assessments and is subject to quarterly review. It is a key input into the risk management framework, with material changes in underlying risks assessed for potential impact on capital requirements, including changes in business mix, strategy and investment policy.

Controls are reviewed for continued relevance by control owners, with compliance verified through ongoing management oversight and Internal Audit reviews. Any material issues are reported to the Board. All material risks are captured in the Risk Register and, where appropriate, reflected in the SCR calculation, with further assessment through stress and scenario testing where required. Risk assessments are owned by the relevant functions and subject to Board oversight.

The Board receives quarterly reporting from the Risk Management Function on performance against risk appetite, including capital coverage, supported by oversight from the Risk Committee.

B.3.2. Implementation and Integration of ORSA

AICL adopts an integrated approach to its Own Risk and Solvency Assessment ("ORSA"), which forms a key component of the Risk Management Framework. The ORSA links the Company's risk profile, Board-approved risk appetite and tolerances, business strategy, and overall solvency requirements.

The ORSA comprises the processes and procedures used to identify, assess, monitor, manage and report current and forward-looking risks, and to determine the capital required to meet solvency needs on an ongoing basis. It also provides a link between actual financial performance and capital assessment.

The ORSA is embedded within AICL's governance and decision-making processes, supporting business planning, capital management and strategic decision-making, including risk retention and transfer. It is tailored to the nature, scale and complexity of the Company's operations.

The ORSA process operates on a continuous basis, supported by formal reporting at least annually following the business planning cycle. Additional ORSA assessments are performed where there is a material change in the Company's risk profile. The Board, supported by the Risk Committee, retains responsibility for oversight of the ORSA, including review of both the process and its outputs.

A non-routine ORSA may be triggered by material changes in the Company's risk profile, including:

- Significant changes in business activity, including:
 - introduction of new programmes or material changes to existing programmes ($\geq 10\%$ of GWP);
 - overall premium volumes deviating materially from plan ($\pm 25\%$), or $\pm 35\%$ for an individual scheme where this impacts results;
 - new programmes, products or lines of business with net written premium of £15 million or more (net of third-party reinsurance);
 - material increases in scheme costs ($\geq 25\%$ for schemes with GWP > £30 million);

- entry into or exit from a material line of business;
- changes in excess of loss reinsurance retention levels exceeding 5%;
- Material capital changes, including a reduction of 10% or more in the market value of investments;
- Significant market stress directly impacting the Company; and
- SCR coverage falling below the Board-approved risk appetite as defined in the previous ORSA.

The ORSA outputs are incorporated into the Company's capital management process and inform decisions on capital adequacy, including any requirement for additional capital. The Company also uses the ORSA to assess the ongoing appropriateness of its Risk Appetite Statement and associated limits and tolerances, with any material changes subject to Board approval.

The Company maintains appropriate documentation of the ORSA process and outcomes to ensure transparency and enable independent review. Regular risk management reporting, including updates on the Risk Register and key risk exposures, is provided to the Risk Committee, with material matters escalated to the Board.

B.3.3. Performance, Documentation and Review of the ORSA

A full ORSA cycle is performed at least annually and reported to the Board. The ORSA process is a circular process that relies on key elements of the business:

- The Board outputs – Strategy / capital management process / The Board Risk Appetite;
- Business planning – providing the basis for the base case projections;
- The Solvency II Pillar I Standard Formula – 3-year outputs & base assumptions used;
- The Board – who review, challenge and approve the test scenarios, the ORSA process and output;
- The Actuarial Function – who quantify technical provisions and provide other input into the Pillar I model; and
- ORSA Reporting to all stakeholders.

The Key Activities in the ORSA Process are:

- Strategy and planning;
- Pillar I base outputs and assumptions;
- Risk identification and assessment;
- Scenario setting;
- Scenario testing through the Pillar I model and production of test output;
- Review of test output and report preparation; and
- Management review, and Board review and reporting.

Each run of the ORSA process will be appropriately documented to evidence each of its constituent parts, and this record will be retained for any later scrutiny. The documentation shall contain the:

- Underlying business plan and strategy;
- Risk Appetite Statement;
- Pillar I standard assumptions and output;
- Schedule of scenarios to be tested;
- Scenario test results;
- ORSA report; and
- Relevant summaries relating to any scrutiny, review and challenge of the ORSA process and outputs.

B.3.4. Relationship Between ORSA and Solvency and Risk Management

The Board has approved a target capital appetite based on the Solvency Capital Requirement (“SCR”) and the Minimum Capital Requirement (“MCR”) which is regularly updated by the actuarial function and reviewed at the Risk Committee and reported to the Board.

In addition, the Company has a Solvent Exit Analysis in place, which considers the capital available and needed to solvently wind-down the business. The Head of Actuarial Function is responsible for developing and maintaining the Solvent Exit Analysis. The Board reviews and approves the analysis.

The Solvent Exit Analysis incorporates the output from the ORSA and associated reporting. The plan also sets out triggers for corrective capital actions relative to the Company’s Solvency Ratios, which are based on the SCR and Minimum Capital Requirement (“MCR”).

AICL’s Solvent Exit Analysis and capital planning process aim to be dynamic and forward-looking in relation to AICL’s risk profile and shall take into account the output from AICL’s risk management activities and the ORSA process and associated reporting as part of capital planning activities.

As such, capital planning activities take into account any current or anticipated changes in AICL’s risk profile, such as those reflected in its business plan, and forecasting the related impact on capital. In addition, as part of its capital planning, the Company integrates projected capital needs with its business planning and financial forecasting processes.

The capital planning identifies a number of potential sources of capital and associated corrective actions that may be utilised to restore sufficient capitalisation, depending on the severity of the capital requirements placed upon AICL.

When considering the sources of capital and corrective actions, AICL will have regard to the Solvency II Own Fund requirements.

Any material changes in the underlying risks, such as changes in business mix, reinsurance strategy and investment strategy, are modeled for potential impact upon AICL’s capital requirements. The result of this process is to ensure that all material risks feed into the capital requirements analysis, and in some cases also trigger further investigation through stress testing.

B.3.5. Approval Process

The Board, supported by the Risk Committee, oversees the Risk Management Framework and the annual ORSA process. The ORSA process and attendant ORSA Report are reviewed and approved by the Board.

The Board is responsible for:

- Approving the Company’s strategy, business plan and associated financial projections, including:
 - Monitoring performance against key performance indicators;
 - Approving material changes in business scale or scope; and
 - Approving material expenditure and strategic projects.
- Reviewing, challenging and approving the ORSA, including:
 - The ORSA process;
 - The identification and assessment of risks and proposed management actions;
 - The assumptions underpinning the Solvency Capital Requirement.
- Approving the short- and long-term capital management process, having regard to the ORSA, business strategy and risk tolerance.

- Considering risks not fully captured within the ORSA and the extent to which these are reflected in the Solvency Capital Requirement.
- Using the ORSA to support strategic decision-making.
- Approving the Company's risk appetite, including associated tolerances and limits.

B.4. Internal Control System

B.4.1. Internal Control System

AICL maintains an effective internal control system, which includes administrative and accounting procedures, an internal control framework, appropriate reporting arrangements and a compliance function.

The Board is responsible for monitoring the establishment and maintenance of the system of controls used to assess and manage exposure to all areas of risk. The objectives of these controls are to ensure that AICL's risk strategy is maintained, and risk remains within the appetite and tolerances set by the Board.

AICL is part of Group-wide compliance activities, including management's assessment to confirm the design and operating effectiveness of internal controls over financial reporting and the identification and testing of key internal controls, including any required remediation.

The Board has delegated management and oversight of certain controls to appropriate forums within the Company. AICL's internal control framework provides an appropriate level of reporting on the control environment to the Board.

Controls are detailed in the Risk Register, which have been appropriately designed to mitigate Level 2 risks. AICL's internal control framework includes reviews of both the design and effectiveness of key controls, with results of this periodic evaluation regularly reported to the Risk Committee, with key matters being escalated to the Board.

The Group's Sarbanes-Oxley (SOX) compliance function's testing of internal control over financial reporting (ICFR) is a major element of the Company's monitoring activities. The focus of testing is to provide auditable evidence regarding the design and operating effectiveness of ICFR. A major component of this process is the identification, tracking and disposition of internal control deficiencies that are assessed individually and in the aggregate. The results of the testing are continually communicated to the Audit Committee, with key matters escalated to the Board.

B.4.2. Compliance Function

Implementation of the Compliance Function

AICL has established a Compliance function aligned to its organisational structure and regulatory requirements. The Board has approved a compliance and ethics framework designed to promote high standards of ethical conduct and compliance with applicable laws, regulations and internal policies (the "Compliance Monitoring Programme").

The Compliance Monitoring Programme applies to all employees, officers and directors, and, where appropriate, to agents acting on behalf of the Company. It is designed to support a culture of integrity and ensure that appropriate controls are in place to prevent and detect non-compliance.

The Compliance function forms an integral part of AICL’s risk management and internal control framework. It supports the Board in meeting its strategic and regulatory objectives by promoting compliance with applicable legal and regulatory requirements. This includes monitoring regulatory developments, assessing their potential impact on the Company, identifying and assessing legal and regulatory risks, and reporting to relevant governance forums.

Independence and Authority

In November 2024, AICL transitioned its Compliance function in-house from its insurer manager, Artex, while maintaining independence from operational activities. The Compliance function has direct access to the Board and provides regular reporting on compliance matters. During 2025, the Head of Compliance was an executive director with responsibility for reporting to the Board.

The Compliance function is authorised to review all areas of the Company and has full access to records, systems and personnel as required to perform its duties. It has the authority to escalate matters to the Board where appropriate.

B.5. Internal Audit Function

The Internal Audit function is outsourced to Arch Capital Services Inc. (“ACSI”), which provides internal audit services to the Company. AICL is within the scope of this function.

The Internal Audit function provides independent and objective assurance to the Board on the adequacy and effectiveness of the Company’s system of governance, risk management and internal controls. It adopts a systematic and disciplined approach to evaluating and improving these processes. The function is appropriately resourced with suitably qualified and experienced individuals and operates independently of the Company’s operational activities. Where necessary, external specialists may be engaged to support its work.

Internal Audit has full and unrestricted access to all records, personnel and relevant third-party service providers. There are no limitations on the scope of its work.

The scope of Internal Audit includes the assessment of business processes, governance arrangements and risk management and control frameworks. It may also perform specific reviews at the request of the Board or senior management.

B.5.1. Internal Audit Reporting

Implementation of the Internal Audit Function

The Internal Audit function reports functionally to the Audit Committee and has direct access to the Board, with matters escalated as appropriate.

An annual Internal Audit Plan is prepared based on a risk assessment of the Company’s activities and is subject to review by the Audit Committee and approval by the Board. The plan takes into account key and emerging risks, including those identified through the Risk Register, as well as input from management and other assurance functions.

Internal Audit maintains appropriate coordination with other assurance providers to ensure effective coverage and avoid duplication of effort.

Following completion of audit activities, Internal Audit issues reports setting out findings, recommendations and agreed management actions with target remediation dates. Progress against remediation actions is monitored and reported periodically to the Audit Committee and the Board.

Independence of the Internal Audit Function

The Internal Audit function operates independently of the Company's operational activities and does not undertake any roles or responsibilities that could impair its objectivity.

Internal Audit has no direct responsibility for the activities it reviews and does not design or implement controls or processes subject to audit.

The function has full, free and unrestricted access to all Company activities, records, personnel and relevant third-party service providers.

Internal Audit reports functionally to the Audit Committee and has direct and unrestricted access to the Board, ensuring its independence in reporting and escalation of matters.

B.6. Actuarial Function

The Actuarial Function is a key function under Solvency II. The Actuarial Function Holder ("AFH") is an executive director based in Gibraltar and is responsible for the performance of the function.

The Actuarial Function reports to the Board and operates independently from the Company's business units. The Board ensures that the function has sufficient authority and resources to perform its duties effectively.

The AFH is supported by appropriately qualified actuarial resources. In addition, independent external actuarial review of reserves is performed on a periodic basis.

The responsibilities of the Actuarial Function include:

- coordinating the calculation of technical provisions;
- assessing the appropriateness of methodologies, models and assumptions;
- assessing the sufficiency and quality of data;
- comparing best estimates against experience;
- informing the Board of the reliability and adequacy of technical provisions;
- providing an opinion on underwriting policy;
- providing an opinion on the adequacy of reinsurance arrangements;
- contributing to the effective operation of the risk management system; and
- preparing the Actuarial Function Report.

The Actuarial Function prepares an annual Actuarial Function Report for the Board in accordance with applicable regulatory and actuarial standards.

B.7. Outsourcing

B.7.1. Outsourcing Policy

AICL defines outsourcing as the delegation of a business process or activity to a third-party provider, whether external or within the Arch Group. While services may be performed using the provider's systems

and controls, AICL retains ultimate responsibility and decision-making authority, supported by appropriate oversight and monitoring arrangements.

The Company maintains an Outsourcing Policy which sets out the framework for the identification, approval and ongoing management of outsourcing arrangements. This includes:

- clear governance and accountability for outsourced activities;
- criteria for determining outsourcing arrangements;
- due diligence on service providers;
- establishment of contractual arrangements defining responsibilities and enabling effective oversight and control;
- risk assessment and associated mitigation;
- ongoing monitoring and performance management, including audit where appropriate;
- maintenance of records of outsourced arrangements; and
- contingency planning, including termination and exit arrangements.

B.7.2. Outsourced Functions

The following table provides detail of the key functions which are outsourced by AICL and the Jurisdictions these functions are performed:

Type of Supplier	Outsourced Function or Activity	Location of Service Provider
Arch Group	Investment Management Services	Bermuda
Arch Group	HR, Legal, Financial Consolidation, Tax, IT, Internal Audit and Administrative Services	USA, Bermuda, UK
Arch Group	Underwriting, Claims, Finance, Compliance, Risk Management, Actuarial and Administrative Services	UK, EEA, Bermuda
Third Party	Underwriting Delegated Authority	UK, Gibraltar
Third Party	Claims Handling Services	UK, EEA, Gibraltar

B.8. Adequacy of Systems of Governance

AICL's system of governance is as described above and has been designed in accordance with the principle of proportionality, taking into account the nature, scale and complexity of the Company's operations.

The effectiveness of the governance framework is subject to ongoing review, including oversight by the Risk Management Function and independent assurance through internal and external audit. Developments in legislation, regulation and best practice are considered to ensure that the framework remains appropriate.

On this basis, the Board considers the system of governance to be adequate and appropriate for the Company's business.

B.9. Other Information

No other material information to report as of 31 December 2025.

Section C. Risk Profile

Overview

AICL's risk appetite framework provides an expression of the level of risk the Company is willing to accept in pursuit of its strategic objectives. The risk appetite framework provides quantitative and qualitative statements which are used to define the general attitude within the organization towards the desired level of risk. It not only supports the Company's risk management framework, it also enables AICL to make informed business decisions having regard to the key risks to which it may be exposed by such a decision. In general, AICL has an appetite for insurance (underwriting) risk and a tolerance for other forms of risk.

The risk philosophy of AICL encompasses all major risks and focuses on attaining the following business objectives:

- Underwrite business that meets agreed targeted returns
- Underwrite business with selected MGAs
- Underwrite only carefully selected business lines
- Manage underwriting volumes in line with the business cycle
- Limit the downside risk such that the Company maintains a sufficient solvency margin.

Table C.1. SCR composition by sub-module

Risk Category	Description	Allocated % of SCR as at 31/12/2025	Allocated % of SCR as at 31/12/2024
Underwriting Risk	Risk of losses from business already written or planned to be written over the next year	47.7%	47.1%
Market Risk	Risk of losses from market movements, including exchange rates and investment returns	0.5%	2.0%
Credit Risk	Risk of losses from counterparty defaults, including reinsurers and other counterparties	31.2%	30.4%
Operational Risk	Risk of operational losses	20.7%	20.5%

C.1. Underwriting Risk

C.1.1. Key Underwriting Risks

Underwriting risk is the risk of loss, or adverse change in the value of insurance liabilities, arising from inadequate pricing or risk assessment, including uncertainty in the timing, frequency and severity of insured events. This is closely linked to reserving risk, which arises from inadequate reserving assumptions and variability in claims development.

AICL operates exclusively through MGA partners, primarily in the UK motor market, with small legal expenses and pet insurance portfolios, both in run-off. The UK motor market is competitive and subject to ongoing pricing and claims cost pressures. Performance is influenced by regulatory, legislative and fiscal developments, economic conditions, geopolitical developments, policyholder behaviour, and the actions of key external service providers operating in the market, such as claimant representatives and claims management companies.

Inflationary pressures in the UK increased materially during 2022 and 2023, contributing to higher claims costs and corresponding rate increases across the market. From mid-2024, market pricing began to moderate, with some softening continuing into 2025, while underlying claims cost pressures remain.

These dynamics, together with broader market developments, may result in variability in underwriting performance.

The resulting key underwriting and reserving risks identified by management are:

- Risks are priced incorrectly
- Dependence on business partners
- Unpriced expansion of coverage due to unanticipated changes
- Accepted risks do not provide the required return on capital
- Unexpected concentration of risk exposures
- Insufficient reserves.

C.1.2. Material Risk Concentrations

AICL currently writes almost exclusively motor business, covering a range of risks from standard motor to more specialised niche segments, through its MGA partners. There remains a degree of reliance on its largest MGA, Somerset Bridge Insurance Services Limited (“SBISL”), which accounts for approximately 70% of gross written premium. This exposes AICL to potential concentration risk in the event of operational disruption at SBISL. This risk is managed through ongoing engagement with SBISL, including assessment of its operational resilience and the development of scenario testing of key systems and resources.

C.1.3. Underwriting Risk Mitigations

AICL mitigates underwriting risk through the use of reinsurance and ongoing oversight of underwriting performance. Excess of loss reinsurance is purchased to limit exposure to large claims. In addition, quota share reinsurance arrangements, including both external and inter-company structures, are in place to mitigate attritional losses.

Further mitigation is achieved through:

- regular monitoring of business performance, including market conditions, pricing trends and emerging risks;
- comparison of actual performance against plan and prior periods;
- commission structures designed to align incentives and support improved risk selection and underwriting discipline, thereby mitigating adverse loss ratio movements;
- ongoing engagement with MGA partners, including review of management information and periodic visits;
- independent actuarial review of reserves; and
- periodic audit of claims handling activities.

C.1.4. Stress and Sensitivity Testing

Stress and scenario testing is performed as part of the ORSA process, which is conducted at least annually. These tests consider a range of moderate and severe but plausible scenarios and assess the potential impact on the Company’s capital position.

The scenarios considered reflect the underwriting and reserving risks to which AICL is exposed, including adverse loss ratio development, unplanned changes in business volumes and stress to the largest portfolio. For each scenario, the impact on the Solvency Capital Requirement and Own Funds is assessed. The results indicate that, while such stresses would lead to a deterioration in the Company’s capital position, the Company is able to maintain capital coverage within its risk appetite under most scenarios considered. Only more severe combined scenarios are projected to result in a breach of the SCR, based on the assumptions applied. The Company’s underwriting risk profile is therefore considered to be

resilient to most shocks, within the range of scenarios assessed. These assessments remain subject to uncertainty and form part of the Company's ongoing risk management and capital planning processes.

C.2. Market risk

C.2.1. Key Market Risks

Market risk is the risk of loss, or adverse change in the value of assets, arising from fluctuations in market variables, including interest rates, foreign exchange rates, credit spreads and equity prices.

The principal components of market risk for AICL are:

- currency risk;
- interest rate risk;
- spread risk; and
- equity risk.

Market risk also includes concentration risk, arising from lack of diversification across counterparties, sectors or asset classes, and investment credit risk, relating to changes in the credit quality of issuers and counterparties.

AICL maintains a conservative investment policy focused on capital preservation. The Company's exposure to market risk is managed within defined risk limits and tolerances.

C.2.2. Material Risk Concentrations

AICL only holds investments in government securities with the remainder of investible assets held in deposits with banks. Therefore, there are no material risk concentrations.

C.2.3. Market Risk Mitigations

AICL mitigates market risk through the application of investment controls and governance arrangements. Key measures include:

- Board and senior management oversight of investment activities;
- delegation of investment management to Arch Investment Managers ("AIM") under formal agreements;
- investment guidelines designed to support liquidity and limit exposure to individual counterparties, sectors and asset classes;
- periodic confirmation of compliance with investment guidelines; and
- use of approved investment managers, brokers and service providers.

C.2.4. Stress and Sensitivity Testing

AICL has limited exposure to market risk and has therefore modelled a single investment stress scenario. The results of this stress indicate that the Company would remain within its SCR coverage and do not suggest a material vulnerability to market risk.

C.2.5. Prudent Person Principle

AICL manages its investment assets in accordance with the Prudent Person Principle, ensuring that investments are undertaken with due care, skill, prudence and diligence, and in the best interests of policyholders and shareholders.

The Board sets the investment strategy and risk appetite, with the objective of limiting exposure to investment risk. Key principles include:

- adopting a conservative investment approach focused on capital preservation;
- maintaining sufficient liquidity to meet liabilities as they fall due; and
- ensuring appropriate policies, procedures and controls are in place to support effective investment management.

The Company's investment portfolio primarily comprises high quality fixed income securities and bank deposits, with limits in place on exposure to other asset classes. Any investment outside of the established strategy is subject to Board review and approval, including consideration of its impact on the Company's risk profile and compliance with the Prudent Person Principle.

C.3. Credit risk

C.3.1. Key Credit Risks

AICL has a low appetite for investment credit risk, which is recommended by senior management and approved by the Board.

AICL is exposed to credit risk from the following sources:

- Investments in fixed income securities;
- Deposits with banking counterparties;
- Reinsurance counterparties – internal from the quota share arrangement;
- Reinsurance counterparties – external;
- Premiums collectable from lead insurers and MGA partners; and
- Contingent commissions from MGAs.

The key risk is that one or more of these counterparties fail.

C.3.2. Material Risk Concentrations

As at 31 December 2025, AICL used a single banking counterparty, thus resulting in risk concentration. Reinsurance credit concentration was also high, due to the inter-group quota share arrangement. Premium debtor credit exposure is diversified.

C.3.3. Credit Risk Mitigations

AICL mitigates credit risk through the implementation of appropriate controls, processes and procedures. At purchase, securities must be rated investment grade by at least two of the following ratings agencies (if rated by all three): Moody's, S&P or Fitch. If only two of the three agencies rate the security, the lower rating is used to determine eligibility. If only one of the three agencies rates a security, the rating must be Aa3/AA- or higher.

For the placement of time deposits, banks must be rated at least A1+ or equivalent by S&P or Fitch and P-1 or equivalent by Moody's at the time of purchase.

Reinsurance and premium receivables are closely monitored and controlled, with short credit periods mitigating any risk exposure. Furthermore, other than the inter-group quota share reinsurance, other reinsurance arrangements are split across a number of counterparties, thereby reducing single name exposure.

C.3.4. Stress and Sensitivity Testing

Given the level of reinsurance ceded, AICL is exposed to counterparty default risk. As part of the ORSA, stress testing has been performed to assess the impact of a deterioration in the credit quality of key reinsurance counterparties.

A downgrade of the Company's principal quota share reinsurer, ARL, by one credit rating notch was modelled. Under this scenario, the Company's SCR coverage is reduced but remains above both regulatory requirements and internal risk appetite thresholds.

In addition, an extreme scenario was considered involving a severe deterioration in the credit standing of the Arch Group, including a loss of external credit rating. Under this scenario, the Company's capital position is materially impacted, with coverage of the Minimum Capital Requirement approaching 100%, and the Company would be expected to take remedial actions, including consideration of entering run-off.

Arch Capital Group Ltd. is currently rated A+ by AM Best with a stable outlook. The scenario described above is therefore considered to be extreme and remote.

C.4. Liquidity risk

Liquidity risk is the risk that the Company is unable to realise assets or otherwise meet its financial obligations as they fall due. This risk is considered to be of low materiality to the Company.

The Company's investment policy requires that sufficient liquid assets are held to meet liabilities as they fall due. This is supported by a conservative investment approach, including investment in highly rated securities and the maintenance of appropriate liquidity buffers.

Risk limits and tolerances are established in respect of asset-liability matching and the availability of liquid assets. The Company considers the composition of its assets, in terms of nature, duration and liquidity, to be appropriate to meet its obligations as they fall due.

C.4.1. Risk Exposure and Material Risk Concentrations

The Company considers its exposure to this risk as low. The Company monitors its liquidity in compliance with its investment risk policy and stated limits and tolerances in respect of the percentage of assets which are invested in liquid investments.

C.4.2. Risk Mitigation

Liquidity risk is mitigated by the cash held in investments and bank accounts.

C.5. Operational risk

C.5.1. Key Operational Risks

Operational risk is the risk of loss arising from inadequate or failed internal processes, personnel or systems, or from external events. It also includes legal and compliance risk, including failure to comply with applicable laws, regulations, ethical standards or contractual obligations, and exposure to litigation. AICL's operational risk profile also includes strategic, reputational and conduct risks. These arise from factors such as ineffective business decisions or execution, adverse impacts on stakeholder confidence, and the risk of not delivering appropriate customer outcomes.

Key operational risks identified by AICL include legal and regulatory risk, reliance on key individuals and outsourced service providers, conflicts of interest, ineffective strategic execution, failure to respond to market developments, and internal or external disruption events. Risks arising from outsourcing arrangements and intercompany dependencies are also considered within the operational risk framework.

All operational risks are recorded and assessed within the Risk Register, with defined risk and control owners responsible for monitoring and managing exposures in line with the Company's risk appetite. The Risk Register is subject to regular review, with material changes reported to the Board.

Responsibility for monitoring legal and regulatory developments rests with the Compliance function, which assesses potential impacts on the Company and reports to the Board as appropriate.

C.5.2. Material Risk Concentrations

Approximately 70% of AICL's GWP is written through Somerset Bridge Insurance Services Limited ('SBISL'), exposing AICL to a risk concentration should an operational disruption event impact this firm. To mitigate this risk, AICL is working closely with SBISL to assess their levels of operational resilience, including putting in place plans to scenario test their key systems and other resources.

C.5.3. Operational Risk Mitigations

AICL maintains an internal control framework designed to mitigate operational risk. Key elements include:

- segregation of duties across functions;
- access controls over systems and data;
- oversight of key activities, including four-eyes review where appropriate;
- regular financial reporting, reconciliations and control checks;
- business continuity and disaster recovery arrangements;
- formal outsourcing arrangements in line with the Outsourcing Policy and GFSC requirements;
- ongoing oversight of outsourced service providers, including periodic reviews and audit activity as part of the outsourcing framework;
- governance structures supporting oversight, including the Risk Committee, Audit Committee, Product Oversight and Conduct Committee, and the Board;
- monitoring of management information and conduct metrics, including Consumer Duty considerations; and
- implementation of the Operational Resilience framework, including engagement with key service providers.

These controls are subject to ongoing monitoring and periodic review to ensure they remain appropriate to the Company's risk profile.

C.5.4. Stress and Sensitivity Testing

Operational risk is included in the Standard Formula. However, as part of its ORSA process, AICL also considers those areas of operational risk which may not be adequately covered, such as loss of a service provider, and assesses its impact on the capital position. In addition, operational risk is indirectly stress-tested through other risks, such as a credit downgrade of the inter-company quota share partners.

Operational risk comprises a moderate part of AICL's risk profile and the stress tests prove the Company's capital buffer to be sufficiently resilient to withstand this risk.

C.6. Other Material Risks

C.6.1. Overview

A number of other risks are considered to be relevant for the Company, namely, Group risk, strategic risk, reputational risk, regulatory risk and compliance risk. These risks have not been quantified but are included within the ORSA. The Company's risk profile during the year was also impacted by the SRICL Part VII transfer, which increased the scale of underwriting exposures.

Risk Exposure and Material Risk Concentrations

The Company considers the most material exposures in this category of risk are (i) the potential for inappropriate business strategy and (ii) the potential for regulatory breaches.

Risk Mitigation

AICL mitigates risk through established controls, monitoring and reporting processes.

The Company actively monitors geopolitical developments, including the conflicts in Ukraine and the Middle East, and assesses potential impacts on financial markets and the broader economy. Recent developments in the Middle East have contributed to volatility in oil prices, which may have indirect implications for UK motor insurance, including changes in driving behaviour and overall exposure levels, potentially leading to reduced activity. These developments are closely monitored, with management taking appropriate action as conditions evolve.

Separately, the Company has no known exposure to sanctioned entities and has not identified any material impact on operations or results.

AICL remains exposed to developments in the UK motor market, including pricing pressure and inflation. These are managed through disciplined underwriting, active portfolio management and ongoing adjustment of volumes and risk appetite in response to market conditions.

C.7. Any other information

No other material information to report as of 31 December 2025.

Section D. Valuation for Solvency Purposes

D.1. Assets

The table below sets out the value of the material assets of the Company (except for reinsurance technical provisions) as at 31 December 2025 and 2024 under Solvency II and GAAP:

Table D.1. List of asset, Solvency II and GAAP, 2025 and 2024

Assets (in GBP 000s)	2025 Solvency II	2025 GAAP	2024 Solvency II	2024 GAAP
Reinsurer's Share of Technical Provisions	769,424	985,264	572,490	797,384
Deferred Tax Asset	1,405	-	985	-
Investments (including accrued interest & cash)	44,376	44,376	42,291	42,046
Insurance and intermediaries receivable balances	34,774	85,178	18,042	81,436
Reinsurance Receivables	56,544	-	8,922	-
Deposits to Cedants	28,880	28,879	17,103	17,395
Other assets	14,457	49,230	30,898	27,387
Cash & Cash Equivalents	35,033	35,033	39,752	39,752
Deferred Acquisition Costs	-	31,290	-	34,944

The following are the bases, methods and main assumptions used for valuation of each material class of assets for Solvency II purpose.

D.1.1. Deferred Acquisition Costs

As at 31 December 2025, the Company recognized deferred acquisition costs on a GAAP basis. In the financial statements, acquisition costs which represent commission and other related expenses are deferred over the period in which the related premiums are earned. To the extent that acquisition costs are deferred and considered irrecoverable against the related unearned premiums, they are written-off to net operating expenses as incurred.

The Solvency II balance sheet is prepared based on the best estimate of future cash flow basis. As deferred acquisition costs do not result in future cash flows, these amounts are therefore excluded from the Solvency II balance sheet.

There has been no change in the recognition and valuation basis during the period.

D.1.2. Deferred tax assets

Deferred tax assets are the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts under Solvency II or GAAP. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and that are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax assets and liabilities are offset if there is a legally enforceable right to set off current tax assets against current tax liabilities and if they relate to income taxes levied by the same taxation authority on the same taxable entity.

The valuation of deferred tax assets is consistent with the accounting valuation under GAAP.

Deferred tax assets have been valued as described in accordance with applicable regulatory requirements and guidance.

As shown in the Company's 2025 ORSA, the expected profit and payable taxes for the coming years is as shown in table below:

Table D.1.2. Forecasted profit and payable taxes (2025 ORSA)

Forecast (in GBP 000s)	2026	2027	2028	Total
Profit Before Tax	8,868	9,172	9,909	27,949
Taxation	(1,330)	(1,376)	(1,486)	(4,192)
Profit After Tax	7,538	7,796	8,422	23,757

A deferred tax asset has been recognized under Solvency II. In order to comply with Section 56.E.1.i, taxes payable of £4.2m for the next 3 years have been forecast. This amount is sufficiently high to recover the expected Solvency II deferred tax asset of £1.4m shown in table D.1. above.

As at 31 December 2025, the Company's Tier 3 eligibility limit is £13.4 million. The full net deferred tax asset of £1.4 million is therefore treated as eligible Tier 3 own funds with no restriction applied.

D.1.3. Investments (Other Than Holding in Related Undertaking)

Investment assets are comprised mainly of government bonds, with £0.1 million (2024 – £0.1 million) held in money market funds. The Company's investments are externally managed. The Company receives quarterly reports detailing the underlying assets and their performance. Whilst financial markets have been somewhat volatile in recent years, the Company's investment portfolio has held up well as it comprises largely of UK government bonds.

The investments are valued at fair value under GAAP and Solvency II based on market prices at the reporting date, which are quoted prices in active markets for identical assets. The Solvency II value of investments includes accrued interest. No significant estimates or judgements have been used in the valuation of investments.

There has been no change in the recognition and valuation basis during the period and the valuation of investments under Solvency II is consistent with the accounting valuation under GAAP.

D.1.4. Deposits to Cedants

Deposits to cedants represent cash floats held by MGA partners for the settlement of claims. These balances are valued at fair value reflecting the amount held at 31 December 2025, translated at the closing exchange rate for balances not denominated in the reporting currency. No estimates or judgements are required in the valuation.

There has been no change in the recognition and valuation basis during the period. However, the Company is paying in advance for the claims float on behalf of quota share partners. The calculation of the counterparty risk has been adjusted to account for the rating of the quota share partners.

D.1.5. Insurance and Intermediaries Receivables

Insurance and intermediaries receivables represent premiums receivable, net of related acquisition costs, from MGA partners. Outstanding premiums are valued at fair value, being the amount expected to be

recovered. Due to the short-term nature of these receivables, no material adjustments or judgements are required.

There has been no change in the recognition and valuation basis during the period, and the valuation under Solvency II is consistent with the accounting valuation under GAAP. For Solvency II purposes, receivables are reduced by amounts not yet due at the valuation date. At 31 December 2025, there were no overdue receivables. These amounts are included within technical provisions under Solvency II.

D.1.6. Reinsurance Receivables

Reinsurance receivables represent amounts due from quota share and excess of loss reinsurers. These balances are valued at fair value, being the amount expected to be recovered. Due to the short-term nature of these receivables, no material adjustments or judgements are required.

There has been no change in the recognition and valuation basis during the period, and the valuation under Solvency II is consistent with the accounting valuation under GAAP. For Solvency II purposes, reinsurance receivables are offset against reinsurance technical provision cash flows to the extent that they are not overdue. At 31 December 2025, there were no overdue receivables.

D.1.7. Other Assets

As at 31 December 2025, the Company had a further £34.8 million receivable (2024 - £27.4m receivable) on a GAAP basis from business partners with respect to sliding scale and profit commission shares. The remainder of the balance on a GAAP basis constitutes receivables from related entities. Other assets are valued at fair value, being amounts assessed as payable based on the contract terms. Key judgements and estimates involved in deriving the value of these items are the best-estimate loss ratios of the underlying business, which are based on actuarial reviews.

There has been no change in the recognition and valuation basis during the period and the valuation under Solvency II is consistent with the accounting valuation under GAAP.

D.1.8. Cash and Cash Equivalents

The majority of cash and cash equivalents with banking counterparties are held in GBP, with circa 1% held in EUR and other currencies. All accounts are held in the UK. The non-GBP balances are translated into GBP at the balance sheet closing rate.

Cash and cash equivalents are valued at fair value by the relevant financial institution, and the Company receives monthly statements at the period-end to confirm the balances held. There are no significant estimates or judgements used in valuing cash holdings due to the nature of the asset.

There has been no change in the recognition and valuation basis during the period and the valuation of cash and cash equivalents under Solvency II is consistent with the accounting valuation under GAAP.

D.2. Technical Provisions

D.2.1. Results Summary

A summary of the technical provisions results for the Company as at 31 December 2025 is set out below, split by material lines of business:

Table D.2.1.1. Technical Provisions (net of retrocession and inter-company QS) by Line of Business 2025

31 December 2025 (Gross of reinsurance)	Claims Provisions (£'000)	Premium Provisions (£'000)	Risk Margin (£'000)	Solvency II Technical Provisions (£'000)
Other motor insurance	83,650	12,477	983	97,111
Motor vehicle liability insurance	641,438	105,673	1,784	748,895
Legal Expenses insurance	1,500	296	8	1,804
Miscellaneous Financial Loss (Pet)	5,999	1,184	58	7,241
Grand Total	732,586	119,630	2,835	855,050

Table D.2.1.2. Technical Provisions (net of retrocession and inter-company QS) by Line of Business 2024

31 December 2024 (Gross of reinsurance)	Claims Provisions (£'000)	Premium Provisions (£'000)	Risk Margin (£'000)	Solvency II Technical Provisions (£'000)
Other motor insurance	54,808	15,445	1,164	71,417
Motor vehicle liability insurance	423,994	130,480	1,462	555,936
Legal Expenses insurance	7,399	1,742	48	9,188
Miscellaneous Financial Loss (Pet)				
Grand Total	486,200	147,667	2,674	636,541

D.2.2. Calculation Methodology

Under Solvency II an economic balance sheet is required – which requires a market valuation of technical provisions. The overarching principle for valuing technical provisions under Solvency II is the current amount undertakings would have to pay if they were to transfer their (re)insurance obligations immediately to another undertaking.

The starting point for valuing the Company's Technical Provisions (TPs) is the Company's GAAP basis reserves for loss and allocated loss adjustment expenses (Loss Reserves). Cash flows associated with those Loss Reserves, along with unearned premium reserves and provisions for other components of economic basis TPs, are calculated for each homogenous risk group using the approach outlined below.

1) Best-Estimate Liability

The best estimate liability ("BEL") is calculated based on the projected cashflows arising from the claims provisions and premium provisions. It represents the present value of future cashflows, taking into account the timing of those cashflows and using relevant risk-free yield curves in accordance with applicable regulatory requirements and guidance.

The BEL is determined on a gross, ceded and net basis for both claims provisions and premium provisions.

As mentioned above, the SRICL Part VII transfer was completed, with all associated technical assets and liabilities transferred to AICL. The total reserves transferred amounted to £118.4 million. This transfer has impacted Underwriting and Counterparty (Reinsurance Recoveries) SCRs.

2) Premium Receivable

Premium receivable in respect of the portion of the GAAP premium receivable not yet due on the valuation date is included in the premium provisions cash flows. A consistent approach is applied to calculation of ceded premium payable.

3) Premium in Respect of Bound-But-Not-Yet-Incepted Business

The Company's technical provision calculation allows for business that is bound-but-not-yet-incepted ("BBNI") at the valuation date.

The premium provisions include the future premium cashflows in respect of the BBNI business up to the relevant contract boundary.

4) Future Loss and Allocated Loss Adjustment Expense

Future loss and allocated loss adjustment expense cashflows are projected in respect of the GAAP Loss Reserves in order to calculate claims provisions. The Company does not consider that there are any implicit or explicit margins in the GAAP Loss Reserves.

Future loss and allocated loss adjustment expense cashflows are projected in respect of the GAAP unearned premium reserves and BBNI premium in order to calculate premium provisions. The projection uses business planning assumptions in respect of future loss ratios on unearned premium reserves and BBNI business.

5) ENIDs

The Solvency II technical provisions must allow for events not in data ("ENIDs"). These are possible future events which are not included in historical data. An ENID loading has been derived by the Company using a truncated distribution approach and is applied to future claim cashflows in both the claims provisions and premium provisions.

6) Expenses

Acquisition costs directly attributable to the future premium receivable are determined based on the terms of the contracts which generate the premium receivable.

In addition, an allowance for unallocated loss adjustment expenses, administrative expenses and investment management expenses associated with the settlement of the best-estimate liabilities is included in the technical provisions.

The quota share with ARL has been endorsed to clarify inclusion in the cover up to a maximum percentage of the incurred loss in case of the commencement of run-off for the Company. The Company is currently not in run-off.

7) Impact of Reinsurance

The Company's reinsurance program consists of proportional reinsurance and non-proportional cover. Fixed percentage ceding acquisition expenses apply to the proportional reinsurance cover. In general, ceded cashflows are derived proportionally from gross cashflows. Exceptions to this approach are (i) ceded acquisition costs which are derived from the product of ceded premiums and the ceded acquisition expense percentage, and (ii) GAAP ceded balances receivable / payable which are analysed by their

settlement terms to determine the portion of balance not yet due for settlement and which should be included in ceded technical provisions.

8) Adjustment for Counterparty Default

An adjustment for counterparty default is applied to ceded technical provisions. The adjustment for counterparty default uses probabilities of default mapped to credit quality steps in accordance with applicable regulatory requirements.

A loss given default assumption of 50% is applied, representing the proportion of exposure assumed to be lost in the event of counterparty default.

9) Risk Margin

The risk margin is calculated in accordance with the Financial Services (Solvency II) (Technical Standards) Regulations 2025, using a simplification which projects future SCR values based on the assumption that the ratio of SCR to net best estimate liabilities ("BEL") remains constant over time.

The ratio of SCR to net BEL is determined at the valuation date and applied to projected future BEL at annual intervals until the liabilities are fully run off, in order to estimate future SCR requirements.

A cost of capital rate of 4% is applied to the projected SCR over time to determine the cost of holding capital in respect of the liabilities. The resulting cost of capital is discounted to the valuation date using the relevant risk-free yield curve for the reporting currency of the Company, applying a one-year time lag in accordance with applicable regulatory requirements and guidance.

10) Allocation to Lines of Business

AICL writes motor business, which for Solvency II reporting purposes requires to be split into Motor Liability and Other Motor. It is not common practice in the UK and Irish markets to rate motor business on this basis.

The split between Liability and Other has therefore been derived by reference to claims heads of damage, with Third Party Property Damage and Bodily Injury being allocated to Liability and Accidental Damage, Windscreen, Fire and Theft being allocated to Other Motor.

D.2.3. Material Changes Since Last Reporting Period

The movement in technical provisions during the year is primarily driven by the SRICL Part VII transfer, under which £118.4 million of reserves were assumed by the Company.

An allowance for excess of loss incurred but not reported of 7% has been included in Solvency II gross technical provisions and reinsurance recoveries in an equal amount. Level of Uncertainty

Uncertainty in technical provisions arises from a number of sources:

- The estimates for outstanding losses are based on known information at the balance sheet date. Ultimate settlement of these claims may differ from these estimates.
- The estimates for future losses on both expired and unexpired business are based on actuarial assumptions reflecting past performance and anticipated future changes. These assumptions may ultimately prove to differ from actual experience.
- The estimates for expenses are based on reasonable judgement reflecting past experience and on assumptions as to the run-off period. Either of these factors may differ from ultimate experience.

- Events not in data are by their nature unpredictable and any allowance made could prove to be over-prudent or insufficient.
- The legislative and market environment in which AICL operates has been subject to material changes in the past which could impact best estimates and projected future cash flows, such as the whiplash reforms and a further review of the Ogden discount rate.
- The allocation of losses to Solvency II Lines of Business (Motor Liability and Motor Other) is based on the historic loss pattern. The ultimate distribution of losses into liability and non-liability may differ from the assumed allocation.
- Allowance for future premium is based on expected premium under coinsurance / MGA agreements. Market conditions and other factors might make it difficult for our partners to achieve expected premium volume.

AICL follows a robust process in determining the appropriate assumptions underlying the calculation of technical provisions. Actual performance is monitored against expectations on an ongoing basis to ensure assumptions are updated as required.

Stress-testing was performed on the Solvency II Technical Provisions as at 31st December 2025 in order to give an indication of sensitivity around loss ratio assumptions.

The following table shows net TPs in stressed scenarios (loss ratios 5% and 10% higher than expected). The table takes account of sliding scale commissions, which provide the Company with some protection against moderate loss ratio movements.

Table D.2.3. Loss Ratio Sensitivities

2025YE	Base Case (£'000)	Losses + 5% (£'000)	Losses + 10% (£'000)
Net Best Estimate Liabilities	82,792	85,661	90,055
Impact		2,869	7,264

The above results of sensitivity testing should be considered in the context of the Company's solvency profile. As at 31 December 2025, the Company's SCR was £48.3m, against which it held eligible own funds of £89.0m, equating to SCR coverage of 184%. Without considering the impact on the SCR, the more extreme of the scenarios above (losses 10% higher than expected), would reduce the SCR coverage ratio to 169%.

D.2.4. Material Differences Between GAAP and Solvency II

Whilst some of the approaches and techniques applied under Solvency II are similar to those followed under the existing GAAP rules, there are other rules where there will be significant changes. These include:

- Movement to a cash flow basis for valuation of both gross business and reinsurance;
- Removal of any implicit or explicit margins within technical provisions to give a "true best estimate" for solvency purposes, defined as the mean of the full range of possible future outcomes;
- Introduction of the valuation of very low probability extreme events including latent claims, referred to as an allowance for "events not in data" or ENIDs;

- Removal of the requirements to hold an unearned premium reserve and to allow for other non-monetary items. These are replaced by “premium provisions”, valued on a best estimate basis. This also includes a requirement to take account of all future premium cash inflows;
- Movement to recognising contracts on a “legal obligation basis”. This will mean the inclusion of business currently not valued as part of technical provisions – for example 1 January renewals entered into prior to a 31 December valuation, also referred to as “bound but not incepted” business;
- Inclusion of run-off expenses in technical provisions;
- Introduction of discounting of cash flows, leading to increased volatility in reserves;
- Setting off of insurance and intermediaries receivables and reinsurance receivables and payables against gross technical provisions and reinsurance technical provisions;
- Introduction of the principle of a market consistent basis and calculation of a “risk margin”; and
- Valuation of liabilities segmented by at least Solvency II lines of business.

The table below shows the movement from gross GAAP technical provisions to Solvency II technical provisions as at 31 December 2025 and as at 31 December 2024. Note that an audit adjustment was made to the final GAAP financials to reflect payments from claims agents in the period. This was an accounting adjustment made outside of our data warehouse and therefore is not reflected in the Technical Provisions. This adjustment was a reallocation and did not impact Own Funds.

Table D.2.4. Gross/Reinsurance/Net Technical Provisions 2025 vs. 2024

GAAP to Solvency II	2025 Technical Provisions			2024 Technical Provisions		
	Gross £'000	Ceded £'000	Net £'000	Gross £'000	Ceded £'000	Net £'000
Claims Provisions	732,586	666,505	66,081	486,200	446,177	40,023
Premium Provisions	119,630	102,919	16,711	147,667	126,313	21,354
Risk Margin	2,835		2,835	2,674	-	2,674
Solvency II Technical Provisions	855,050	769,424	85,626	636,541	572,490	64,051
GAAP Reserves (Losses and ALAE)	787,013	728,099	58,914	545,095	508,837	36,258
Audit adjustment reversal				4,293	4,293	0
Remove margins				-	-	-
Allowance for ENID	11,729	10,859	869	8,159	7,620	539
Change of Expense Basis	15,740	7,718	8,022	10,988	5,822	5,166
Adjustment for Counterparty Default		-840	840	-	(637)	637
Reinsurance Receivables/Payables				-	-	-
Discounting impact	-81,896	-79,331	-2,565	(82,335)	(79,758)	(2,577)
Solvency II Claims Provisions	732,586	666,505	66,081	486,200	446,177	40,023
GAAP Reserves (Unearned Premium)	283,162	257,165	25,997	318,006	288,546	29,460
Remove Unearned Premium Reserve	-283,162	-257,165	-25,997	(318,006)	(288,546)	(29,460)
Future Premium (net of Acquisition Costs)	-86,154	-78,411	-7,742	(81,928)	(73,733)	(8,195)
Future Losses and ALAE	206,745	185,101	21,643	232,568	206,915	25,653
Remove margins			0	-	-	-

Allowance for ENID	3,101	2,777	325	3,489	3,104	385
Change of Expense Basis	4,231	110	4,122	4,695	41	4,653
Adjustment for Counterparty Default		-255	255	-	(283)	283
Premium Receivables			0	-	-	-
Reinsurance Receivables/Payables			0	-	-	-
Discounting impact	-8,294	-6,403	-1,891	(11,156)	(9,730)	(1,426)
Solvency II Premium Provision	119,630	102,919	16,711	147,667	126,313	21,354

D.2.5. Transitional Adjustments

AICL does not make use of any transitional adjustments with regard to the matching adjustment, volatility adjustment, transitional risk-free interest rate term structure or transitional deduction.

D.3. Other Liabilities

The table below sets out the value of the material liabilities of the Company as at 31 December 2025 and 2024 under Solvency II and GAAP.

Table D.3. Other Liabilities (£'000)

Other Liabilities (in GBP 000s)	2025 Solvency II	2025 GAAP	2024 Solvency II	2024 GAAP
Deposits from reinsurers	6,321	6,321	1,899	-
Deferred tax liabilities	110	110	-	-
Insurance & intermediaries payables	228	228	252	-
Payables (trade, not insurance)	19,476	33,479	18,580	18,694
Reinsurance payables	-	20,116	-	45,278
Other Liabilities	14,690	31,842	-	34,996
Total Other Liabilities	40,825	92,096	20,731	98,968

The following are the bases, methods and main assumptions used for valuation of each material class of other liabilities for Solvency II purpose.

D.3.1. Reinsurance Payables

As at 31 December 2025 on a GAAP basis the Company had £20.1 million (2024 - £45.3 m) of reinsurance payables, being those balances due to reinsurers. This represents the amounts owed to the inter-company quota share reinsurer and excess of loss reinsurers. On a Solvency II basis, the balances represent the amounts technically overdue, reflecting the fact that AICL settles the inter-company quota share balance on a periodic basis, but not monthly. Hence the amount effectively considered to be overdue will vary over time.

The balance is valued at fair value, being the total amount payable above the reinsurer's share of premiums still to be collected and does not require significant estimates or judgements in the valuation. There has been no change in the recognition and valuation basis during the period and there are no differences between the valuation for Solvency II and the GAAP valuation. However, for Solvency II purposes, the amounts not considered overdue are set against technical provisions recoverable from reinsurers.

D.3.2. Trade Payables

As at 31 December 2025, the Company had trade payables of £19.5 million (2024 - £18.6m), comprising Insurance Premium Tax and accrued expenses due post the reporting date. There are no estimations or judgements required for these items.

There has been no change in the recognition and valuation basis during the period and there are no differences between the valuation for Solvency II and the GAAP valuation.

D.3.3. Other Liabilities

As at 31 December 2025 the Company had £31.8m deferred ceded acquisition costs (2024 - £34.9m). In the financial statements ceded acquisition costs, which represent commission and other related expenses, are deferred over the period in which the related reinsurers' share of premiums are earned. To the extent that ceded acquisition costs are deferred and considered irrecoverable against the related reinsurers' share of unearned premiums, they are written off to net operating expenses as incurred.

The Solvency II balance sheet is prepared based on the best estimate of future cash flow basis. As deferred ceded acquisition costs do not result in future cash flows, these amounts are therefore excluded from the Solvency II balance sheet.

There has been no change in the recognition and valuation basis during the period.

D.3.4. Any Other Information

No other material information to report as at 31 December 2025.

Section E. Capital Management

E.1. Own Funds

E.1.1. Management of Own Funds

AICL operates a capital management framework comprising a capital management process, which together set out the methodology and procedures for the oversight of Own Funds.

The objectives of the capital management process are to:

- Ensure compliance with regulatory capital requirements;
- Allocate capital efficiently to support sustainable returns and business growth; and
- Maintain access to capital on competitive terms, minimising the overall cost of capital.

AICL seeks to maintain capital levels aligned with its risk appetite, business strategy and regulatory requirements, both at a point in time and on a forward-looking basis. The business planning horizon is one year, with capital planning performed over a three-year period.

The capital management process includes:

- Defined solvency capital thresholds;
- Actions to be taken if thresholds are breached; and
- Identification of potential sources of capital and expected timeframes for realisation.

Roles and responsibilities are as follows:

- Board: Approves the capital management process and retains overall responsibility for capital oversight.
- Finance Function: Produces capital monitoring reports, oversees execution of the capital management process and ensures alignment between the investment strategy and capital requirements.
- Risk Management Function: Maintains and reviews the capital management process and processes, monitors key capital metrics and tolerances, and reports to the Board. Responsible for maintaining the SCR and MCR calculations.

There were no material changes to capital management during 2025.

E.1.2. Classification Own Funds

The Company's Own Funds consist mostly of Tier 1 Own Funds. It is comprised of paid-in ordinary share capital, capital contribution and economic surplus. Own funds have increased significantly during the year due to a £10.0 million capital injection received in Q4 2025.

Table E.1.2. Composition of Own Funds (£'000)

Own Funds (£'000)	Year Ended 31/12/2025				Year Ended 31/12/2024			
	Total	Tier 1	Tier 2	Tier 3	Total	Tier 1	Tier 2	Tier 3
Paid-in ordinary share capital	61,250	61,250			61,250	61,250		
Share premium account related to ordinary share capital								
Reconciliation Reserve	26,362	26,362			10,976	10,976		
Net Deferred Tax Assets	1,405			1,405	985			985
Total Own Funds	89,017	87,612		1,405	73,211	72,226		985

The reconciliation reserve equals the excess of assets over liabilities less other own funds items as at the reporting date and represents retained earnings less adjustments from GAAP to Solvency II valuation. There are no foreseeable or planned dividends.

No Tier 2 capital has been taken into account under the capital commitment deed since the Tier 1 solvency ratio exceeds 180%.

E.1.3. Terms and Conditions of Own Funds

Own funds do not have any terms or conditions attached, as they comprise solely of ordinary share capital, share premium and the reconciliation reserve. As such, the Own Funds are not redeemable and do not carry any guaranteed dividend or other return and are fully loss absorbing.

E.1.4. Differences in Own Funds Between Financial Statements and Solvency II Valuation

The difference between the equity shown in the Company's financial statements and the excess of the assets over liabilities as calculated for solvency purposes arises due to the valuation of technical provisions, the ineligibility of the deferred acquisition costs and the adjustment to the deferred tax asset. Table E.1.4. Differences in Own Funds (£'000)

	Year Ended 31/12/2025	Year Ended 31/12/2024
Equity shown in Financial Statements	96,979	78,274
Asset Valuation	469	245
Technical Provisions Valuation	(715)	1,667
Receivables & Payables	(8,517)	(9,333)
Deferred Tax Asset	1,405	985
Deferred Acquisition Costs Eligibility	(135)	52
Other	(469)	3,511
Excess of Assets over Liabilities for solvency purposes	89,017	75,402

E.2. Solvency Capital Requirement and Minimum Capital Requirement

E.2.1. Calculation of SCR and MCR

In respect of the calculation of the SCR and MCR:

- The Company uses the Standard Formula.
- Undertaking specific parameters are not used.

- No capital add-ons are applied to the SCR figures.
- The simplifications outlined in Articles 107, 108, 110, 111 and 112 Commission Delegated Regulation (EU) 2015/35 apply to the Counterparty default risk sub-module.
- No simplifications have been used in the other risk sub-modules.
- The MCR is calculated initially based on the calculation of the Linear MCR based on the best estimate technical provisions and the net written premiums in the last 12 months. Then a floor of 25% of the SCR and a cap of 45% of the SCR is applied with an absolute floor of £3.5m also applied to derive the final MCR requirement.

E.2.2. Amount of SCR and MCR

A breakdown of SCR by risk category as at 31 December 2025 and 2024 is set out in the following table:

Table E.2.2. SCR by Risk Category (£'000)

Risk Category	2025 SCR	2024 SCR
Market risk	270	879
Counterparty default risk	16,783	13,245
Life underwriting risk	-	-
Health underwriting risk	-	-
Non-life underwriting risk	25,681	20,559
Diversification	(5,612)	(4,916)
Basic Solvency Capital Requirement	37,121	29,767
Operational risk	11,136	8,930
Loss-absorbing capacity of deferred taxes	-	-
Solvency Capital Requirement	48,257	38,697

E.2.3. Inputs used to Calculate the MCR

The following inputs have been used to calculate the MCR as at 31 December 2025:

Table E.2.3. MCR Calculations by Line of Business (£'000)

	2025 MCR		2024 MCR	
	Net of Reinsurance Best Estimate TPs	Net written premiums last 12 months	Net of Reinsurance Best Estimate TPs	Net written premiums last 12 months
Motor vehicle liability	71,579	43,895	55,195	50,063
Other motor	10,367	6,854	5,950	7,556
Legal Expenses	169	149	232	2,809
Miscellaneous Financial Loss (Pet)	677	597		
Linear MCR		11,730		10,622
SCR		48,257		38,697
Combined MCR		12,064		10,622
Absolute Floor of the MCR		3,500		3,500
Minimum Capital Requirement		12,064		10,622

E.2.4. SCR ratio and MCR ratio

As at 31 December 2025 and 2024, the ratio of eligible Own Funds to SCR and the ratio of eligible own funds to MCR are summarized in the table below.

Table E.2.4. Solvency coverage (£'000)

	2025 SCR (£'000)	2024 SCR (£'000)
Total eligible own funds to meet the SCR	89,017	73,211
Total eligible own funds to meet the MCR	87,612	72,226
SCR	48,257	38,697
MCR	12,064	10,622
Ratio of Eligible own funds to SCR	184%	189%
Ratio of Eligible own funds to MCR	726%	680%

AICL's SCR increased during the period, primarily reflecting movements in the underlying risk profile and Solvency II technical provisions. Eligible Own Funds increased following a £10.0m capital injection and £8.7m of GAAP retained profit. The MCR also increased and continues to be determined by reference to the SCR rather than the absolute floor. As a result, the Company's solvency coverage ratios remained above regulatory requirements.

E.3. Use of the Duration-Based Equity Risk Sub-Module in the Calculation of the SCR

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

E.4. Differences Between the Standard Formula and any Internal Model Used

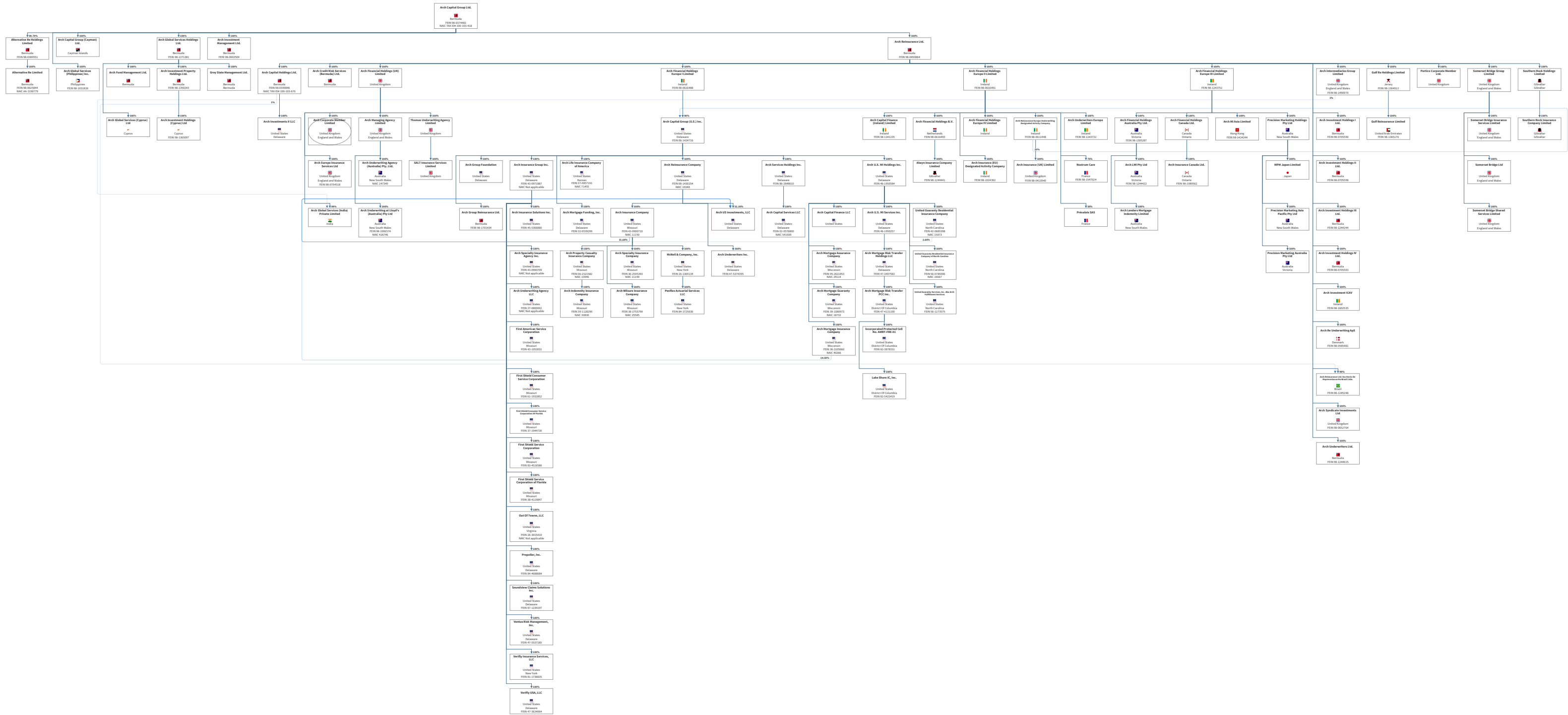
Not applicable.

E.5. Non-Compliance with the MCR and Non-Compliance with the SCR

The Company complies with the Solvency Capital Requirement and Minimum Capital Requirement during 2025.

E.6. Any Other Information

No other material information to report as at 31 December 2025.



Notes:
 *Third party entities which are less than 50% owned by an Arch company are not shown on this chart
 *For each entity the following is listed: ownership percentage, country flag, FEIN #, company name, jurisdiction, NAIC# or equivalent, region/state

Note 1: Arch Financial Holdings (UK) Limited owns 12 more corporate member companies which are presented under one heading of Arch Corporate Member Limited



Exhibits – SFCR Annual Quantitative Reporting Templates

Alwyn Insurance Company Ltd.

Solvency and Financial Condition Report

Disclosures

31 December
2025

(Monetary amounts in GBP thousands)

General information

Entity name	Alwyn Insurance Company Ltd.
Entity identification code and type of code	LEI/213800Y4SBGAN1R7CN66
Type of undertaking	Non-life undertakings
Country of incorporation	GI
Language of reporting	en
Reporting reference date	31 December 2025
Currency used for reporting	GBP
Accounting standards	Local GAAP
Method of Calculation of the SCR	Standard formula
Matching adjustment	No use of matching adjustment
Volatility adjustment	No use of volatility adjustment
Transitional measure on the risk-free interest rate	No use of transitional measure on the risk-free interest rate
Transitional measure on technical provisions	No use of transitional measure on technical provisions

List of reported templates

-

IR.02.01.02 - Balance sheet

IR.05.02.01 - Premiums, claims and expenses by country: Non-life obligations

IR.05.04.02 - Non-life income and expenditure : reporting period

IR.17.01.02 - Non-Life Technical Provisions

IR.19.01.21 - Non-Life insurance claims

IR.23.01.01 - Own Funds

IR.25.04.21 - Solvency Capital Requirement

IR.28.01.01 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

IR.02.01.02

Balance sheet

		Solvency II value
		C0010
Assets		
R0030	Intangible assets	
R0040	Deferred tax assets	1,405
R0050	Pension benefit surplus	
R0060	Property, plant & equipment held for own use	
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	44,376
R0080	<i>Property (other than for own use)</i>	
R0090	<i>Holdings in related undertakings, including participations</i>	
R0100	<i>Equities</i>	
R0110	<i>Equities - listed</i>	
R0120	<i>Equities - unlisted</i>	
R0130	<i>Bonds</i>	44,303
R0140	<i>Government Bonds</i>	44,303
R0150	<i>Corporate Bonds</i>	0
R0160	<i>Structured notes</i>	
R0170	<i>Collateralised securities</i>	
R0180	<i>Collective Investments Undertakings</i>	73
R0190	<i>Derivatives</i>	
R0200	<i>Deposits other than cash equivalents</i>	
R0210	<i>Other investments</i>	
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	
R0240	<i>Loans on policies</i>	
R0250	<i>Loans and mortgages to individuals</i>	
R0260	<i>Other loans and mortgages</i>	
R0270	Reinsurance recoverables from:	769,424
R0280	<i>Non-life and health similar to non-life</i>	769,424
R0315	<i>Life and health similar to life, excluding index-linked and unit-linked</i>	
R0340	<i>Life index-linked and unit-linked</i>	
R0350	Deposits to cedants	28,880
R0360	Insurance and intermediaries receivables	34,774
R0370	Reinsurance receivables	56,544
R0380	Receivables (trade, not insurance)	
R0390	Own shares (held directly)	
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	
R0410	Cash and cash equivalents	35,033
R0420	Any other assets, not elsewhere shown	14,457
R0500	Total assets	984,893

	Solvency II value
	C0010
Liabilities	
R0505 Technical provisions - total	855,050
R0510 <i>Technical provisions - non-life</i>	855,050
R0515 <i>Technical provisions - life</i>	
R0542 Best estimate - total	852,216
R0544 <i>Best estimate - non-life</i>	852,216
R0546 <i>Best estimate - life</i>	
R0552 Risk margin - total	2,835
R0554 <i>Risk margin - non-life</i>	2,835
R0556 <i>Risk margin - life</i>	
R0565 Transitional (TMTP) - life	
R0740 Contingent liabilities	
R0750 Provisions other than technical provisions	
R0760 Pension benefit obligations	
R0770 Deposits from reinsurers	6,321
R0780 Deferred tax liabilities	110
R0790 Derivatives	
R0800 Debts owed to credit institutions	
R0810 Financial liabilities other than debts owed to credit institutions	
R0820 Insurance & intermediaries payables	228
R0830 Reinsurance payables	
R0840 Payables (trade, not insurance)	19,476
R0850 Subordinated liabilities	
R0860 <i>Subordinated liabilities not in Basic Own Funds</i>	
R0870 <i>Subordinated liabilities in Basic Own Funds</i>	
R0880 Any other liabilities, not elsewhere shown	14,690
R0900 Total liabilities	895,876
R1000 Excess of assets over liabilities	89,017

IR.05.02.01

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

	C0010	C0020	C0030	C0040	C0050	C0060	C0070
	Top 5 countries (by amount of gross premiums written)						Total Top 5 and home country
Home Country	GB	IE					
	C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written							
R0110 Gross - Direct Business		575,800	0				575,800
R0120 Gross - Proportional reinsurance accepted		0	0				0
R0130 Gross - Non-proportional reinsurance accepted		0	0				0
R0140 Reinsurers' share		524,540	0				524,540
R0200 Net	0	51,261	0				51,261
Premiums earned							
R0210 Gross - Direct Business		610,645	0				610,645
R0220 Gross - Proportional reinsurance accepted		0	0				0
R0230 Gross - Non-proportional reinsurance accepted		0	0				0
R0240 Reinsurers' share		555,921	0				555,921
R0300 Net	0	54,724	0				54,724
Claims incurred							
R0310 Gross - Direct Business		506,835	-4,440				502,395
R0320 Gross - Proportional reinsurance accepted		0	0				0
R0330 Gross - Non-proportional reinsurance accepted		0	0				0
R0340 Reinsurers' share		458,442	-4,037				454,405
R0400 Net	0	48,393	-403				47,990
R0550 Net expenses incurred		1,206	278				1,484

IR.17.01.02
Non-Life Technical Provisions

	Direct business and accepted proportional reinsurance											Accepted non-proportional reinsurance				Total Non-Life obligation	
	Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance		Non-proportional property reinsurance
	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Best estimate																	
Premium provisions																	
R0060 Gross				105,673	12,477					296		1,184					119,630
R0140 Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default				90,219	11,259					288		1,153					102,919
R0150 Net Best Estimate of Premium Provisions				15,454	1,218					8		31					16,711
Claims provisions																	
R0160 Gross				641,438	83,650					1,500		5,999					732,586
R0240 Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default				585,313	74,501					1,338		5,353					666,505
R0250 Net Best Estimate of Claims Provisions				56,125	9,149					161		645					66,081
R0260 Total best estimate - gross				747,110	96,127					1,796		7,182					852,216
R0270 Total best estimate - net				71,579	10,367					169		677					82,792
R0280 Risk margin				1,784	983					8		58					2,835
R0320 Technical provisions - total				748,895	97,111					1,804		7,241					855,050
R0330 Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total				675,532	85,760					1,626		6,506					769,424
R0340 Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total				73,363	11,351					178		735					85,626

IR.19.01.21
Non-Life insurance claims

Total Non-life business

Z0020 Accident year / underwriting year

Gross Claims Paid (non-cumulative) (absolute amount)													
Year	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
	0	1	2	3	4	5	6	7	8	9	10 & +	In Current year	Sum of years (cumulative)
R0100	Prior										85	85	85
R0160	-9	3,516	18,249	26,929	14,260	12,690	9,150	16,975	10,195	3,523	9,061	9,061	124,548
R0170	-8	1,860	9,443	10,634	4,642	3,046	4,062	5,355	171	353		353	39,566
R0180	-7	13,805	43,636	16,685	8,486	8,757	10,920	14,616	4,144			4,144	121,049
R0190	-6	16,191	43,378	16,107	8,376	7,622	5,864	8,010				8,010	105,549
R0200	-5	13,498	43,171	16,581	9,988	9,465	6,231					6,231	98,935
R0210	-4	20,006	54,007	27,096	19,821	15,121						15,121	136,050
R0220	-3	20,951	69,793	32,538	22,373							22,373	145,656
R0230	-2	32,578	125,687	49,470								49,470	207,736
R0240	-1	70,813	189,672									189,672	260,486
R0250	0	74,528										74,528	74,528
R0260												Total	379,047

Gross Undiscounted Best Estimate Claims Provisions (absolute amount)													
Year	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360	
	0	1	2	3	4	5	6	7	8	9	10 & +	Year end (discounted data)	
R0100	Prior										33,217	24,029	
R0160	-9	6,889	47,663	56,621	65,984	56,518	47,348	35,720	21,771	19,576	7,081	5,255	
R0170	-8	3,610	14,504	20,468	16,249	12,952	8,631	3,985	2,994	20,598		11,307	
R0180	-7	38,027	56,125	53,297	46,992	36,475	25,321	14,352	25,661			17,129	
R0190	-6	37,332	52,309	43,395	36,610	32,832	32,911	34,193				23,835	
R0200	-5	44,928	51,726	43,256	33,257	36,221	40,744					28,810	
R0210	-4	50,119	78,652	66,705	43,919	55,995						49,059	
R0220	-3	56,514	112,298	98,222	99,418							73,245	
R0230	-2	91,430	143,437	150,224								125,817	
R0240	-1	172,605	221,918									200,930	
R0250	0	180,521										173,171	
R0260												Total	732,586

Gross premium			
	C0570	C0580	
	Gross earned premium at reporting reference date	Estimate of future gross earned premium	
R0160	N-9	102,615	0
R0170	N-8	85,738	0
R0180	N-7	136,051	0
R0190	N-6	138,856	0
R0200	N-5	148,071	0
R0210	N-4	204,227	0
R0220	N-3	227,116	0
R0230	N-2	404,670	4,130
R0240	N-1	621,262	0
R0250	N	312,117	281,502

IR.23.01.01
Own Funds

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

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

R0290 Total basic own funds

Ancillary own funds

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

Available and eligible own funds

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

R0580 SCR
R0600 MCR
R0620 Ratio of Eligible own funds to SCR
R0640 Ratio of Eligible own funds to MCR

Reconciliation reserve

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

Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
C0010	C0020	C0030	C0040	C0050
23,882	23,882		0	
37,368	37,368		0	
0	0		0	
0		0	0	0
0	0			
0		0	0	0
0		0	0	0
26,362	26,362			
0		0	0	0
1,405				1,405
0	0	0	0	0
0				
89,017	87,612	0	0	1,405
0				
0				
0				
0				
0				
0				
0				
0				
0				
0			0	0
89,017	87,612	0	0	1,405
87,612	87,612	0	0	
89,017	87,612	0	0	1,405
87,612	87,612	0	0	
48,257				
12,064				
184.46%				
726.21%				
C0060				
89,017				
0				
62,655				
0				
26,362				

IR.25.04.21

Solvency Capital Requirement

Net of loss absorbing capacity of technical provisions

	C0010
Market risk	
R0070 Interest rate risk	235
R0080 Equity risk	0
R0090 Property risk	0
R0100 Spread risk	1
R0110 Concentration risk	0
R0120 Currency risk	85
R0125 Other market risk	
R0130 Diversification within market risk	-52
R0140 Total Market risk	270
Counterparty default risk	
R0150 Type 1 exposures	15,015
R0160 Type 2 exposures	2,267
R0165 Other counterparty risk	
R0170 Diversification within counterparty default risk	-500
R0180 Total Counterparty default risk	16,783
Life underwriting risk	
R0190 Mortality risk	
R0200 Longevity risk	
R0210 Disability-Morbidity risk	
R0220 Life-expense risk	
R0230 Revision risk	
R0240 Lapse risk	
R0250 Life catastrophe risk	
R0255 Other life underwriting risk	
R0260 Diversification within life underwriting risk	
R0270 Total Life underwriting risk	0
Health underwriting risk	
R0280 Health SLT risk	
R0290 Health non SLT risk	
R0300 Health catastrophe risk	
R0305 Other health underwriting risk	
R0310 Diversification within health underwriting risk	
R0320 Total Health underwriting risk	0
Non-life underwriting risk	
R0330 Non-life premium and reserve risk (ex catastrophe risk)	25,556
R0340 Non-life catastrophe risk	482
R0350 Lapse risk	81
R0355 Other non-life underwriting risk	
R0360 Diversification within non-life underwriting risk	-438
R0370 Non-life underwriting risk	25,681
R0400 Intangible asset risk	
Operational and other risks	
R0422 Operational risk	11,136
R0424 Other risks	
R0430 Total Operational and other risks	11,136
R0432 Total before all diversification	54,859
R0434 Total before diversification between risk modules	53,869
R0436 Diversification between risk modules	-5,612
R0438 Total after diversification	48,257
R0440 Loss absorbing capacity of technical provisions	
R0450 Loss absorbing capacity of deferred tax	
R0455 Other adjustments	
R0460 Solvency capital requirement including undisclosed capital add-on	48,257
R0472 Disclosed capital add-on - excluding residual model limitation	
R0474 Disclosed capital add-on - residual model limitation	
R0480 Solvency capital requirement including capital add-on	48,257
R0490 Biting interest rate scenario	
R0495 Biting life lapse scenario	

IR.28.01.01

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

Linear formula component for non-life insurance and reinsurance obligations

R0010	MCR _{NL} Result	C0010	11,730
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R0020	Medical expense insurance and proportional reinsurance		
R0030	Income protection insurance and proportional reinsurance		
R0040	Workers' compensation insurance and proportional reinsurance		
R0050	Motor vehicle liability insurance and proportional reinsurance		
R0060	Other motor insurance and proportional reinsurance		
R0070	Marine, aviation and transport insurance and proportional reinsurance		
R0080	Fire and other damage to property insurance and proportional reinsurance		
R0090	General liability insurance and proportional reinsurance		
R0100	Credit and suretyship insurance and proportional reinsurance		
R0110	Legal expenses insurance and proportional reinsurance		
R0120	Assistance and proportional reinsurance		
R0130	Miscellaneous financial loss insurance and proportional reinsurance		
R0140	Non-proportional health reinsurance		
R0150	Non-proportional casualty reinsurance		
R0160	Non-proportional marine, aviation and transport reinsurance		
R0170	Non-proportional property reinsurance		

Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
C0020	C0030
0	
0	
0	
71,579	43,895
10,367	6,854
0	
0	
0	
0	
169	149
0	
677	597
0	
0	
0	
0	

Linear formula component for life insurance and reinsurance obligations

R0200	MCR _L Result	C0040	0
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R0210	Obligations with profit participation - guaranteed benefits		
R0220	Obligations with profit participation - future discretionary benefits		
R0230	Index-linked and unit-linked insurance obligations		
R0240	Other life (re)insurance and health (re)insurance obligations		
R0250	Total capital at risk for all life (re)insurance obligations		

Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
C0050	C0060

Overall MCR calculation

R0300	Linear MCR	C0070	11,730
R0310	SCR		48,257
R0320	MCR cap		21,716
R0330	MCR floor		12,064
R0340	Combined MCR		12,064
R0350	Absolute floor of the MCR		3,500
R0400	Minimum Capital Requirement		12,064