CATALINA HOLDINGS
UK LIMITED

Catalina Holdings UK Limited

Solvency and Financial Condition Report (SFCR)
31 December 2019

Contents

Executive Summary

Catalina Holdings UK Limited, ("CHUK", "the Company") is an intermediate holding company within the Catalina Holdings (Bermuda) Limited ("CHBL" or "Catalina") Group. The principal activity of the Company is as holding company of both insurance companies in run-off and service companies that support these run-off insurance companies and other companies in the CHBL Group. The Company is regulated by the Financial Conduct Authority ("FCA") and the Prudential Regulation Authority ("PRA").

The Solvency and Financial Condition Report ("SFCR") has been prepared in accordance with the requirements of the Commission Delegated Regulations (EU) 2015/35. It covers the Business and Performance of the consolidated CHUK Group, its System of Governance, Risk Profile, Valuation for Solvency Purposes and Capital Management.

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

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

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

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

2019 Solvency and Financial Condition

Business and Performance

During the year the consolidated CHUK Group made a loss before tax of USD$1.5 million (2018: loss before tax USD$4.4 million). This comprised an underwriting loss of USD$18.2 million (2018: loss of USD$6.4 million), net investment income of USD$19.0 million (2018: loss of USD$7.6 million) and other expenses (including foreign exchange losses) of USD$(2.2) million (2018: other income of USD$9.6 million).

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

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

System of Governance

The Board is responsible for managing the overall direction and activities of the Company and for ensuring that an appropriate system of governance is in place throughout the Company.

There have been considerable enhancements and improvements to the governance framework in 2019 which are considered to be commensurate and necessary of a growing CHUK Group. The Company and CHUK Group will continue in 2020 to make further enhancements including addressing those findings and recommendations from the Section 166 review commissioned by the PRA in June 2019.

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

Risk Profile

The Company and CHUK Group performed an annual full Own-Risk and Solvency Assessment ("ORSA") during the second half of 2019 with the updated ORSA approved by the Board of Directors on 17 December 2019. The ORSA is an integral part of the business and is taken into account in the strategic decisions of the Company and CHUK Group.

The types of risk to which the Company and CHUK Group are exposed have not changed significantly over the year and remain reserving, market, credit, liquidity and operational risks. Section C includes further details of the risks to which the Company and CHUK Group is exposed and the methods by which it manages and mitigates these risks.

Valuation for Solvency Purposes

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

As at 31 December 2019 the CHUK Group Total Own funds of USD$159.0 million (2018: USD$162.5 million) were USD$87.5 million less than the consolidated net assets in the CHUK Group's Financial Statements under UK GAAP (2018: USD$74.5 million less). The difference is primarily due to the valuation of gross and reinsurance technical provisions. Section D provides further details of the different valuation bases used by Solvency II and UK GAAP for assets, technical provisions and other liabilities. There is a consistent application in the determination of these between 2019 and 2018.

Capital Management

This SFCR is prepared for the consolidated CHUK Group under the Solvency II regime where the emphasis is one of measuring and monitoring capital using the Group's risk-based approach. The Group currently uses the Standard Formula to calculate its Solvency Capital Requirement ("SCR"). As at 31 December 2019 there was a Solvency II surplus of USD$19.1 million (2018: USD$23.4 million) and a Solvency II coverage ratio of 114 % (2018: 117 %). Both metrics refer to the excess of the CHUK Group's total eligible own funds over the solvency capital requirement.

	2019	**2018**
	USD'000	**USD'000**
Group Consolidated Own Funds	159,017	162,539
Group Consolidated Standard Formula Solvency Capital Requirement (SCR)	139,869	139,093
Surplus	**19,148**	**23,446**
Ratio of Eligible own funds to SCR	**114%**	**117%**

Outlook

No changes in the principal activity of the CHUK Group are anticipated in the foreseeable future. While the CHUK Group continues to expect through portfolio transfer and acquisition to increase the size of claim reserves under run-off, the service obligations to our policyholders remain a high priority at all times. There will be a continued focused approach that ensures a proactive claims agreement process whilst continuing to manage investments within risk appetite and shareholder approved guidelines. This enables compliance with the group's policy requiring very strict adherence to the FCA policy around the fair treatment of customers, while at the same time managing the Company's liabilities.

The Company is regulated by both the PRA and the FCA. As the Catalina UK group of companies have grown significantly in recent years and plan to grow further in coming years, the PRA initiated a Section 166 review to ensure the Catalina UK regulated companies are positioned for this. The regulated insurance subsidiaries engaged in an open and collaborative way with this review and in 2020 is committed to implementing all findings.

The CHUK Group continues to expect to increase the size of claims reserves under run-off through the agreement announced with Zurich Insurance PLC ("Zurich") in December 2018. Under this agreement all of Zurich's UK employers' liability (UK EL) policies for 2006 and prior underwriting years to the Company, will transfer to CLL. Originally planned as an Irish High Court Section 13 insurance business transfer of liabilities from Zurich to CLL, it is increasingly becoming more likely this will be a Part VII transfer through the UK High Court. With the transfer into CLL, CLL will then enter a 50% outwards quota share retrocession agreement with Elbow Re Ltd., a Class 3A Bermuda based reinsurance company.

The CHBL revolving credit facility, to which CHUK is party, was renegotiated on 13th February 2020. The facility was increased to $650.0 million to provide funding for Group activity. The renegotiation did not change CHUK's commitment under the facility. On 13 May 2020 a reduction in the amount drawn down under the facility by CHUK from £84m to £64m was approved for value date of 22 May 2020. Corresponding with this reduction will be an equivalent increase in the Capital Reserve of CHUK.

The implications of the United Kingdom leaving the European Union on 31 January 2020 are that as a run-off company with predominantly all remaining claims in the United Kingdom, the Company is not fundamentally exposed to direct policyholders in the European Economic Area. There remains some continuing uncertainty post 31 January 2020 as a trade deal is negotiated. Management will continue to closely monitor and manage this uncertainty, but for reasons described the impacts are not anticipated to be significant for the Company or CHUK Group.

Since 31 December 2019 the risk profile of the Company and CHUK Group has changed with the emergence and spread of the Coronavirus ("COVID-19") being declared a global pandemic. This situation is unprecedented in modern times with attempts to limit the potential consequences fundamentally changing the way people work and interact with each other. The significant uncertainty resulting from the impact of COVID-19, which is anticipated to continue for the foreseeable future, has massively disrupted daily lives and economic well-being. Globally governments have introduced significant economic support measures, yet the immediate and longer term impact of these is unknown. There is never before seen volatility in investment markets and while the composition of the Group's investment portfolio, with minimal on-market equity exposures and a good weighting of cash, deposits and above A rated investment grade securities, means the insurance companies within the CHUK Group are well placed to withstand the investment market volatility and limit capital and liquidity impacts, the rate of change on COVID-19 is demanding continuous monitoring and assessment. With respect to technical provisions, the known facts and circumstances of COVID-19 mean it is highly unlikely to result in an increase in claims exposures or costs and hence significant run-off losses to the CHUK Group. The length and depth of the global recession that will likely follow will be closely monitored, including the credit worthiness of our reinsurers from a counter party default risk perspective. Our immediate concern is the ability to provide continuity of service to policyholders and taking every action necessary to safeguard this.

Other than as mentioned, subsequent to 31 December 2019 there has been no material change in the business and performance, system of governance, risk profile, valuation for solvency purposes, and capital management for the Company. Further, other than as separately notified to the PRA supervisors for Catalina, there is no known current acquisition activity which at this stage could directly impact the Company or CHUK Group.

Statement of Directors' Responsibilities

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

We are satisfied that:

a) throughout the financial year ended 31 December 2019, the insurers have complied in all material respects with the requirements of the PRA Rules and the Solvency II Regulations as applicable to the insurers; and

b) it is reasonable to believe that the insurers have continued so to comply subsequently and will continue so to comply in future.

By Order of the Board

S Ryland

S M Ryland

Director

20 May 2020

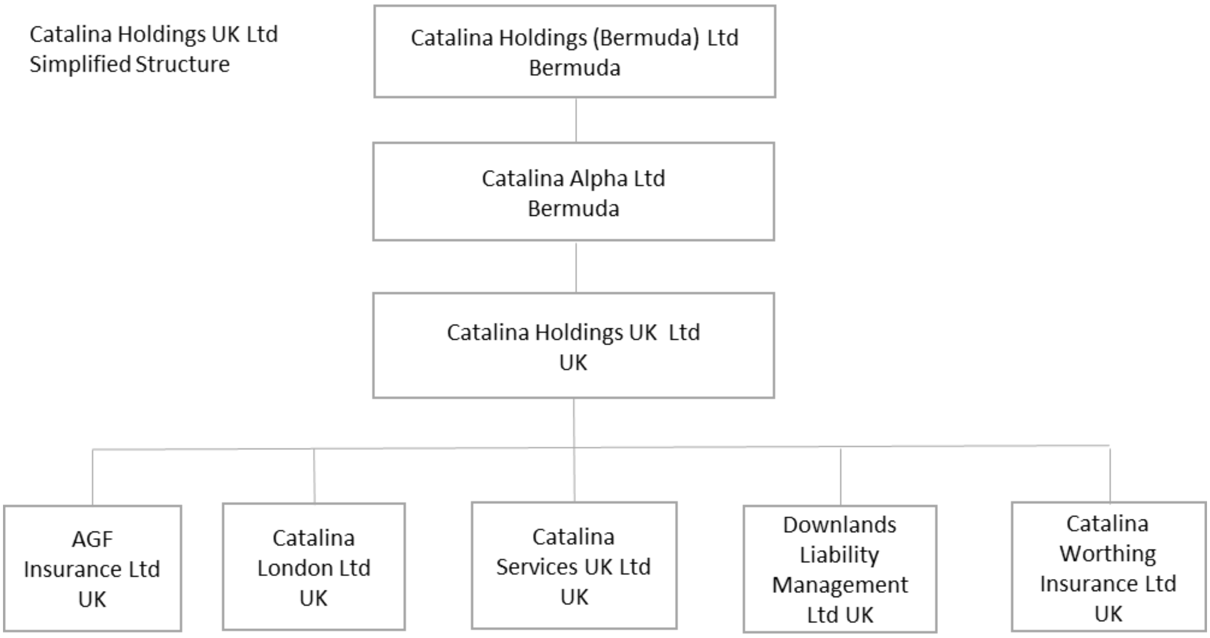
A. Business and Performance

A.1 Business and external environment

A.1.1 Undertaking, financial supervisory authority and external auditor

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

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



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

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

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

CHUK is the holding company for all of the Catalina UK insurance and insurance service companies. It is the vehicle in the UK that acquires, both directly and indirectly, all Catalina UK run-off portfolios. At 31 December 2019 CWIL, AGF and CLL are active run-off insurance companies. Two insurance service companies, Catalina Services UK Limited ("CSUK") and DLML, form the rest of the CHUK Group. All UK staff are employed by CSUK. With DLML having ceased operations, it is intended in 2020 to wind this company up.

The Company's insurance subsidiaries wrote business mostly in the UK and US, with AGF writing solely UK based business. The subsidiary distribution of reserves, including loss adjustment expenses on a Financial Statement valuation basis at 31 December 2019 was as follows in USD '000s equivalents:

CHUK Insurance Subsidiary	Total 2019 USD'000	US 2019 USD'000	UK 2019 USD'000	Europe 2019 USD'000	Other 2019 USD'000
CWIL	524,764	315,365	184,589	22,379	2,431
AGF	163,927	-	163,927	-	-
CLL	46,141	32,758	8,488	2,735	2,160
Intergroup	(2,947)	-	(2,947)	-	-
Total Gross CHUK Reserves	**731,885**	**348,123**	**354,057**	**25,114**	**4,591**

	2018 USD'000	2018 USD'000	2018 USD'000	2018 USD'000	2018 USD'000
CWIL	563,131	326,566	210,077	24,250	2,238
AGF	184,801	-	184,801	-	-
CLL	59,182	39,288	14,335	3,657	1,902
Intergroup	(3,239)	-	(3,239)	-	-
Total Gross CHUK Reserves	**803,875**	**365,854**	**405,974**	**27,907**	**4,140**

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

Class of Business	2019 % of Reserves	2018 % of Reserves
Property	0.2%	0.3%
Liability	67.0%	66.4%
Marine, Aviation and Transport	5.6%	5.0%
Reinsurance – Casualty	25.1%	0.1%
Reinsurance – Marine, Aviation and Transport	0.6%	27.6%
Reinsurance - Property	1.5%	0.6%

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

A.2 Performance from underwriting activities

The table below shows the underwriting performance for the CHUK Group for the year end 31 December 2019, together with comparatives for the previous year. During 2019 the Group realised an underwriting loss of USD$18.2 million (2018: loss of USD$6.4 million).

	2019 USD'000	2018 USD'000
Earned premiums, net of reinsurance	(20)	1,093
Claims incurred, net of reinsurance	(3,286)	5,259
Net operating expenses	(14,938)	(12,784)
Balance on the technical account	**(18,244)**	**(6,432)**
Claims incurred by class of business:		
Property	(1,062)	(4,140)
Liability	(3,843)	1,935
Marine, Aviation and Transport	(258)	4,344
Reinsurance – Casualty	2,690	2,412
Reinsurance – Marine, Aviation and Transport	(127)	210
Reinsurance – Property	(686)	498
Total claims incurred	**(3,286)**	**5,259**

The change in the CHUK technical account result in 2019 mostly arises on AGF. In 2018, there was positive claims development on asbestos and deafness exposures of $5.5 million whereas in 2019, there was negative claims development on asbestos and deafness exposures of $4.1 million.

The increase in operating expenses in 2019 is primarily due to the cost related to Section 166 regulatory review and staffing costs.

A.3 Performance from investment activities

The table below shows the investment income for the CHUK Group for the year end 31 December 2019, together with comparatives for the previous year.

	Net investment income USD'000	Net investment expense USD'000	Net realised gains and losses USD'000	Changes in fair value USD'000	Net investment result USD'000
2019					
Financial assets:					
- measured at FVTPL	12,310	(346)	(862)	7,774	18,876
-measured at cost	106	-	-	-	106
- derivatives	-	-	-	-	-
	12,416	**(346)**	**(862)**	**7,774**	**18,982**
2018					
Financial assets:					
- measured at FVTPL	12,478	(879)	(5,824)	(13,942)	(8,167)
-measured at cost	537	-	-	-	537
- derivatives	-	-	-	-	-
	13,015	**(879)**	**(5,824)**	**(13,942)**	**(7,630)**

The increase in total investment returns in 2019 to an income of USD$19.0 million (2018: loss of USD$7.6 million) is mostly a function of unrealised gains on corporate and other debt securities. On corporate and debt securities, the gains are driven by change in global debt markets and to a large extent are the recovery of losses experienced in 2018.

Net investment income includes USD$4.4 million (2018: USD$4.9 million) of interest expense on the CHUK Revolving Credit Facility Agreement used to finance the CWIL and AGF acquisitions. Under the agreement interest is chargeable on a margin above LIBOR. Amounts due under the facility marginally remained unchanged in the year at GBP£84.0 million. The decrease in interest expense reflects the impact of a £46.0 million repayment made in March 2018. .

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

A.4 Other operating income and expenses

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

	2019 USD'000	2018 USD'000
Write back of negative goodwill	1,558	1,588
Management fees	4,191	2,927
Administrative expenses	(4,019)	(2,802)
Foreign exchange gains / (losses)	(3,980)	7,997

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

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

As a USD denominated group CHUK is exposed to currency fluctuations in the US Dollar against the Sterling and Euro. While companies within the Group manage these exposures by matching assets and liabilities by currency, reserve development can from time to time result in a net currency exposure. The foreign exchange losses for 2019 include a USD$4.3 million loss (2018: USD$7.6 million gain) on the GBP denominated debt of £84.0 million (2018: £84.0 million), being USD$111.4 million (2018: USD$107.1 million) in the CHUK company.

A.5 Any other disclosures

Not applicable.

B. System of Governance

B.1 General Governance arrangements

The governance arrangements of the CHUK Group are centred upon the individual operating companies and, specifically, those that carry insurance liabilities and are regulated by the PRA/FCA. This decision is based upon the fact that these companies carry almost the entirety of the risk to which the CHUK Group is exposed. The capital modelling for these companies include any risk that might otherwise accrue from other parts of the CHUK Group (for instance, operational risk arising from the service companies are specifically modelled into each insurance risk carrying entity). CHUK produces a CHUK Group ORSA which can be analysed at both the overall UK Group level and, in detail, at the regulated company level.

As the composition of the boards of the regulated companies are similar, although not identical, and the issues faced by each company are in large part common, the governance structures and policies are prepared so far as is practicable on a UK group wide basis. However as each of the insurance companies is a regulated entity, corporate structure and governance arrangements are made for each individual company.

With the introduction of the SM&CR in December 2018 and following an independent Board governance review in 2019, the governance arrangements have been reviewed and significantly enhanced. At the regulated insurance company level within the CHUK Group each company operates under a board of directors which comprises four independent non-executive directors ("INED"), one of whom is Chair, two non-executive directors, Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") and Claims Director. Subsequent to year-end, the Board composition has been amended to four independent non-executive directors, one non-executive CHUK Group director and four executive directors. The Boards operate under an agreed terms of reference.

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

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

In addition to the required key functions the board has determined that claims, commutations, investment management and operations are key functions. The allocation of the senior manager functions and key function holders is set out in each company's management responsibilities map ("MRM"). All senior managers and key function holders are employed either by Catalina Services UK Limited or by another group company. The allocation of the prescribed responsibilities is also set out in the MRM.

Management Team

The Board has delegated the day to day running of each insurance company to the Catalina UK Chief Executive Officer with a Management Team to assist in these duties. A report on these activities is presented at each Company board meeting, held quarterly on average.

The executive management teams form the ExCo which was formally convened in May 2019 and meets weekly under the Chair of the Catalina UK CEO to discuss and review operational and day to day business issues. The minutes of these meetings are available to board members.

The following committees are committees of the Board and comprise executives from the company and wider group.

Board Risk Management Committee

Until mid-2019 the Board has acted as the Risk Committee, ("BRMC") with the responsibility of analysing and taking ownership of the fundamental risk management principles employed by the Company. Since July 2019 a dedicated Board Risk Management Committee has been established to meet outside of the Board meeting which is chaired by an INED and comprises directors of the regulated entities. The purpose is to have an enhanced focus on the risks faced by the insurance companies and the mitigation of those risks.

The Board has delegated the responsibility of oversight of the Group's risk management policy for each insurance company to the UK Risk manager who has taken over the role of Chief Risk Officer ("CRO") from the Group CRO. The Risk Management Policy defines the framework of the systems, controls, processes and procedures in place to identify, assess, mitigate and manage risk for each insurance company.

Each insurance company has determined its risk appetite and a number of risk tolerances that are measured on a quarterly basis. Quarterly reports during 2019 were included in the Risk Committee papers on adherence to existing risk appetite levels and were summarised by the CRO and the Risk Committee at each Board meeting. The CRO instructs the relevant risk owners to implement any remedial measures that the Board determines are appropriate.

Board Audit Committee

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

The Board has delegated the responsibility of oversight of the Group's internal audit policy at each insurance company to the Group Head of Internal Audit. The Internal Audit Charter together with the Internal Audit Framework defines the framework of the systems, controls, processes and procedures in place to support the Board Audit Committee in its duties.

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

Loss Reserving Committee

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

Large Loss/Claims Committee

The Large Loss Committee is charged with the responsibility of overseeing the each insurance company's claims practices, processes and procedures and providing a further level of control and direction for very large losses. Matters arising from this Committee are reported by the CEO to the Board.

Commutations Committee

The Commutations Committee is charged with the responsibility of overseeing each insurance company's commutation policy and approving all significant commutations. Matters arising from this Committee are reported by the CEO to the Board.

Investments

The Board is responsible for the oversight of the Company and each insurance company's investments and has appointed the Chief Investment Officer, Europe (CIO) to manage its portfolio of investments on its behalf. As part of the group level management of investments the CIO consults with the Group Investment Committee ("IC") regarding overall investment strategy. The CIO provides a report to each Company Board meeting, which looks at the risk and objectives for the Company of the investment approach, as well as the relative performance. During the course of the year strategic asset allocations (SAA) have been developed which set out each insurance company's market risk appetite and in doing so the Company's approach to the requirements of the prudent person principle. In particular it sets out the expectations that the technical reserves will be backed by rated, liquid, relatively risk free assets and that other investment classes such as commercial real estate will only be invested using surplus capital. Reporting both by the Investment management team and oversight by the ERM function has been considerably enhanced. In addition the protocols for the approval of non-traditional and alternative investments have been further revised and improved.

Remuneration Policy

The Company does not have any direct employees, all services to the CHUK group are provided by CSUK. All CSUK employees are retained on a fixed basic salary, considered annually and determined in light of market best practice.

Each insurance company has applied the principle of proportionality to requirements regarding remuneration. A Catalina UK Remuneration Committee represents the regulated insurance companies and exists to oversee the application of the Remuneration policy. The Policy was significantly revised this year to make it compliant with Solvency II requirements and PRA guidance.

The objectives of the Remuneration policy are to ensure that:

- Policy and practices are aligned with the Company's overall strategy, risk management strategy and risk appetite, objectives, values and long-term interests of the Company;
- The policy applies to the undertaking as a whole in a proportionate and risk focused way, taking into account the respective roles of the Company's employees;
- The policy does not foster practices adverse to policyholders' interests;
- The Company can attract and retain highly qualified employees with skills required to effectively manage the Company;
- Employees are compensated appropriately for the services they provide the company; and
- Employees are motivated to perform in the best interests of the Company and its stakeholders.

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

B.2 Fit and proper requirements

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

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

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

Solvency II requirements

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

Regulatory Requirements

Under section 59 of the Financial Services and Markets Act 2000, authorised firms are required to ensure that individuals seeking to perform one or more of the PRA–designated Senior Management Functions seek PRA and FCA approval prior to taking up their position. Each Company manages these requirements in accordance with the SM&CR which has replaced the Senior Insurance Managers Regime ("SIMR").

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

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

It also appropriately allocates to one or more individuals the functions of:

- Dealing with the apportionment of responsibilities; and
- Overseeing the establishment and maintenance of systems and controls.

The function of apportionment of responsibilities is allocated to the Company's CEO. They may carry out this function with the help of other Board members and senior management but the function nevertheless is that of the CEO.

Each insurance company maintains a MRM to satisfy the requirements regarding apportionment and allocation of significant responsibilities and updates this quarterly or more frequently if there are any changes. All changes to the governance map are notified to the PRA.

The following table sets out the senior management functions and key function holders for each of the dual-regulated firms within the UK Group as at 31 December 2019:

Senior Manager Role	SMF	CWIL	AGF	CLL
Chairman	SMF9	Timothy Cox	Timothy Cox	Timothy Cox
Chair Audit Committee	SMF11	Timothy Cox	Timothy Cox	Timothy Cox
CEO	SMF1	Roland Jackson	Roland Jackson (interim)	Roland Jackson (interim)
Head of Regulatory and Compliance Officer	SMF16	Alex Jenkins (interim)	Alex Jenkins (interim)	Alex Jenkins (interim)
Executive Director	SMF3	Steven Richardson	Steven Richardson	Steven Richardson
Non-executive Director		Christopher Fleming; Gary Haase	Christopher Fleming; Gary Haase	Christopher Fleming; Gary Haase
Chair of Risk Committee	SMF10	David O'Connor	David O'Connor	David O'Connor
Independent Non-executive Director		Walt Gontarek Bob Howe	Walt Gontarek Bob Howe	Walt Gontarek Bob Howe
Chief Financial Officer, Executive Director	SMF2	Graeme McAndrew	Graeme McAndrew	Graeme McAndrew
Chief Actuary	SMF20	James Upson	James Upson	James Upson
Chief Risk Officer	SMF4	Tim Walker	Tim Walker	Tim Walker
Head of Internal Audit	SMF5	Björn Hartvigsen	Björn Hartvigsen	Björn Hartvigsen
Money Laundering Reporting Officer	SMF17	Alexander Jenkins	Alexander Jenkins	Alexander Jenkins
Chief Operations	SMF24	Rhian Duff	Rhian Duff	Rhian Duff
Other overall responsibility:				
Chief Investment Officer	SMF18	Neil Taylor	Neil Taylor	Neil Taylor

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

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

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

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

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

Key Function	Holder in all regulated subsidiaries
Commutations	Darren Rowswell
Technical Operations	Darren Rowswell
Information Technology	Rhian Duff

B.3 Risk management system

CHBL's enterprise risk management function is coordinated by the Chief Risk Officer, who works under the authority of the BRMC. In line with the internal risk management policies of the Group, management at each Company, acting as the 'first line of defence' are primarily responsible for the running of the business and the operation of controls within their own areas as well as the management of the business' risk profile, in line with Board expectations. However, acting as part of the 'second line of defence', the Risk Management Function is responsible for the ongoing monitoring of business operations and the effectiveness and integrity of the risk management framework. In December 2018 a UK Risk manager was engaged who was appointed UK CRO in July 2019. A UK Board Risk Management Committee was formed in July 2019.

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

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

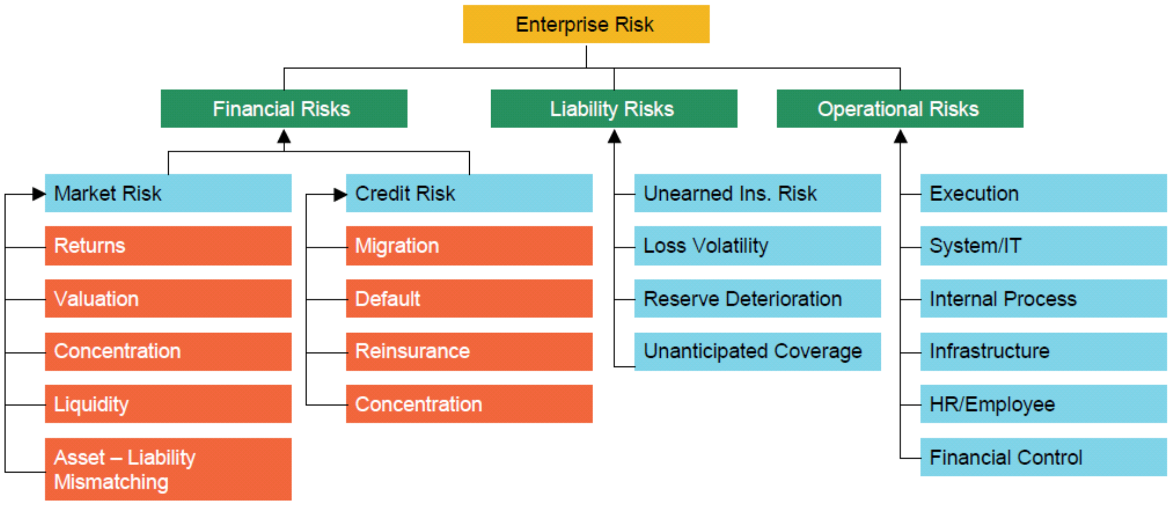
Within the Risk Management framework there are measures in place to ensure:

- Appropriate risk tolerances are in place to govern risk taking activities;
- An appropriate risk culture and risk appetite forms an essential part of its strategic decision making;
- Measurement and monitoring of risk and reporting key risk metrics to senior management and the Board; and
- Appropriate business planning and capital planning processes are in place to support the risk taking activities.

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

In order to aid the management of overall risk, risk policies have been set for each of the core risk categories. A Key Risk Appetite Dashboard is provided to the Board Risk Management Committee quarterly that reports on policy compliance and position against Board approved risk appetites.

The following illustrates the risks to which the Company and CHUK Group are exposed and managed within the Risk Management Framework.



Own Risk and Solvency Assessment

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

The Board and senior management's involvement are integrated in the ORSA and they are engaged to challenge, discuss and debate the process. The ORSA process allows management, the Board Risk Management Committee and the Board to review the risk and capital requirements and take a strategic, forward-looking view of future risks and capital needs. The ORSA process includes a detailed three year capital management plan for the CHUK Group and regulated entities within. The ORSA process is used to highlight key issues to management, and allows management to confirm that:

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

The ORSA is produced by Management in conjunction with the Actuarial and Risk Management functions. The ORSA is presented to the Board Risk Management Committee and Board for challenge, comment and review annually with the most recent review being December 2019. The result of the Board's review forms the basis for the future strategy of the business and for the following year's ORSA.

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

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

B.4 Internal control system

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

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

Compliance Function

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

Line managers have a responsibility to implement all compliance policies locally mitigating compliance risk in liaison with the HC, ensuring adequate compliance resources and training, fostering a compliance culture and optimising relations with regulators. The role of the Compliance function is to provide advice and support to line management in this regard. The HC has unfettered access to line management and also to the Board of Directors.

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

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

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

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

The Company and each insurance company within the CHUK Group maintains regulatory and compliance calendars in order to ensure that all external and internal deadlines are met.

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

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

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

B.5 Internal audit function

The mission of the Internal Audit function (“IA”) is to enhance and protect organisational value by providing risk-based, independent and objective assurance, advice, and insight. IA is an independent assurance function within CHUK’s third line of defence, providing the Board, Board Audit Committee (“AC”) and Management with independent and objective assurance and value adding insight on the effectiveness and efficiency of governance, risk management, and internal control processes.

IA applies a risk-based approach, performing its own risk assessment as well as making use of risk assessments performed by CHUK’s Enterprise Risk Management and other assurance functions. Based on the results of the risk assessment, IA produces an annual Audit Plan for review and approval by the Board Audit Committee. The Audit Plan is updated on a regular basis according to CHUK’s evolving risk landscape and needs. IA regularly provides formal updates on its activities to the individual Board Audit Committees, which include audit results, the status of management actions required, the appropriateness of the resources and skills of IA and any changes in the tools and methodologies it uses.

The Group Head of Internal Audit (“HIA”) also meets privately with the Board Audit Committee immediately reporting any issue which could have a potentially material impact on the business of CHUK Group to the Chairperson of the Board Audit Committee. The Group Head of IA and IA staff are authorised to review all areas of CHUK Group and to have full, free and unrestricted access to all of its activities, records, property and personnel necessary to complete their work. IA is authorised to allocate resources, determine frequency of reviews, select areas, determine audit scopes and apply audit tools and techniques, and to obtain the necessary assistance and specialised services within or outside the Group to accomplish the audit objectives.

IA staff are governed by following the Code of Ethics issued by the Institute of Internal Auditors (“IIA”). The operating guidance for the department constitute the IIA’s International Standards for the Professional Practice of Internal Auditing as well as the International Professional Practices Framework (“IPPF”) which include both mandatory and recommended guidance. Except for pure administrative matters, the Head of IA and any IA staff do not report to any member of management and neither do they have any operational responsibilities within the group outside which forms part of the IA mandate.

B.6 Actuarial function

The Actuarial function is made up of an in house actuarial team, based primarily in the UK, with support from other actuaries across the Group, and as appropriate, external firms of consulting actuaries.

Under the leadership of the Company’s Head of Actuarial Function, the team:

- Co-ordinates the GAAP reserving for the insurance companies within the CHUK Group;
- Adjusts the GAAP reserves to Solvency II Best Estimate of Liabilities (“BEL”);
- Uses the BEL and audited balance sheet to develop the Standard Formula SCRs, MCRs, Risk Margins and Own Funds;

- Project the capital level and capital requirements over the planning period for the ORSA, including the modelling of stresses, scenarios, and reverse stress tests;
- Opines on levels of reserve adequacy, reinsurance arrangements and underwriting policy;
- Assesses the impact of any material change to the CHUK Group or insurance company in terms of its capital position, such as a material change in its reinsurance arrangements; and
- Evaluates and advises on the impact, on request, for changes in (for example) investments.

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

B.7 Outsourcing

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

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

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

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

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

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

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

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

Within the CHUK Group, outsourcing occurs primarily for claims handling and investment management activities with both these activities undertaken in the United Kingdom and United States of America.

B.8 Assessment of Governance

During 2019 the PRA commissioned a skilled persons review under S166 of FSMA to review the operational readiness of the Catalina UK regulated insurance companies to integrate the Zurich UK EL portfolio into CLL. The review focussed on whether these firms' governance and risk management and control arrangements are appropriately designed and are likely to operate effectively in managing the current and planned future business and also whether the firms' investment strategies are appropriate for the current and planned future business, have been agreed by the UK Boards and are in line with Solvency 2 requirements. The final report was received in March 2020. This review builds off of the independent Board governance review in 2019, whose recommendations led to governance improvements including, the expansion of the INEDs, creation of the Board Risk Management Committee, enhancements to Board reporting and improved oversight over the firms' investments. The findings of the Section 166 review have been considered by the Board and discussed with the PRA. The Board is fully committed to implement all findings of the review to ensure the ongoing and future readiness of the Company to benefit all stakeholders, in particularly policyholders. In many instances the Board has already taken action to commence implementation.

While material work is underway to future-proof the Catalina governance model for Elbow and allow better scalability for further acquisitions within the UK, it is concluded that the existing system of governance and the improvements delivered provided effectively in 2019 for the sound and prudent management of the business which was proportionate to the nature, scale and complexity of the current size of operations within the CHUK Group.

C. Risk Profile

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

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

As service companies, CSUK and DLML carry no reserve risk, have no market risk since their surplus is kept in cash, and in addition carry no significant counterparty credit risk. Additional operational risk through the service companies arising out of potential employee litigation and payroll fraud is considered. However, the Company's HR processes mitigates the former risk and finance processes and sign offs for CSUK and DLML, where applicable, are the same as for the regulated companies and cover the latter risk. Any counterparty credit risk arising out of non-payment by debtors is minimal as the debtors are other CHBL companies and are settled on a quarterly basis.

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

C.1 Underwriting (Liability) Risk

C.1.1 Risk exposure

CWIL has been in run-off since 2012 (with the vast majority of the book having been in run off since 1992), AGF since 1999, and CLL since 2005. With all subsidiary companies in run-off for a number of years there are no unexpired Insurance Risk exposures from in-force policies.

Underwriting or insurance risk is concerned with fluctuations in the timing, frequency and severity of insured events, relative to expectations at the time of underwriting. Given the companies' run-off status the principal insurance risk they are subject to is reserve risk whereby there is potential for future claims to deteriorate beyond the actuarial best estimates. This is influenced by the frequency of claims, severity of claims, actual claims paid and subsequent development of long-term claims.

Actual underwriting results are monitored against budgeted results on a quarterly basis, although for meaningful variances the underwriting reserves, gross and net, are reviewed actuarially bi-annually and compared to the business plan. Reinsurance recoveries, notified claims and reserves are compared to plan. The policy incorporates identification, measurement and explanation of variances which are reported to senior management. Given the insurance companies' run-off status, management focuses primarily on variances in claims reserves. Therefore, the primary objective of the companies is to ensure that sufficient reserves are available to cover these liabilities.

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

Within CWIL most of the remaining gross exposures relates to asbestos, and hearing impairment claims, arising from employer's liability business in the UK and asbestos, pollution and health hazard losses arising from direct and treaty involvements in the US.

At AGF, most of the remaining exposure relates to asbestos and hearing impairment claims in the UK, arising from employers' liability business, together with a modest amount of motor claims.

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

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

Reserves are relatively insensitive, due to the events which caused the claim occurring many years ago. Nevertheless, reserve sensitivity is modelled in both the ORSA and in the Solvency II SCR. Risk sensitivity is further reduced by the insurance companies having reinsurance. In particular for CWIL a 100% quota reinsurance arrangement with CatGen, a Bermuda based reinsurer which is part of the Catalina Group, reduces the net exposure to nil. Consideration is given to the potential to purchase further reinsurance, to further reduce risk sensitivity either on an intragroup basis or externally.

There has been no change in the reserve risk profile over the last few years nor is it expected to change significantly over the three year planning horizon.

C.2 Market Risk

C.2.1 Risk exposure

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

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

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

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

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

- To preserve invested capital;
- To maintain the ability to meet liability payoff obligations and operating expenses as they become due;

- To always manage the portfolios in conformity to the regulatory framework and agreed investment guidelines; and
- Simultaneously with the goals set out above, to earn the best possible risk adjusted total return on invested capital.

Interest rate risk

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

Each insurance company is exposed to interest rate risk as it invests in long term investments at both fixed and floating interest rates. The risk is managed by maintaining an appropriate mix between fixed and floating rate investments.

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

	Pre-tax profit		**Shareholders' equity**	
	2019	**2018**	**2019**	**2018**
	USD'000	**USD'000**	**USD'000**	**USD'000**
1% increase	(15,951)	(9,299)	(15,951)	(9,299)
1% decrease	15,951	9,299	15,951	9,299

Interest rate changes affect the valuations of the assets (in respect of fixed interest bonds, for example, although not for many other asset classes such as cash, equities and property). While for UK GAAP purposes, the value of liabilities is unaffected by interest rate changes, for Solvency II purposes, the technical provisions are affected, as they are discounted in line with risk free interest rates. An increase in interest rates reduces the value of both interest rate-sensitive assets and the value of Solvency II technical provisions. This provides a natural offsetting effect, as the net impact is reduced compared to the monetary amount of the change for the assets or liabilities alone. An interest rate risk charge is modelled as part of the solvency capital requirement, to ensure sufficient capital with a probability of 99.5% over a twelve month period.

Foreign exchange risk

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

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

The sensitivity analyses below have been determined based on the exposure to currency movements against risk exposures at 31 December 2019. A 10% increase or decrease is used when reporting foreign exchange risk internally to key management personnel and represents management's assessment of the reasonably possible change in currency rates.

Pre-Tax Profit Impact	2019 USD'000	2018 USD'000
USD / GBP		
10% increase in USD/GBP exchange rate	(17,825)	(15,819)
10% decrease in USD/GBP exchange rate	17,825	15,819
USD / EUR		
10% increase in USD/EUR exchange rate	(95)	(134)
10% decrease in USD/EUR exchange rate	95	134

Other price risk

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

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

	2019 USD'000	2018 USD'000
1% increase		
Movement in fair value of share and other variable securities in unit trusts	40	74
Movement in fair value of debt securities and other fixed income securities	2,900	2,686
Movement in fair value of other financial investments	1,116	1,477
1% decrease		
Movement in fair value of share and other variable securities in unit trusts	(40)	(74)
Movement in fair value of debt securities and other fixed income securities	(2,900)	(2,686)
Movement in fair value of other financial investments	(1,116)	(1,477)

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

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

Regular oversight of all investment decisions, their compliance with regulations and our own guidelines by the Chief Investment Officer, coupled with regular convening of the Group Investment Committee and clear reporting lines from this committee, ensures that the regulated entities are not exposed to threatening levels of market or credit risk.

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

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

Historic stress tests are determined by looking at the total returns over a specified period. Market stress tests are determined by calculating the beta of each index to the time series used in the scenario definition, with two years of month-end to month-end returns for the data. Market stress tests are performed quarterly and are included in the Company's risk management reporting pack.

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

Historic Stress Tests:

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

Scenarios:

USD Yield Curve Level +100bps, US Equity Market -20%, Recession (US bond rate higher by 1.4%), USD Corporate Spreads Double.

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

Market risk is tracked in various ways, including rate and spread durations, asset liability management and historic stress tests. Risk adjusted return is calculated periodically using the Sortino ratio (a derivative of the Sharpe ratio). The company is comfortable that assets and liabilities are well matched against liquidity and currency risk. There is a comprehensive set of investment checks and balances which define in detail our risk appetite with regard to individual and sector concentration, effective duration, credit quality, and exposure to emerging markets and high yield instruments. Our compliance within these guidelines is regularly reported to the respective Board by the CIO. At 31 December 2019, the metrics are currently all within ranges that our management and Board have designated through the Investment Committee and BRMC.

C.3 Credit Risk

C.3.1 Risk exposure

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

The companies within the CHUK Group monitor the credit risk in relation to their investment portfolio and reinsurance programme by monitoring external credit ratings for the investments and reinsurance assets held by each company on a regular basis. The following table shows aggregated credit risk exposure for assets with external credit ratings. The table also shows the carrying value of assets that are neither past due nor impaired, the ageing of assets that are past due but not impaired and assets that have been impaired. The factors considered in determining whether the value of an asset is impaired are: analysis of impairment, ageing of balances, past loss experience, current economic conditions and other relevant circumstances.

	2019 USD'000	2018 USD'000
By class of asset:		
Financial investments	4,022	7,370
Debt securities and other fixed income securities	290,015	268,573
Other investments	111,631	147,677
Investments in group undertakings and participating interests	33,763	22,852
Assets arising from reinsurance contracts held	553,939	612,474
Cash and cash equivalents	130,310	129,179
Other assets	92,321	99,943
Total assets bearing credit risk	**1,216,001**	**1,288,068**

	2019 USD'000	2018 USD'000
By credit rating:		
AAA	48,639	174,250
AA	157,408	129,810
A	250,753	174,028
BBB	127,689	97,113
Below BBB or not rated	631,512	712,867
Total assets bearing credit risk	**1,216,001**	**1,288,068**
Financial assets past due or impaired		
Neither past due nor impaired	66,907	75,453
Past due less than 30 days	2,402	60
Past due 31 to 60 days	85	1,713
Past due 61 to 90 days	245	207
Past due more than 90 days	5,091	3,941
Total financial assets past due or impaired	**74,730**	**81,374**

Within the total financial assets past due or impaired, is a total impairment against insurance and reinsurance operations at 31 December 2019 of USD$21.3 million (2018 USD$24.3 million).

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

Credit risk relates to the possibility that the companies become exposed to losses occurring as a result of third parties and counterparties failing to fulfil their obligations. Credit risk on receivables is minimised by pursuing early commutation where possible.

The Companies are also exposed to credit risk via their investment portfolio. Our Investment Guidelines stipulate that credit quality may not fall below a weighted average of A- across the portfolio. Regular oversight of all investment decisions by the Chief Investment Officer, coupled with regular convening of the advisory Group Investment Committee ensures that stated standards are adhered to. For example, there are specific concentration limits with regard to both sector level investment and individual obligors. The Chief Investment Officer is responsible for credit risk compliance reporting to the Boards and the BRMC documentation independently exhibits this.

Credit risk is measured in several ways. CHBL assesses credit ratings, issuers and domicile concentrations. We also carefully track our spread duration based on security level modelling. A third way we measure credit risk is by performing historic stress tests for key events, like the Lehman Brothers default, and by doing a VaR like analysis of worst month performance over the last year.

Selected credit risk metrics including any non-compliance with the Investment Guidelines are reported to the Legal Entity Board of Directors which, while keeping abreast of developments within the capital markets, should ensure that these entities are never knowingly exposed to threatening levels of counterparty or investment credit risk.

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

C.4 Liquidity Risk

C.4.1 Risk exposure

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

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

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

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

Each insurance company within the CHUK Group holds significant amounts of liquid investments and cash. Liquidity stress testing and sensitivity analysis is not undertaken here given the considerable cash and cash equivalents held compared against the duration of liabilities. Within the parent Company, servicing the interest on debt at 31 December 2019 of USD$111.4 million (2018 : USD$107.2 million) is driven by both liquid reserves held by the Company itself and upstreaming of any excess subsidiary capital, the latter being firstly subject to PRA approval. On 13 May 2020 a reduction in the amount drawn down under the facility by CHUK from £84m to £64m was approved for value date of 22 May 2020. Corresponding with this reduction will be an equivalent increase in the Capital Reserve of CHUK.

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

	Less than 1 year	1 – 5 years	5+ years	Total
	2019	2019	2019	2019
	USD'000	USD'000	USD'000	USD'000
Financial liabilities and claims outstanding				
Claims outstanding	77,508	233,610	420,767	731,885
Other provisions	-	-	-	-
Deposits received from reinsurers	10,340	31,177	57,626	99,143
Creditors arising out of reinsurance operations	12,750	-	-	12,750
Creditors arising out of insurance operations	128	-	-	128
Other creditors including taxation and social security	3,319	-	-	3,319
Bank Loan	-	111,376	-	111,376
Accruals and deferred income	8,008	54	-	8,062
	112,053	**376,217**	**478,393**	**966,663**

	2018 USD'000	2018 USD'000	2018 USD'000	2018 USD'000
Financial liabilities and claims outstanding				
Claims outstanding	84,208	261,002	458,665	803,875
Other provisions	255	-	-	255
Deposits received from reinsurers	10,388	34,328	63,460	108,176
Creditors arising out of reinsurance operations	20,146	-	-	20,146
Creditors arising out of insurance operations	443	-	-	443
Other creditors including taxation and social security	1,075	-	-	1,075
Bank Loan	-	107,159	-	107,159
Accruals and deferred income	5,433	110	-	5,543
	121,948	**402,599**	**522,125**	**1,046,672**

C.5 Operational Risk

C.5.1 Risk exposure

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

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

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

Organisational Risk

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

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

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

C.6 Other Material Risks

COVID-19 Risk

Subsequent to year end the Coronavirus ("COVID-19"), which has been declared a global pandemic, has resulted in uncertainties and risks which are unprecedented in modern times. The main risks resulting from this for the Company are market, counterparty credit, liquidity and operational.

Attempts to limit the potential consequences of COVID-19 are fundamentally changing the way people work and interact with each other. The significant uncertainty resulting from the impact of COVID-19, which is anticipated to continue for the foreseeable future, has massively disrupted daily lives and economic well-being. Globally governments have introduced significant economic support measures, yet the immediate and longer term impact of these is unknown.

There is never before seen volatility in investment markets and while the composition of the CHUK Group's investment portfolio, with minimal on-market equity exposures and a good weighting of cash, deposits and above A rated investment grade securities, means the CHUK Group is well placed to withstand the investment market volatility and limit capital and liquidity impacts, the rate of change on COVID-19 is demanding continuous monitoring and assessment. With respect to technical provisions, the known facts and circumstances of COVID-19 mean it is highly unlikely to result in an increase in claims exposures or costs and hence significant run-off losses to the CHUK Group. The length and depth of the global recession that will likely follow will be closely monitored, including the credit worthiness of our reinsurers from a counter party default risk perspective. Our immediate concern is the ability to provide continuity of service to policyholders and taking every action necessary to safeguard this.

With circumstances surrounding COVID-19 changing daily, it is impossible to predict the final pandemic outcome and hence impact on the CHUK Group. While the Executive and senior management are frequently monitoring the situation and taking every action to safeguard all stakeholder interests, in particular policyholders, it is very possible that the current expectations regarding the impact on the CHUK Group will change and as such the outcome against the plans for 2020 and beyond be significantly different. The initial impact of COVID-19 on solvency capital is covered further in Section E6.

With no employees the Company and the CHUK Group's three regulates insurance companies are heavily dependent on services provided by Catalina Services UK Limited ("CSUK"), a group subsidiary, for continued operations. CSUK, which maintains an active business continuity planning and testing programme, has from 18 March 2020 enacted working from home arrangements for all employees to provide and safeguard continuity of service to policyholders.

There are no other material risks.

D. Valuation for Solvency Purposes

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

D.1 Assets

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

Solvency II Classification	**Solvency II Value 2019 USD'000**	**Valuation Differences 2019 USD'000**	**Reclassified UK GAAP 2019 USD'000**	**Financial Statements Value 2019 USD'000**	**Note**
Goodwill	-	(2,761)	-	(2,761)	1
Deferred Tax Assets	-	2,128	-	2,128	2
Property Plant and Equipment Held for Own Use	182	-	-	182	3
Holdings in Related Undertakings Incl Participations	-	-	33,763	33,763	4
Equities Listed	1,391	-	1	1,392	5
Equities Unlisted	36,393	-	(33,763)	2,630	6
Government Bonds	96,914	-	(1,679)	95,235	7
Corporate Bonds	186,391	-	(736)	185,655	8
Collateralised Securities	9,145	-	(20)	9,125	9
Collective Investments Undertakings	59,942	-	-	59,942	10
Derivatives	709	-	-	709	11
Deposits Other than Cash Equivalents	82,202	-	-	82,202	12
Loans and Mortgages	51,786	-	(806)	50,980	13
Reinsurance Recoverables from Non-Life	511,641	42,298	-	553,939	14
Deposits to Cedants	9,683	-	-	9,683	15
Insurance and Intermediaries Receivables	5,234	(1)	-	5,233	16
Reinsurance Receivables	37,067	1,037	-	38,104	17
Receivables – Trade not Insurance	30,243	2,561	-	32,804	18
Cash and Cash Equivalents	48,148	-	(40)	48,108	19
Other Assets	77	830	3,280	4,187	20
Total Assets	**1,167,148**	**46,092**	**-**	**1,213,240**	

Solvency II Classification	**Solvency II Value**	**Valuation Differences**	**Reclassified UK GAAP**	**Financial Statements Value**	**Note**
	2018	**2018**	**2018**	**2018**	
	USD'000	**USD'000**	**USD'000**	**USD'000**	
Goodwill	-	(4,319)	-	(4,319)	1
Deferred Tax Assets	-	2,274	-	2,274	2
Property Plant and Equipment Held for Own Use	262	-	-	262	3
Holdings in Related Undertakings Incl Participations	-	-	22,852	22,852	4
Equities Listed	4,381	-	770	5,151	5
Equities Unlisted	28,982	-	(26,763)	2,219	6
Government Bonds	89,525	-	(1,579)	87,946	7
Corporate Bonds	146,126	-	(1,080)	145,046	8
Collateralised Securities	35,626	-	(45)	35,580	9
Collective Investments Undertakings	46,754	1	3,909	50,664	10
Derivatives	155	-	-	155	11
Deposits Other than Cash Equivalents	70,002	-	(2,238)	67,764	12
Loans and Mortgages	98,170	-	(1,311)	96,859	13
Reinsurance Recoverables from Non-Life	538,005	74,468	1	612,474	14
Deposits to Cedants	11,092	-	-	11,092	15
Insurance and Intermediaries Receivables	5,910	-	-	5,910	16
Reinsurance Receivables	40,274	1,317	(2)	41,589	17
Receivables – Trade not Insurance	28,896	3,807	-	32,703	18
Cash and Cash Equivalents	59,232	25	2,157	61,415	19
Other Assets	2,120	663	3,330	6,113	20
Total Assets	**1,205,512**	**78,236**	**1**	**1,283,749**	

Basis of Preparation

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

Notes to Asset Valuation Basis

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

1. Goodwill

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

2. Deferred Tax Assets

   For Solvency II purposes, deferred tax balances are only recognised in relation to all assets and liabilities that are recognised for solvency or tax and also only where it is probable that future taxable profits will lead to the realisation of the asset. The deferred tax asset recognised within the CHUK Financial Statements arises on capital allowances in excess of depreciation and the discounting of insurance technical provisions of an insurance subsidiary. As these differences are not a recognised asset or liability for Solvency II purposes, no corresponding deferred tax asset or liability is recognised.

3. Property Plant and Equipment

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

4. Investments in Group Undertakings and Participating Interests

Investments in group undertakings and participating Interests represents a 19.051% (2018: Nil) holding in a private company incorporated in Bermuda that invests in commercial real estate properties across the UK and a 44.1% (2018: Nil) holding in a private company incorporated in Guernsey that invests in real estate properties located in the UK.

For CHUK financial statement purposes there is USD$33,763k (2018: USD$22,852k) reported as “Holdings in Related Undertakings Incl. Participations“ which, for the purposes of Solvency II disclosure, has been reported as Equities Unlisted.

5. Equities Listed

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

For CHUK financial statement purposes these listed equities are disclosed within the “Shares and Other Variable Yield Securities and Holdings in Collective Investment Schemes” the total which is USD$4,022 k (2018: USD$7,370k).

For CHUK financial statement purposes there is USD$Nil (2018: USD$770k) reported as “Shares and Other Variable Yield Securities and Holdings in Collective Investment Schemes” which, for the purposes of Solvency II disclosure, has been reported as Corporate Bonds.

6. Equities - Unlisted

Equities unlisted include USD$33,763k (2018: USD$22,852k) which represents holdings in a non-listed legal entity that invests in commercial real estate and in another non-listed legal entity which invests in real estate in UK. As the entities investing in commercial real estate are not listed on a recognised exchange, fair value has been determined by reference to the net asset value of the entities. The net asset values are largely determined using either; acquisition price where there is reasonable proximity between acquisition and reporting date or by commercial real estate valuations performed by Chartered Surveyors (members of the Royal Institution of Chartered Surveyors). The valuations are prepared by considering the aggregate for the net annual rents receivable and where relevant, associated costs. For CHUK financial statement purposes this balance is reported as “Investments in Group Undertakings and Participating Interests“.

Equities unlisted include USD$2,459k (2018: $2,211K) which represents holdings in a non-listed legal entity that invests in commercial real estate across Europe. As this entity is not listed on a recognised exchange, fair value has been determined by reference to the net asset value of the entity. The net asset value is largely determined using either; acquisition price where there is reasonable proximity between acquisition and reporting date or by commercial real estate valuations performed by Chartered Surveyors. The valuations are prepared by considering the aggregate for the net annual rents receivable and where relevant, associated costs.

Equities unlisted also includes USD$171k (2018: nil) of shares in an entity who undertakes in credit spread hedging to protect Catalina UK companies credit markets shocks. The fund is valued monthly using a NAV provided by fund manager.

Equities unlisted also include USD$Nil (2018: USD$3,909k) of private equity investments in funds that acquire limited partner interests in the secondary markets. The valuation is based on the quarterly net asset value submitted by the fund. For CHUK financial statement purposes these are reported as “Collective Investment Undertakings”.

7. Government Bonds

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

For Solvency II purposes there are USD$1,267k (2018: USD$1,228k) of Government Bonds which are investments in state owned companies. These are disclosed within the CHUK Financial Statements as Corporate bonds.

For Solvency II purposes within “Government Bonds” the Solvency II valuation includes Accrued interest of USD$412k (2018: USD$351k). For CHUK Financial Statements purposes, Accrued Interest forms part of Prepayments and Accrued Income within Other Assets.

8. Corporate Bonds

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

Within Corporate Bonds for Solvency II purposes there is USD$Nil (2018: USD$770k) which for CHUK Financial Statement purposes is disclosed as "Shares and Other Variable Yield Securities and Holdings in Collective Investment Schemes". The valuation of these instruments is via direct or indirect observable data which is generally recent transactions in the same or similar instruments.

For Solvency II purposes there are USD$1,267k (2018: USD$1,228k) of Government Bonds which are investments in state owned companies. These are disclosed within the CHUK Financial Statements as Corporate bonds.

The Solvency II valuation includes Accrued interest of USD$2,003k (2018: USD$1,538k). For CHUK Financial Statements purposes, Accrued Interest forms part of Prepayments and Accrued Income within Other Assets.

9. Collateralised Securities

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

The Solvency II valuation includes Accrued interest of USD$20k (2018: USD$46k). For CHUK Financial Statements purposes, Accrued Interest forms part of Prepayments and Accrued Income.

10. Collective Investment Undertakings

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

For CHUK financial statement purposes there is USD$Nil (2018: USD$3,909k) reported as "Collective Investment Undertakings" which, for the purposes of Solvency II disclosure, has been reported as Equities Unlisted.

11. Derivatives

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

The valuation basis for Solvency II is consistent with the CHUK Financial Statements basis.

12. Deposits Other than Cash Equivalents

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

There are USD$Nil (2018: USD$2,238k) of deposits with maturities less than three months which are unrestricted which are reported as Cash and Cash Equivalents for Solvency II but reported as Deposits with Credit Institutions within Investments for CHUK Financial Statements purposes.

13. Loans and Mortgages

Loans and Mortgages include loans of USD$9,257k (2018: USD$8,449k) to a single non listed third party that invests in commercial real estate and for which there is no observable market price. The best estimate of fair value of these loans, at 31 December 2019, is the actual value of the debt provided. This valuation takes into account recent valuations of the underlying property as well as stability in underlying market conditions and the ongoing servicing of the debt. For CHUK Financial Statements purposes this investment is disclosed as Other Financial Investments – Other Loans.

For Solvency II purposes, Loans and Mortgages also include direct commercial loans of USD$42,529k (2018: USD$89,721k) where the actual value of the loan provided is considered the best indicator of fair value at 31 December 2019. In the absence of an active market or recent transaction price for this investment, this valuation considers the proximity of the debt commencement date to 31 December 2019, stability in underlying market conditions, the ongoing servicing of the debt and historic experience with similar investments.

The valuation for Solvency II purposes includes Accrued Interest of USD$806k (2018: USD$1,313k). For Company Financial Statements purposes Accrued Interest forms part of Prepayments and Accrued Income.

14. Reinsurance Recoverables from Non-Life and Life

For Solvency II purposes, the fair value of reinsurers' share of technical provisions is determined after applying discounting whereas for the CHUK Group Financial Statements purposes the gross technical provisions and related reinsurers' share of technical provisions are undiscounted. Discounting for fair value purposes uses the relevant risk free yield curves for each currency. For a fuller explanation of the impact of the USD$42,298k (2018: USD$74,468k), refer Section D.2 Technical Provisions.

15. Deposits to Cedants

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

16. Insurance and Intermediaries Receivables

Insurance and intermediaries receivables of USD$5,234k (2018: USD$5,910k) are measured at amortised cost for Company Financial Statements purposes. For Solvency II purposes, given that the level of discount or premium held against the principal receivable is immaterial, amortised cost is considered to materially reflect fair value.

17. Reinsurance Receivables

Within reinsurance receivables is a receivable due beyond twelve months where fair value is determined after applying a discounting rate that reflects the relevant risk free yield curve. The total impact of discounting is to reduce the value of Reinsurance Receivables by USD$1,037k (2018: USD$1,317k). The valuation basis for this receivable within the CHUK Financial Statements is undiscounted. Determination of fair value for Reinsurance Receivables for Solvency II and Financial Statements is after consideration of impairment of any amounts receivable.

18. Receivables – trade not insurance

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

Receivables – trade not insurance, comprise an inter-company debt representing future administration fees recoverable from CatGen, a Catalina group undertaking. These amounts are in addition to the terms of the 100% reinsurance protection afforded under the quota share arrangement. This amount is due over a period that matches the run-off of technical provisions. For Solvency II purposes fair value of the receivable has been discounted at the risk free rate. For CHUK Financial Statements purposes the valuation of USD$32,804k (2018: USD$32,703k) is based on the equivalent quota share premium paid to CatGen at the outset of the contract.

For CHUK Financial Statements purposes this asset is disclosed within Debtors as "Amounts owed by other group undertakings".

19. Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and call deposits and are readily accessible i.e. within 24 hours. There are no restrictions on accessing cash or cash equivalents, hence fair value under Solvency II is the value of the cash holding. The valuation basis for Solvency II is consistent with the CHUK Financial Statements basis. Cash and Cash equivalents include USD$Nil (2018: USD$2,238k) which for CHUK Financial Statements purposes is treated as Deposits with Credit Institutions and reported within Investments.

The valuation for Solvency II purposes includes Accrued Interest of USD$40k (2018: USD$80k). For Company Financial Statements purposes Accrued Interest forms part of Prepayments and Accrued Income.

20. Other Assets

Prepayments of USD$830k (2018: USD$663k) are deemed to have a fair value of nil for Solvency II purposes. Accrued interest of USD$3,280k (2018: USD$3,330k) has been reclassified to

Investments (Government Bonds, Corporate Bonds & Collateralised Securities and Loans and Mortgages).

D.2 Technical provisions

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

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

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

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

The following table quantifies the total gross technical provisions on a Solvency II basis at 31 December 2019. The lines of business can represent direct, proportional reinsurance or non-proportional reinsurance liabilities.

	Gross Best Estimate 2019 USD'000	**Risk Margin 2019 USD'000**	**Solvency II Provisions 2019 USD'000**	**Financial Statement Value 2019 USD'000**
By material line of business:				
Liability	641,209	52,119	693,328	653,416
Motor	18	2	20	18
Property	12,203	593	12,796	12,407
Marine, Aviation and Transport	45,305	1,950	47,255	46,176
Other	700	75	775	693
Insurance Annuities	18,480	695	19,175	19,175
	717,915	**55,434**	**773,349**	**731,885**

	2018 USD'000	**2018 USD'000**	**2018 USD'000**	**2018 USD'000**
By material line of business:				
Liability	674,289	50,724	725,013	726,206
Motor	15	2	17	16
Property	13,042	559	13,601	13,959
Marine, Aviation and Transport	43,108	1,616	44,724	46,347
Other	418	42	460	427
Insurance Annuities	16,402	518	16,920	16,920
	747,273	**53,461**	**800,734**	**803,875**

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

Solvency II Liability Adjustments Increase /(decrease)	**2019 USD'000**	**2018 USD'000**
Event Not In Data (ENID) included in Solvency II Balance Sheet	19,584	18,272
Expense Provision increase included in Solvency II Balance Sheet	40,727	42,478
Discounting at the Risk Free Rate	(74,281)	(117,352)
Risk Margin	55,434	53,461
Total Solvency II Liability Adjustments	**41,464**	**(3,141)**

The total of the Solvency II Liability adjustments above result in the gross Best Estimate Liabilities on the Solvency II balance sheet being USD$41.5 million lower (USD$3.1 million lower in 2018) than the gross technical provisions of USD$731.9 million (USD$803.9 million in 2018) in the Company Financial Statements.

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

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

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

D.3 Other liabilities

For the consolidated CHUK Group the value of each material class of Solvency II liabilities other than Technical Provisions is provided in the table below followed by commentary on the determination of the Solvency II valuation basis. It further compares this value against the equivalent value and disclosure as per the CHUK Financial Statements at 31 December 2019.

Solvency II Classification 2019	Solvency II Value 2019 USD'000	Valuation Differences 2019 USD'000	Reclassification Differences 2019 USD'000	Financial Statements Value 2019 USD'000	Note
Provisions other than Technical Provisions	-	-	-	-	1
Deposits from Reinsurers	99,143	-	-	99,143	2
Derivatives	176	-	-	176	3
Debts Owed to Credit Institutions	111,376	-	-	111,376	4
Insurance and Intermediaries Payable	129	(1)	-	128	5
Reinsurance Payables	12,749	1	-	12,750	5
Payables – Trade not Insurance	11,209	(4)	(1)	11,204	5
	234,782	**(4)**	**(1)**	**234,777**	

2018	Solvency II Value 2018 USD'000	Valuation Differences 2018 USD'000	Reclassification Differences 2018 USD'000	Financial Statements Value 2018 USD'000	Note
Provisions other than Technical Provisions	-	-	255	255	1
Deposits from Reinsurers	108,176	-	-	108,176	2
Derivatives	573	-	-	573	3
Debts Owed to Credit Institutions	107,159	-	-	107,159	4
Insurance and Intermediaries Payable	443	-	-	443	5
Reinsurance Payables	19,589	557	-	20,146	5
Payables – Trade not Insurance	6,300	-	(255)	6,045	5
Total Other Liabilities	**242,240**	**557**	**-**	**242,797**	

1. Provisions other than Technical Provisions

   Representing staff provisions of USD$ Nil (2018: USD$255k). For Solvency II purposes this balance has been reclassified to Payable – Trade not Insurance.

2. Deposits from Reinsurers

   For Company Financial Statements purposes, deposits from reinsurers are measured at amortised cost of USD$99,143k (2018: USD$108,176k).

3. Derivatives

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

4. Debts Owed to Credit Institutions

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

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

   These amounts representing liabilities are not subject to valuation adjustment between Financial Statements and Solvency II. With these liabilities expected to be settled during 2019, in a time of relative benign interest rate volatility, any fair value adjustment is not material. The valuation basis for Solvency II is consistent with the CHUK Financial Statements basis.

   A staff provision of USD$ Nil (2018: USD$255k) was reported as Provisions other than Technical Provisions in the CHUK Financial Statements.

   For Solvency II a discounting provision of USD$ Nil (2018: USD$557k) has been applied.

   For Solvency II purposes, Reinsurance Payables are reported net of a recoverable balance of USD$Nil (2018: USD$0.6 million) whereas Reinsurance Payables in the Company Financial Statements are reported gross of the recoverable amount.

D.4 Alternative methods for valuation

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

D.5 Any other information

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

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

E. Capital Management

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

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

E.1 Own funds

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

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

On 16 August DLML 2019 made a £0.6 million (USD$0.8 million) capital distribution to the CHUK parent.

	Tier 1 2019 USD'000	Tier 2 2019 USD'000	Tier 3 2019 USD'000	Total 2019 USD'000
Basic own funds				
Ordinary Share Capital	1,000	-	-	1,000
Reconciliation Reserve	158,017	-	-	158,017
Total basic own funds	**159,017**	**-**	**-**	**159,017**
	2018 USD'000	**2018 USD'000**	**2018 USD'000**	**2018 USD'000**
Basic own funds				
Ordinary Share Capital	1,000	-	-	1,000
Reconciliation Reserve	161,539	-	-	161,539
Total basic own funds	**162,539**	**-**	**-**	**162,539**

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

Reconciliation between Opening and Closing own funds	**2019 USD'000**	**2018 USD'000**
Opening own funds	**162,539**	**197,484**
Movement Financial Statements Capital Reserve	-	(22,207)
Movement Financial Statements Retained Deficit	(1,621)	(3,363)
Movement Financial Statements Currency Translation Reserve	11,121	(17,240)
Movement Solvency II Asset Valuation differences – refer Section D.1 Assets	32,144	9,054
Movement Solvency II Liability Valuation differences – refer Section D.2 Liabilities	(44,605)	(58)
Movement Solvency II Liability Valuation differences – refer Section D.3 Liabilities	(561)	(1,131)
Closing Own Funds	**159,017**	**162,539**

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

Reconciliation Reserve Components	**2019 USD'000**	**2018 USD'000**	**Movement USD'000**
Financial Statements Capital Reserve	272,690	272,690	-
Financial Statements Retained Deficit	(42,201)	(40,580)	(1,621)
Financial Statements Currency Translation Reserve	15,088	3,967	11,121
Solvency II Asset Valuation differences – refer Section D.1 Assets	(46,092)	(78,236)	32,144
Solvency II Technical Provision Valuation differences – refer Section D.2 Liabilities	(41,464)	3,141	(44,605)
Solvency II Other Liability Valuation differences – refer Section D.3 Other Liabilities	(4)	557	(561)
Total Solvency II Excess of Assets over Liabilities	**158,017**	**161,539**	**(3,522)**

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

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

Available and eligible own funds	**Tier 1 2019 USD'000**	**Tier 2 2019 USD'000**	**Tier 3 2019 USD'000**	**Total 2019 USD'000**
Total available own funds to meet the SCR	159,017	-	-	159,017
Total available own funds to meet the MCR	159,017	-	-	159,017
Total eligible own funds to meet the SCR	159,017	-	-	159,017
Total eligible own funds to meet the MCR	159,017	-	-	159,017
SCR				**139,869**
MCR				**33,823**
Ratio of Eligible own funds to SCR				**114%**
Ratio of Eligible own funds to MCR				**470%**

Available and eligible own funds	**Tier 1 2018 USD'000**	**Tier 2 2018 USD'000**	**Tier 3 2018 USD'000**	**Total 2018 USD'000**
Total available own funds to meet the SCR	162,539	-	-	162,539
Total available own funds to meet the MCR	162,539	-	-	162,539
Total eligible own funds to meet the SCR	162,539	-	-	162,539
Total eligible own funds to meet the MCR	162,539	-	-	162,539
SCR				**139,093**
MCR				**35,609**
Ratio of Eligible own funds to SCR				**117%**
Ratio of Eligible own funds to MCR				**456%**

E.2 Solvency Capital Requirement and Minimum Consolidated Group SCR

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

	2019 USD'000	**2018 USD'000**
By risk module		
Market risk	65,230	61,822
Default risk	26,976	26,950
Non-life risk	65,630	66,748
Health risk	713	568
Life risk	-	-
Basic SCR before diversification	**158,549**	**156,088**
Diversification Benefits	(39,746)	(38,937)
Basic SCR	**118,803**	**117,151**
Operational risk	21,066	21,942
SCR	**139,869**	**139,093**
Minimum Consolidated Group SCR	**33,823**	**35,609**

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

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

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

In calculating the Group SCR, there are no capital requirements for the financial participations (for instance, credit institutions and financial institutions), no SCRs from the related insurance entities (e.g. JV's and associates), as there are no financial participations nor any related insurance entities. Although there were two service companies (CSUK and DLML) in the Group at year end 2019, they do not have an SCR and so did not contribute to the Group SCR.

The Minimum Consolidated Group SCR was calculated as the sum of the Minimum Capital Requirements of the insurance subsidiaries of the Group as follows:

Minimum Consolidated Group SCR Composition	**2019 USD'000**	**2018 USD'000**
Catalina Worthing Insurance Limited	13,138	13,932
AGF Insurance Limited	16,558	16,787
Catalina London Limited	4,127	4,890
Total Minimum Consolidated Group SCR	**33,823**	**35,609**

CHUK does not contain any financial participations (for instance; credit institutions and financial institutions), nor related insurance entities, so none are included in the above Minimum Consolidated Group SCR calculation.

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

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

E.4 Internal model

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

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

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

E.6 Any other information

With the exception of the Company, on a standalone entity basis there are no companies within the CHUK Group, with material own funds issued, that are not insurance entities. While for the CHUK Group the consolidated position on Own Funds is considered in Section E1, for the stand-alone Company, which is not an insurance entity and hence own funds are not separately determined, the equity shareholder's funds per the CHUK Financial Statements are USD$209,435k (2018: USD$218,598k). For similar reasons as described in Section E1 these funds would be all considered Tier 1.

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

Appendix 1: Catalina Worthing Insurance Limited solo SFCR sections

Executive Summary

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

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

A. Business and Performance

A.1 Business and external environment

A.1.1 Undertaking, financial supervisory authority and external auditor

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

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

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

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

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

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

The company's portfolio comprises:

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

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

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

A.2 Performance from underwriting activities

The table below shows the underwriting performance for the year end 31 December 2019, together with comparatives for the previous year.

	2019 GBP'000	**2018 GBP'000**
Earned premiums, net of reinsurance	-	-
Claims incurred, net of reinsurance	-	-
Net operating expenses	(4,416)	(4,359)
Balance on the technical account	**(4,416)**	**(4,359)**
By class of business:		
Direct Insurance		
Marine, aviation and transport	(1,252)	(25)
Property	(169)	(171)
Casualty	(1,765)	(3,396)
Reinsurance		
Casualty	(437)	(284)
Marine/Aviation	(523)	(307)
Property	(270)	(176)
Balance on the technical account	**(4,416)**	**(4,359)**

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

A.3 Performance from investment activities

The table below shows the investment income performance for the year ended 31 December 2019, together with comparatives for the previous year.

	Net investment income	**Net investment expense**	**Net realised gains and losses**	**Changes in fair value**	**Net investment result**
	2019 GBP'000	**2019 GBP'000**	**2019 GBP'000**	**2019 GBP'000**	**2019 GBP'000**
Investments:					
- measured at FVTPL	3,475	(71)	(729)	1,989	4,664
- measured at cost	-	-	-	-	-
- derivative assets	-	-	-	(219)	(219)
	3,475	**(71)**	**(729)**	**1,770**	**4,445**
	2018 GBP'000	**2018 GBP'000**	**2018 GBP'000**	**2018 GBP'000**	**2018 GBP'000**
Investments:					
- measured at FVTPL	4,333	(70)	(2,305)	(4,429)	(2,471)
- measured at cost	303	-	-	-	303
- derivative assets	-	-	-	(638)	(638)
	4,636	**(70)**	**(2,305)**	**(5,067)**	**(2,806)**

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

A.4 Other operating income and expenses

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

	2019 GBP'000	**2018 GBP'000**
Foreign exchange gains / (losses)	(251)	2,510
Tax on profit on ordinary activities	47	838

A.5 Any other disclosures

Not applicable.

B. System of Governance

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

C. Risk Profile

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

C.1 Underwriting (Liability) Risk

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

C.2 Market Risk

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

Interest rate risk	**Pre-tax profit**		**Shareholder's equity**	
	2019	**2018**	**2019**	**2018**
	GBP'000	**GBP'000**	**GBP'000**	**GBP'000**
1% increase	(2,322)	(2,399)	(2,322)	(2,399)
1% decrease	2,322	2,399	2,322	2,399

Foreign exchange risk	**Pre-tax profit**		**Shareholders' equity**	
	2019	**2018**	**2019**	**2018**
	GBP'000	**GBP'000**	**GBP'000**	**GBP'000**
GBP / USD				
10% increase in USD/GBP exchange rate	(1,490)	(1,918)	(1,490)	(1,918)
10% decrease in USD/GBP exchange rate	1,490	1,918	1,490	1,918
GBP / EUR				
10% increase in USD/EUR exchange rate	(79)	(84)	(79)	(84)
10% decrease in USD/EUR exchange rate	79	84	79	84

Other price risk	**Pre-tax profit**		**Shareholders' equity**	
	2019	**2018**	**2019**	**2018**
	GBP'000	**GBP'000**	**GBP'000**	**GBP'000**
1% increase				
Movement in fair value of share and other variable securities in unit trusts	138	13	138	13
Movement in fair value of debt securities and other fixed income securities	467	711	467	711
Movement in fair value of other financial investments	307	306	307	306
1% decrease				
Movement in fair value of share and other variable securities in unit trusts	(138)	(13)	(138)	(13)
Movement in fair value of debt securities and other fixed income securities	(467)	(711)	(467)	(711)
Movement in fair value of other financial investments	(307)	(306)	(307)	(306)

C.3 Credit Risk

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

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

	2019	**2018**
	GBP'000	**GBP'000**
By class of asset:		
Financial investments	13,819	13,369
Debt securities and other fixed income securities	46,747	71,126
Other Financial Investments	83,676	66,325
Assets arising from reinsurance contracts held	433,333	488,329
Assets arising from insurance contracts held	2,142	3,567
Cash and cash equivalents	21,063	18,954
Other assets	712	788
Total assets bearing credit risk	**601,492**	**662,458**

	2019 GBP'000	2018 GBP'000
By credit rating:		
AAA	19,179	58,163
AA	24,194	57,150
A	130,853	64,820
BBB	15,662	6,132
Below BBB or not rated	411,604	476,193
Total assets bearing credit risk	**601,492**	**662,458**
By past due ageing of debtors:		
Neither past due nor impaired	35,853	47,822
Past due less than 30 days	1,675	47
Past due 31-60 days	64	1,343
Past due 61 – 90 days	149	59
Past due more than 90 days	1,954	1,196
Total financial assets past due or impaired	**39,695**	**50,467**

The total allowance for the impairment of debtors arising out of direct insurance and reinsurance operations at 31 December 2019 is £9.0 million (2018: £9.8 million).

C.4 Liquidity Risk

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

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

	Less than 1 year	1 – 5 years	5+ years	Total
	2019 GBP'000	2019 GBP'000	2019 GBP'000	2019 GBP'000
Financial liabilities and claims outstanding				
Claims outstanding	41,273	124,461	230,046	395,780
Deposits received from reinsurers	7,798	23,514	43,462	74,774
Creditors arising out of reinsurance operations	6,401	-	-	6,401
Other creditors including taxation and social security	698	-	-	698
Accruals and deferred income	443	-	-	443
	56,613	147,975	273,508	478,096
	2018 GBP'000	2018 GBP'000	2018 GBP'000	2018 GBP'000
Financial liabilities and claims outstanding				
Claims outstanding	36,906	147,490	257,033	441,429
Other provisions	200	-	-	200
Deposits received from reinsurers	7,090	28,332	49,375	84,797
Creditors arising out of reinsurance operations	11,630	-	-	11,630
Other creditors including taxation and social security	602	-	-	602
Accruals and deferred income	229	-	-	229
	56,657	**175,822**	**306,408**	**538,887**

C.5 Operational Risk

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

C.6 Other Material Risks

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

D. Valuation for Solvency Purposes

D.1 Assets

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

	Solvency II Value 2019 GBP'000	Valuation Differences 2019 GBP'000	Reclassified UK GAAP 2019 GBP'000	Financial Statements Value 2019 GBP'000
Equities Listed	430	-	-	430
Equities Unlisted	13,389	-	-	13,389
Government Bonds	18,919	-	(45)	18,874
Corporate Bonds	24,472	-	(232)	24,240
Collateralised Securities	3,643	-	(10)	3,633
Collective Investment Undertakings	13,635	(1)	-	13,634
Derivatives	234	-	-	234
Loans and mortgages	17,172	-	(383)	16,789
Deposits Other than Cash Equivalents	53,019	-	-	53,019
Reinsurance Recoverable from Non Life	365,664	30,116	-	395,780
Deposits to Cedants	6,625	-	-	6,625
Insurance and Intermediaries Receivables	2,142	-	-	2,142
Reinsurance Receivables	13,876	-	-	13,876
Cash and Cash Equivalents	14,469	-	(31)	14,438
Receivables – trade not insurance	21,746	1,931	-	23,677
Other Assets	-	11	701	712
Total Assets	**569,435**	**32,057**	**-**	**601,492**

	2018 GBP'000	2018 GBP'000	2018 GBP'000	2018 GBP'000
Equities Listed	2,235	-	-	2,235
Equities Unlisted	12,340	-	(1,206)	11,134
Government Bonds	37,701	-	(129)	37,572
Corporate Bonds	15,726	-	(41)	15,685
Collateralised Securities	17,897	-	(27)	17,870
Collective Investment Undertakings	4,849	-	1,206	6,055
Derivatives	8	-	-	8
Loans and mortgages	25,033	-	(527)	24,506
Deposits Other than Cash Equivalents	43,844	-	(8,089)	35,755
Reinsurance Recoverable from Non Life	385,957	55,472	-	441,429
Deposits to Cedants	7,918	-	-	7,918
Insurance and Intermediaries Receivables	3,567	-	-	3,567
Reinsurance Receivables	20,346	-	-	20,346
Cash and Cash Equivalents	3,006	-	8,030	11,036
Receivables – trade not insurance	23,570	2,984	-	26,554
Other Assets	-	5	783	788
Total Assets	**603,997**	**58,461**	**-**	**662,458**

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

D.2 Technical provisions

The following table quantifies the total gross technical provisions on a Solvency II basis at 31 December 2019. The lines of business can represent direct, proportional reinsurance or non-proportional reinsurance liabilities.

	Gross Best Estimate	**Risk Margin**	**Total Solvency II Gross Provisions Value**	**Total Financial Statements Value**
	2019 GBP'000	**2019 GBP'000**	**2019 GBP'000**	**2019 GBP'000**
By material line of business:				
Direct Insurance				
Marine, aviation and transport	30,244	1,135	31,379	30,900
Fire and other damage to property	674	25	699	689
General liability	230,848	8,663	239,511	235,861
Proportional and Non-proportional Reinsurance				
Casualty	103,359	3,879	107,238	105,382
Marine, aviation and transport	1,233	46	1,279	1,259
Property	7,073	265	7,338	7,227
Annuities relating to insurance obligation other than health insurance obligations	13,938	524	14,462	14,462
Total 2019	**387,369**	**14,537**	**401,906**	**395,780**
	2018 GBP'000	**2018 GBP'000**	**2018 GBP'000**	**2018 GBP'000**
By material line of business:				
Direct Insurance				
Marine, aviation and transport	28,936	913	29,849	31,260
Fire and other damage to property	964	30	994	1,041
General liability	243,510	7,687	251,197	263,069
Proportional and Non-proportional Reinsurance				
Casualty	112,811	3,561	116,372	122,499
Marine, aviation and transport	1,957	62	2,019	2,115
Property	7,573	239	7,812	8,181
Annuities relating to insurance obligation other than health insurance obligations	12,857	407	13,264	13,264
Total 2018	**408,608**	**12,899**	**421,507**	**441,429**

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

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

Solvency II Liability Adjustments Increase /(decrease)	**2019 GBP'000**	**2018 GBP'000**
Event Not In Data (ENID) included in Solvency II Balance Sheet	10,190	10,190
Expense Provision increase included in Solvency II Balance Sheet	23,636	25,636
Discounting at the Risk Free Rate	(42,237)	(68,647)
Risk Margin	14,537	12,899
Total Solvency II Liability Adjustments	**6,126**	**(19,922)**

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

D.3 Other liabilities

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

Solvency II Classification	**Solvency II Value**	**Valuation Differences**	**Reclassification Differences**	**Financial Statements Value**
	2019 GBP'000	**2019 GBP'000**	**2019 GBP'000**	**2019 GBP'000**
Deposits received from Reinsurers	74,774	-	-	74,774
Derivatives	15	-	1	16
Creditors arising out of reinsurance operations	6,401	-	-	6,401
Payables (trade, not insurance)	682	-	-	682
Any other liabilities no elsewhere shown	444		(1)	443
Total Other Liabilities	**82,316**	**-**	**-**	**82,316**
	2018 GBP'000	**2018 GBP'000**	**2018 GBP'000**	**2018 GBP'000**
Other Provisions	200	-	-	200
Deposits received from Reinsurers	84,797	-	-	84,797
Derivatives	90	-	-	90
Creditors arising out of reinsurance operations	11,630	-	-	11,630
Payables (trade, not insurance)	512	-	-	512
Any other liabilities no elsewhere shown	228	-	-	228
Total Other Liabilities	**97,457**	**-**	**-**	**97,457**

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

D.4 Alternative methods for valuation

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

D.5 Any other information

Not applicable.

E. Capital Management

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

E.1 Own Funds

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

	Tier 1	Tier 2	Tier 3	Total
	2019	2019	2019	2019
Basic Own Funds	GBP'000	GBP'000	GBP'000	GBP'000
Ordinary Share Capital	158,000	-	-	158,000
Reconciliation Reserve	(72,787)			(72,787)
Total basic Own Funds	**85,213**	**-**	**-**	**85,213**
	2018	**2018**	**2018**	**2018**
	GBP'000	**GBP'000**	**GBP'000**	**GBP'000**
Basic Own Funds				
Ordinary Share Capital	158,000	-	-	158,000
Reconciliation Reserve	(72,968)			(72,968)
Total basic Own Funds	**85,032**	**-**	**-**	**85,032**

The following shows the movement in Own Funds:

	2019 GBP'000	2018 GBP'000
Opening own funds	**85,032**	**139,236**
Movement Financial Statements Retained Deficit	(175)	(3,817)
Movement Financial Statements Capital Reserve	-	(55,000)
Movement Solvency II Asset Valuation differences – refer Section D.1 Assets	26,404	6,090
Movement Solvency II Liability Valuation differences – refer Section D.2 Technical Provisions	(26,048)	(193)
Movement Solvency II Liability Valuation differences – refer Sections D.3 Other Liabilities	-	(1,284)
Closing Own Funds	**85,213**	**85,032**

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

Reconciliation Reserve Components	2019 GBP'000	2018 GBP'000	Movement GBP'000
Financial Statements Capital Reserve	(54,524)	(54,349)	(175)
Financial Statements Retained Deficit	19,920	19,920	-
Solvency II Asset Valuation differences – refer Section D.1 Assets	(32,057)	(58,461)	26,404
Solvency II Liability Valuation differences – refer Section D.2 Technical Provisions	(6,126)	19,922	(26,048)
Solvency II Liability Valuation differences – refer Section D.3 Other Liabilities	-	-	-
Total Reconciliation Reserve	(72,787)	(72,968)	181

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

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

Available and eligible own funds	**Tier 1 2019 GBP'000**	**Tier 2 2019 GBP'000**	**Tier 3 2019 GBP'000**	**Total 2019 GBP'000**
Total available own funds to meet the SCR	85,213	-	-	85,213
Total available own funds to meet the MCR	85,213	-	-	85,213
Total eligible own funds to meet the SCR	85,213	-	-	85,213
Total eligible own funds to meet the MCR	85,213	-	-	85,213
SCR				**39,634**
MCR				**9,909**
Ratio of Eligible own funds to SCR				**215%**
Ratio of Eligible own funds to MCR				**860%**
Available and eligible own funds	**Tier 1 2018 GBP'000**	**Tier 2 2018 GBP'000**	**Tier 3 2018 GBP'000**	**Total 2018 GBP'000**
Total available own funds to meet the SCR	85,032	-	-	85,032
Total available own funds to meet the MCR	85,032	-	-	85,032
Total eligible own funds to meet the SCR	85,032	-	-	85,032
Total eligible own funds to meet the MCR	85,032	-	-	85,032
SCR				**43,684**
MCR				**10,921**
Ratio of Eligible own funds to SCR				**195%**
Ratio of Eligible own funds to MCR				**779%**

E.2 Solvency Capital Requirement and Minimum Capital Requirement

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

	2019 GBP'000	**2018 GBP'000**
By risk module		
Market risk	15,820	22,465
Default risk	17,525	14,565
Non-life risk	7,163	7,475
Life reserve risk	-	1
Basic SCR before diversification	**40,508**	**44,506**
Diversification Benefits	(10,020)	(10,903)
Basic SCR	**30,488**	**33,603**
Operational risk	9,146	10,081
SCR	**39,634**	**43,684**
MCR	**9,909**	**10,921**

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

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

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

E.4 Internal model

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

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

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

E.6 Any other information

Not applicable

Appendix 2: AGF Insurance Limited solo SFCR sections

Executive Summary

AGF Insurance Limited has been in run-off since 1999. Its principal activities are therefore the efficient and proper run-off of its claims portfolio, the management of its cash and investments, and the timely collection of its reinsurance assets and other debts.

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

A. Business and Performance

A.1 Business and external environment

A.1.1 Undertaking, financial supervisory authority and external auditor

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

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

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

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

AGF was part of the Allianz SE Group, and was incorporated in 1960 under the name Employers' Mutual Insurance Association Limited. AGF wrote predominately direct Employers' Liability and Public Liability insurance within the UK. It ceased writing new business in 1999 and has since been in run-off. AGF has exposure pre-1960 as a result of its acquisition of NEM Insurance Co in 1989. An approximate breakdown of the claims outstanding by number of claims are: 52% Noise Induced Hearing Loss, 16% Mesothelioma, 9% Asbestosis and 23% Other.

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

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

A.2 Performance from underwriting activities

The table below shows the underwriting performance for the year end 31 December 2019, together with comparatives for the previous year.

	2019 GBP'000	**2018 GBP'000**
Earned premiums, net of reinsurance	-	-
Claims incurred, net of reinsurance	(9,166)	6,087
Net operating expenses	(3,098)	(2,506)
Balance on the technical account	**(12,264)**	**3,581**
By class of business:		
General Liability	(12,264)	3,581
Balance on the technical account	**(12,264)**	**3,581**

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

A.3 Performance from investment activities

The table below shows the investment income performance for the year ended 31 December 2019, together with comparatives for the previous year.

	Net investment income 2019 GBP'000	**Net investment expense 2019 GBP'000**	**Net realised gains and losses 2019 GBP'000**	**Changes in fair value 2019 GBP'000**	**Net investment result 2019 GBP'000**
Investments:					
- measured at FVTPL	8,717	(174)	55	2,738	11,336
- measured at cost	-	-	-	-	-
- derivatives			-	-	-
	8,717	**(174)**	**55**	**2,738**	**11,336**
	2018 GBP'000	**2018 GBP'000**	**2018 GBP'000**	**2018 GBP'000**	**2018 GBP'000**
Investments:					
- measured at FVTPL	7,672	(527)	(1,754)	(4,524)	867
- measured at cost	1	-	-	-	1
- derivatives	-	-	-	-	-
	7,673	**(527)**	**(1,754)**	**(4,524)**	**868**

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

A.4 Other operating income and expenses

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

	2019 GBP'000	**2018 GBP'000**
Foreign exchange loss	(413)	(45)

A.5 Any other disclosures

Not applicable.

B. System of Governance

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

C. Risk Profile

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

C.1 Underwriting (Liability) Risk

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

C.2 Market Risk

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

Interest rate risk	**Pre-tax profit**		**Shareholder's equity**	
	2019	**2018**	**2019**	**2018**
	GBP'000	**GBP'000**	**GBP'000**	**GBP'000**
1% increase	(8,752)	(3,783)	(8,752)	(3,065)
1% decrease	8,752	3,783	8,752	3,065

Foreign exchange risk	**Pre-tax profit**		**Shareholders' equity**	
	2019	**2018**	**2019**	**2018**
	GBP'000	**GBP'000**	**GBP'000**	**GBP'000**
GBP / USD				
10% increase in USD/GBP exchange rate	(0)	(23)	(0)	(18)
10% decrease in USD/GBP exchange rate	0	23	0	18
GBP / EUR				
10% increase in USD/EUR exchange rate	(12)	(4)	(10)	(3)
10% decrease in USD/EUR exchange rate	12	4	10	3

Other price risk	**Pre-tax profit**		**Shareholders' equity**	
	2019	**2018**	**2019**	**2018**
	GBP'000	**GBP'000**	**GBP'000**	**GBP'000**
1% increase				
Movement in fair value of share and other variable securities in unit trusts	110	55	110	45
Movement in fair value of debt securities and other fixed income securities	1,492	1,195	1,492	968
Movement in fair value of other financial investments	489	776	489	628
1% decrease				
Movement in fair value of share and other variable securities in unit trusts	(110)	(55)	(110)	(45)
Movement in fair value of debt securities and other fixed income securities	(1,492)	(1,195)	(1,492)	(968)
Movement in fair value of other financial investments	(489)	(776)	(489)	(628)

C.3 Credit Risk

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

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

	2019 GBP'000	2018 GBP'000
By class of asset:		
Financial investments	10,954	5,519
Debt securities and other fixed income securities	149,241	119,511
Other Financial Investments	48,853	77,644
Assets arising from reinsurance contracts held	7,967	16,182
Assets arising from insurance contracts held	1,515	372
Cash and cash equivalents	15,207	30,920
Other assets	2,015	2,502
Total assets bearing credit risk	**235,752**	**252,650**
By credit rating:		
AAA	14,466	57,873
AA	67,369	30,818
A	41,056	56,799
BBB	67,520	53,780
Below BBB or not rated	45,341	55,380
Total assets bearing credit risk	**235,752**	**252,650**
By past due ageing of debtors:		
Neither past due nor impaired	1,515	372
Past less than 30 days	-	-
Past due 31-60 days	-	-
Past due 61 – 90 days	36	103
Past due more than 90 days	1,160	1,085
Total financial assets past due or impaired	**2,711**	**1,560**

The total allowance for the impairment of debtors arising out of direct insurance and reinsurance operations at 31 December 2019 is £0.1 million (2018: £0.1 million).

C.4 Liquidity Risk

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

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

	Less than 1 year	1 – 5 years	5+ years	Total
	2019	2019	2019	2019
	GBP'000	GBP'000	GBP'000	GBP'000
Financial liabilities and claims outstanding				
Claims outstanding	8,346	32,089	59,206	99,641
Creditors arising out of insurance operations	97	-	-	97
Other creditors including taxation and social security	458	-	-	458
Accruals and deferred income	172	41	-	213
	9,073	32,130	59,206	100,409

	Less than 1 year	1 – 5 years	5+ years	Total
	2018	2018	2018	2018
	GBP'000	GBP'000	GBP'000	GBP'000
Financial liabilities and claims outstanding				
Claims outstanding	14,174	38,489	60,983	113,646
Creditors arising out of insurance operations	347	-	-	347
Other creditors including taxation and social security	1,902	-	-	1,902
Accruals and deferred income	246	86	-	332
	16,669	38,575	60,983	116,227

C.5 Operational Risk

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

C.6 Other Material Risks

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

D. Valuation for Solvency Purposes

D.1 Assets

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

Solvency II Classification	Solvency II Value 2019 GBP'000	Valuation Differences 2019 GBP'000	Reclassified UK GAAP 2019 GBP'000	Financial Statements Value 2019 GBP'000
Equities Unlisted	10,952	2	-	10,954
Government Bonds	51,879	-	(1,203)	50,676
Corporate Bonds	96,019	-	(229)	95,790
Collateralised Securities	2,778	-	(3)	2,775
Collective Investment Undertakings	26,891	-	-	26,891
Derivatives	301	-	-	301
Loans and mortgages	21,885	-	(224)	21,661
Reinsurance Recoverable from Non Life	7,226	(455)	-	6,771
Insurance and intermediaries receivables	1,515	-	-	1,515
Reinsurance Receivables	1,196	-	-	1,196
Cash and Cash Equivalents	15,206	1	-	15,207
Other Assets	77	279	1,659	2,015
Total Assets	**235,925**	**(173)**	**-**	**235,752**

	2018 GBP'000	**2018 GBP'000**	2018 GBP'000	**2018 GBP'000**
Equities Unlisted	7,378	-	-	7,378
Government Bonds	30,146	-	(1,090)	29,056
Corporate Bonds	81,135	-	(105)	81,029
Collateralised Securities	9,433	-	(7)	9,426
Collective Investment Undertakings	19,331	1	4,934	24,266
Derivatives	100	-	-	100
Loans and mortgages	51,921	-	(502)	51,419
Other investments	4,934	-	(4,934)	-
Reinsurance Recoverable from Non Life	16,027	(1,033)	-	14,994
Insurance and intermediaries receivables	372	-	-	372
Reinsurance Receivables	1,188	-	-	1,188
Cash and Cash Equivalents	30,919	1	-	30,920
Other Assets	785	13	1,704	2,502
Total Assets	**253,669**	**(1,018)**	-	**252,650**

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

D.2 Technical provisions

The following table quantifies the total gross technical provisions on a Solvency II basis at 31 December 2019. The lines of business can represent direct, proportional reinsurance or non-proportional reinsurance liabilities.

	Gross Best Estimate GBP'000	Risk Margin GBP'000	Solvency II Gross Provisions Value GBP'000	Financial Statements Value GBP'000
2019				
By material line of business:				
Liability	121,119	23,495	144,614	99,641
	121,119	**23,495**	**144,614**	**99,641**
2018				
By material line of business:				
Liability	135,386	23,935	159,321	113,646
	135,386	**23,935**	**159,321**	**113,646**

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

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

Solvency II Liability Adjustments Increase /(decrease)	2019 GBP'000	2018 GBP'000
Removal of 2.5% (2018: 3%) discount per GAAP accounts	23,993	31,217
Event Not In Data (ENID) included in Solvency II Balance Sheet	3,485	2,952
Expense Provision increase included in Solvency II Balance Sheet	4,700	4,700
Discounting at the Risk Free Rate	(10,700)	(17,129)
Risk Margin	23,495	23,935
Total Solvency II Liability Adjustments	**44,973**	**45,675**

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

D.3 Other liabilities

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

Solvency II Classification	Solvency II Value 2019 GBP'000	Valuation Differences 2019 GBP'000	Reclassification Differences 2019 GBP'000	Financial Statements Value 2019 GBP'000
Creditors arising out of insurance operations	97	-	-	97
Derivatives	39	-	-	39
Payables (trade, not insurance)	632	-	-	632
Total Other Liabilities	**768**	**-**	**-**	**768**

	Solvency II Value	Valuation Differences	Reclassification Differences	Financial Statements Value
	2018 GBP'000	**2018 GBP'000**	**2018 GBP'000**	**2018 GBP'000**
Creditors arising out of insurance operations	347	-	-	347
Derivatives	359			359
Payables (trade, not insurance)	1,876	-	-	1,876
Total Other Liabilities	**2,582**	**-**	**-**	**2,582**

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

D.4 Alternative methods for valuation

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

D.5 Any other information

Not applicable.

E. Capital Management

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

E.1 Own Funds

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

2019	**Tier 1 GBP'000**	**Tier 2 GBP'000**	**Tier 3 GBP'000**	**Total GBP'000**
Basic Own Funds				
Ordinary Share Capital	210,485	-	-	210,485
Reconciliation Reserve	(119,942)	-	-	(119,942)
Total basic Own Funds	**90,543**	**-**	**-**	**90,543**
2018				
Basic Own Funds				
Ordinary Share Capital	210,485	-	-	210,485
Reconciliation Reserve	(118,719)	-	-	(118,719)
Total basic Own Funds	**91,766**	**-**	**-**	**91,766**

The following shows the movement in Own Funds:

	2019 GBP'000	**2018 GBP'000**
Opening own funds	**91,766**	**88,330**
Movement Financial Statements Retained Deficit	(1,080)	3,575
Movement Solvency II Asset Valuation differences – refer Section D.1 Assets	(845)	(977)
Movement Solvency II Liability Valuation differences – refer Section D.2 Technical Provisions	702	838
Closing Own Funds	**90,543**	**91,766**

Within Own Funds, the Reconciliation Reserve represents the retained earnings and capital reserve as reported in the Company Financial Statements less differences in valuations between Solvency II and

Company Financial Statements valuations for assets and liabilities. The components of the Reconciliation Reserve at 31 December are:

Reconciliation Reserve Components	**2019 GBP'000**	**2018 GBP'000**	**Movement GBP'000**
Financial Statements Capital Reserve	15,000	15,000	-
Financial Statements Retained Deficit	(160,985)	(159,905)	(1,080)
Financial Statements Other Non-Distributable Reserves	70,843	70,843	-
Solvency II Asset Valuation differences – refer Section D.1 Assets	173	1,018	(845)
Solvency II Liability Valuation differences – refer Section D.2 Technical Provisions	(44,973)	(45,675)	702
Total Reconciliation Reserve	(119,942)	(118,719)	(1,223)

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

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

Available and eligible own funds	**Tier 1 2019 GBP'000**	**Tier 2 2019 GBP'000**	**Tier 3 2019 GBP'000**	**Total 2019 GBP'000**
Total available own funds to meet the SCR	90,543	0	0	90,543
Total available own funds to meet the MCR	90,543	0	0	90,543
Total eligible own funds to meet the SCR	90,543	0	0	90,543
Total eligible own funds to meet the MCR	90,543	0	0	90,543
SCR				**49,955**
MCR				**12,489**
Ratio of Eligible own funds to SCR				**181%**
Ratio of Eligible own funds to MCR				**725%**

Available and eligible own funds	**Tier 1 2018 GBP'000**	**Tier 2 2018 GBP'000**	**Tier 3 2018 GBP'000**	**Total 2018 GBP'000**
Total available own funds to meet the SCR	91,766	-	-	91,766
Total available own funds to meet the MCR	91,766	-	-	91,766
Total eligible own funds to meet the SCR	91,766	-	-	91,766
Total eligible own funds to meet the MCR	91,766	-	-	91,766
SCR				**52,637**
MCR				**13,159**
Ratio of Eligible own funds to SCR				**174%**
Ratio of Eligible own funds to MCR				**697%**

E.2 Solvency Capital Requirement and Minimum Capital Requirement

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

	2019 GBP'000	2018 GBP'000
By risk module		
Market risk	16,900	17,055
Default risk	2,666	3,525
Non-life risk	37,585	39,389
Basic SCR before diversification	**57,151**	**59,969**
Diversification Benefits	(10,830)	(11,394)
Basic SCR	**46,321**	**48,575**
Operational risk	3,634	4,062
SCR	**49,955**	**52,637**
MCR	**12,489**	**13,159**

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

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

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

E.4 Internal model

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

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

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

E.6 Any other information

Not applicable.

Appendix 3: Catalina London Limited solo SFCR sections

Executive Summary

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

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

A. Business and Performance

A.1 Business and external environment

A.1.1 Undertaking, financial supervisory authority and external auditor

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

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

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

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

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

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

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

UK subsidiaries were transferred to KX Re. The portfolios transferred cover a wide range of insurance and reinsurance risks including aviation, marine, personal lines (including motor, yacht, personal accident, etc.) and London Market amongst others. Following the Part VII transfer to CLL, KX Re was dissolved in September 2019.

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

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

A.2 Performance from underwriting activities

The table below shows the underwriting performance for the year end 31 December 2019, together with comparatives for the previous year.

	2019	2018
	USD'000	USD'000
Earned premiums, net of reinsurance	(20)	1,092
Claims incurred, net of reinsurance	668	(866)
Net operating expenses	(4,529)	(3,653)
Balance on the technical account	**(3,881)**	**(3,427)**
By class of business:		
Direct Insurance		
Property	(1,736)	913
Casualty	(92)	(4,491)
Reinsurance		
Casualty	(856)	(320)
Marine/Aviation	(280)	133
Property	(917)	338
Balance on the technical account	**(3,881)**	**(3,427)**

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

A.3 Performance from investment activities

The table below shows the investment income performance for the year ended 31 December 2019, together with comparatives for the previous year.

	Net investment income	Net investment expense	Net realised gains and losses	Changes in fair value	Net investment result
	2019	2019	2019	2019	2019
	USD'000	USD'000	USD'000	USD'000	USD'000
Investments:					
- measured at FVTPL	1,116	(32)	(32)	2,099	3,151
- measured at cost	106	-	-	-	106
- derivatives	-	-	-	-	-
	1,222	**(32)**	**(32)**	**2,099**	**3,257**

	Net investment income	Net investment expense	Net realised gains and losses	Changes in fair value	Net investment result
	2018	**2018**	**2018**	**2018**	**2018**
	USD'000	**USD'000**	**USD'000**	**USD'000**	**USD'000**
Investments:					
- measured at FVTPL	1,471	(85)	(58)	(830)	498
- measured at cost	126	-	-	-	126
- derivatives	-	-	-	(421)	(421)
	1,597	**(85)**	**(58)**	**(1,251)**	**203**

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

A.4 Other operating income and expenses

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

	2019	2018
	USD'000	**USD'000**
Foreign exchange gain	33	383

A.5 Any other disclosures

Not applicable.

B. System of Governance

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

C. Risk Profile

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

C.1 Underwriting (Liability) Risk

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

C.2 Market Risk

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

<u>Interest rate risk</u>	Pre-tax profit		Shareholder’s equity	
	2019	**2018**	**2019**	**2018**
	USD'000	**USD'000**	**USD'000**	**USD'000**
1% increase	(989)	(1,144)	(989)	(1,144)
1% decrease	989	1,144	989	1,144

Foreign exchange risk	Pre-tax profit		Shareholders' equity	
	2019	2018	2019	2018
	USD'000	USD'000	USD'000	USD'000
USD / GBP				
10% increase in USD/GBP exchange rate	(165)	120	(165)	120
10% decrease in USD/GBP exchange rate	165	(120)	165	(120)
USD / EUR				
10% increase in USD/EUR exchange rate	25	(22)	25	(22)
10% decrease in USD/EUR exchange rate	(25)	22	(25)	22

Other price risk	Pre-tax profit		Shareholders' equity	
	2019	2018	2019	2018
	USD'000	USD'000	USD'000	USD'000
1% increase				
Movement in fair value of share and other variable securities in unit trusts	49	61	49	61
Movement in fair value of debt securities and other fixed income securities	302	254	302	254
Movement in fair value of other financial investments	62	96	62	96
1% decrease				
Movement in fair value of share and other variable securities in unit trusts	(49)	(61)	(49)	(61)
Movement in fair value of debt securities and other fixed income securities	(302)	(254)	(302)	(254)
Movement in fair value of other financial investments	(62)	(96)	(62)	(96)

C.3 Credit Risk

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

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

	2019	2018
	USD'000	USD'000
By class of asset:		
Financial investments	4,939	6,127
Debt securities and other fixed income securities	30,154	25,377
Other Financial Investments	18,114	31,780
Assets arising from reinsurance contracts held	40,374	44,772
Assets arising from insurance contracts held	384	884
Cash and cash equivalents	5,062	1,469
Other assets	702	897
Total assets bearing credit risk	**99,729**	111,306
By credit rating:		
AAA	4,030	26,222
AA	36,461	14,255
A	19,491	17,827
BBB	16,098	13,917
Below BBB or not rated	23,649	39,085
Total assets bearing credit risk	**99,729**	**111,306**
Financial assets past due or impaired		
Neither past due nor impaired	17,361	13,971
Past due less than 30 days	181	-
Past due more than 90 days	2,544	2,032
Total financial assets past due or impaired	**20,085**	**16,003**

The total allowance for the impairment of debtors arising out of direct insurance and reinsurance operations at 31 December 2019 is USD$9.2 million (2018:USD$10.9 million).

C.4 Liquidity Risk

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

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

2019	**Less than 1 year $'000**	**1 – 5 years $'000**	**5+ years $'000**	**Total $'000**
Financial liabilities and claims outstanding				
Claims outstanding	9,300	16,745	20,096	46,141
Creditors arising out of reinsurance operations	5,844	-	-	5,844
Other creditors including taxation and social security	2,609	-	-	2,609
Accruals and deferred income	289	-	-	289
	18,042	16,745	20,096	54,883
2018				
Financial liabilities and claims outstanding				
Claims outstanding	7,458	20,792	30,932	59,182
Creditors arising out of reinsurance operations	6,308	-	-	6,308
Other creditors including taxation and social security	194	-	-	194
Accruals and deferred income	202	-	-	202
	14,162	20,792	30,932	65,886

C.5 Operational Risk

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

C.6 Other Material Risks

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

D. Valuation for Solvency Purposes

D.1 Assets

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

Solvency II Classification	Solvency II Value	Valuation Differences	Reclassified UK GAAP	Financial Statements Value
	2019 USD'000	2019 USD'000	2019 USD'000	2019 USD'000
Equities Listed	821	-	-	821
Equities Unlisted	4,118	-	-	4,118
Government Bonds	3,042	(1)	(23)	3,018
Corporate Bonds	26,632	-	(125)	26,507
Collateralised Securities	631	-	(2)	629
Collective Investment Undertakings	6,210	-	-	6,210
Derivatives	-	-	-	-
Deposits Other than Cash Equivalents	11,905		-	11,904
Reinsurance Recoverable from Non Life	20,122	551	-	20,673
Deposits to Cedants	899	-	-	899
Insurance and intermediaries receivables	384	-	-	384
Reinsurance Receivables	18,664	1,037	-	19,701
Cash and Cash Equivalents	4,163	-	-	4,163
Other Assets	374	177	150	702
Total Assets	**97,965**	**1,764**	**-**	**99,729**
	2018 USD'000	**2018 USD'000**	**2018 USD'000**	**2018 USD'000**
Equities Listed	1,530	-	770	2,300
Equities Unlisted	3,827	-	-	3,827
Government Bonds	2,973	-	(23)	2,950
Corporate Bonds	22,561	-	(893)	21,668
Collateralised Securities	762	-	(3)	759
Collective Investment Undertakings	9,612	-	-	9,612
Derivatives	17	-	-	17
Deposits Other than Cash Equivalents	14,070	-	8,081	22,151
Reinsurance Recoverable from Non Life	28,459	1,194	-	29,653
Deposits to Cedants	991	-	-	991
Insurance and intermediaries receivables	884	-	-	884
Reinsurance Receivables	13,802	1,317	-	15,119
Cash and Cash Equivalents	8,538	24	(8,084)	478
Other Assets	907	(162)	152	897
Total Assets	**108,932**	**2,373**	-	**111,306**

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

D.2 Technical provisions

The following table quantifies the total gross technical provisions on a Solvency II basis at 31 December 2019. The lines of business can represent direct, proportional reinsurance or non-proportional reinsurance liabilities.

2019	Gross Best Estimate 2019 USD'000	Risk Margin 2019 USD'000	Total Solvency II Gross Provisions Value 2019 USD'000	Total Financial Statements Value 2019 USD'000
By material line of business:				
Liability	38,807	4,170	42,977	38,420
Motor	18	2	20	18
Property	1,931	208	2,139	1,912
Marine, Aviation and Transport	3,570	384	3,954	3,535
Workers Compensation	1,579	170	1,749	1,564
Other	700	75	775	693
	46,605	**5,009**	**51,614**	**46,141**

2018	2018 USD'000	2018 USD'000	2018 USD'000	2018 USD'000
By material line of business:				
Liability	48,748	5,577	54,325	51,005
Motor	19	2	21	20
Property	2,156	247	2,403	2,256
Marine, Aviation and Transport	3,698	423	4,121	3,869
Workers Compensation	1,524	174	1,698	1,594
Other	418	48	466	438
	56,563	**6,471**	**63,034**	**59,182**

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

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

Solvency II Liability Adjustments Increase /(decrease)	2019 USD'000	2018 USD'000
Event Not In Data (ENID) included in Solvency II Balance Sheet	1,452	1,507
Expense Provision increase included in Solvency II Balance Sheet	3,156	3,778
Discounting at the Risk Free Rate	(4,143)	(7,904)
Risk Margin	5,009	6,471
Total Solvency II Liability Adjustments	**5,473**	**3,852**

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

D.3 Other liabilities

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

Solvency II Classification	**Solvency II Value 2019 USD'000**	**Valuation Differences 2019 USD'000**	**Reclassification Differences 2019 USD'000**	**Financial Statements Value 2019 USD'000**
Creditors arising out of reinsurance operations	5,844	-	-	5,844
Payables (trade, not insurance)	2,795	(1)	105	2,898
Total Other Liabilities	**8,639**	**(1)**	**105**	**8,742**
	2018 USD'000	**2018 USD'000**	**2018 USD'000**	**2018 USD'000**
Creditors arising out of reinsurance operations	5,751	557	-	6,308
Payables (trade, not insurance)	396	-	-	396
Total Other Liabilities	**6,147**	**557**	**-**	**6,704**

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

D.4 Alternative methods for valuation

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

D.5 Any other information

Not applicable.

E. Capital Management

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

E.1 Own Funds

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

	Tier 1 2019 USD'000	**Tier 2 2019 USD'000**	**Tier 3 2019 USD'000**	**Total 2019 USD'000**
Basic Own Funds				
Ordinary Share Capital	1,000			1,000
Reconciliation Reserve	36,608	-	-	36,608
Total basic Own Funds	**37,608**	**-**	**-**	**37,608**
	2018 USD'000	**2018 USD'000**	**2018 USD'000**	**2018 USD'000**
Basic Own Funds				
Ordinary Share Capital	1,000	-	-	1,000
Reconciliation Reserve	38,752	-	-	38,752
Total basic Own Funds	**39,752**	**-**	**-**	**39,752**

The following shows the movement in Own Funds:

	2019 USD'000	2018 USD'000
Opening own funds	**39,752**	**44,298**
Movement Financial Statements Retained Deficit	(574)	(2,926)
Movement Financial Statements Capital Reserve	-	-
Movement Solvency II Asset Valuation differences – refer Section D.1 Assets	609	5
Movement Solvency II Liability Valuation differences – refer Section D.2 Technical Provisions	(1,621)	(2,182)
Movement Solvency II Liability Valuation differences – refer Section D.3 Other Liabilities	(558)	557
Closing Own Funds	**37,608**	**39,752**

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

Reconciliation Reserve Components	2019 USD'000	2018 USD'000	Movement USD'000
Financial Statements Capital Reserve	51,643	51,643	-
Financial Statements Retained Deficit	(7,797)	(7,223)	(574)
Solvency II Asset Valuation differences – refer Section D.1 Assets	(1,764)	(2,373)	609
Solvency II Liability Valuation differences – refer Sections D.2 Technical Provisions	(5,473)	(3,852)	(1,621)
Solvency II Liability Valuation differences – refer Sections D.3 Other Liabilities	(1)	557	(558)
Total Reconciliation Reserve	**36,608**	**38,752**	**(2,144)**

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

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

Available and eligible own funds	Tier 1 2019 USD'000	Tier 2 2019 USD'000	Tier 3 2019 USD'000	Total 2019 USD'000
Total available own funds to meet the SCR	37,608	-	-	37,608
Total available own funds to meet the MCR	37,608	-	-	37,608
Total eligible own funds to meet the SCR	37,608	-	-	37,608
Total eligible own funds to meet the MCR	37,608	-	-	37,608
SCR				**15,940**
MCR				**4,127**
Ratio of Eligible own funds to SCR				**236%**
Ratio of Eligible own funds to MCR				**911%**

Available and eligible own funds	Tier 1 2018 USD'000	Tier 2 2018 USD'000	Tier 3 2018 USD'000	Total 2018 USD'000
Total available own funds to meet the SCR	39,752	-	-	39,752
Total available own funds to meet the MCR	39,752	-	-	39,752
Total eligible own funds to meet the SCR	39,752	-	-	39,752
Total eligible own funds to meet the MCR	39,752	-	-	39,752
SCR				**19,561**
MCR				**4,890**
Ratio of Eligible own funds to SCR				**203%**
Ratio of Eligible own funds to MCR				**813%**

E.2 Solvency Capital Requirement and Minimum Capital Requirement

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

	2019 USD'000	2018 USD'000
By risk module		
Market risk	3,300	4,735
Default risk	5,421	7,228
Non-life risk	10,259	11,475
Basic SCR before diversification	**18,980**	**23,438**
Diversification Benefits	(4,438)	(5,574)
Basic SCR	**14,542**	**17,864**
Operational risk	1,398	1,697
SCR	**15,940**	**19,561**
MCR	**4,127**	**4,890**

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

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

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

E.4 Internal model

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

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

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

E.6 Any other information

Not applicable.

Appendix 4: Reporting templates

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

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

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

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

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

CATALINA HOLDINGS UK LIMITED

Annex I
S.02.01.02
Balance sheet

		Solvency II value
Assets		**C0010**
Intangible assets	**R0030**	
Deferred tax assets	**R0040**	
Pension benefit surplus	**R0050**	
Property, plant & equipment held for own use	**R0060**	182
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	473,086
Property (other than for own use)	**R0080**	
Holdings in related undertakings, including participations	**R0090**	
Equities	**R0100**	37,784
Equities - listed	**R0110**	1,391
Equities - unlisted	**R0120**	36,393
Bonds	**R0130**	292,450
Government Bonds	**R0140**	96,914
Corporate Bonds	**R0150**	186,391
Structured notes	**R0160**	
Collateralised securities	**R0170**	9,145
Collective Investments Undertakings	**R0180**	59,942
Derivatives	**R0190**	709
Deposits other than cash equivalents	**R0200**	82,202
Other investments	**R0210**	
Assets held for index-linked and unit-linked contracts	**R0220**	
Loans and mortgages	**R0230**	51,786
Loans on policies	**R0240**	
Loans and mortgages to individuals	**R0250**	
Other loans and mortgages	**R0260**	51,786
Reinsurance recoverables from:	**R0270**	511,641
Non-life and health similar to non-life	**R0280**	493,161
Non-life excluding health	**R0290**	493,159
Health similar to non-life	**R0300**	2
Life and health similar to life, excluding health and index-linked and unit-linked	**R0310**	18,480
Health similar to life	**R0320**	
Life excluding health and index-linked and unit-linked	**R0330**	18,480
Life index-linked and unit-linked	**R0340**	
Deposits to cedants	**R0350**	9,683
Insurance and intermediaries receivables	**R0360**	5,234
Reinsurance receivables	**R0370**	37,067
Receivables (trade, not insurance)	**R0380**	30,243
Own shares (held directly)	**R0390**	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	**R0400**	
Cash and cash equivalents	**R0410**	48,148
Any other assets, not elsewhere shown	**R0420**	77
Total assets	**R0500**	1,167,148

		Solvency II value
Liabilities		**C0010**
Technical provisions – non-life	**R0510**	754,174
Technical provisions – non-life (excluding health)	**R0520**	751,673
TP calculated as a whole	**R0530**	
Best Estimate	**R0540**	697,177
Risk margin	**R0550**	54,496
Technical provisions - health (similar to non-life)	**R0560**	2,501
TP calculated as a whole	**R0570**	
Best Estimate	**R0580**	2,258
Risk margin	**R0590**	243
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	19,175
Technical provisions - health (similar to life)	**R0610**	
TP calculated as a whole	**R0620**	
Best Estimate	**R0630**	
Risk margin	**R0640**	
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	19,175
TP calculated as a whole	**R0660**	
Best Estimate	**R0670**	18,480
Risk margin	**R0680**	695
Technical provisions – index-linked and unit-linked	**R0690**	
TP calculated as a whole	**R0700**	
Best Estimate	**R0710**	
Risk margin	**R0720**	
Contingent liabilities	**R0740**	
Provisions other than technical provisions	**R0750**	
Pension benefit obligations	**R0760**	
Deposits from reinsurers	**R0770**	99,143
Deferred tax liabilities	**R0780**	
Derivatives	**R0790**	176
Debts owed to credit institutions	**R0800**	111,376
Financial liabilities other than debts owed to credit institutions	**R0810**	
Insurance & intermediaries payables	**R0820**	129
Reinsurance payables	**R0830**	12,749
Payables (trade, not insurance)	**R0840**	3,146
Subordinated liabilities	**R0850**	
Subordinated liabilities not in BOF	**R0860**	
Subordinated liabilities in BOF	**R0870**	
Any other liabilities, not elsewhere shown	**R0880**	8,063
Total liabilities	**R0900**	1,008,130
Excess of assets over liabilities	**R1000**	159,017

CATALINA HOLDINGS UK LIMITED

Annex I

S.05.01.02-TABLE 1

Premiums, claims and expenses by line of business

		Line of Business for: **non-life insurance and reinsurance obligations (direct business**					Line of business for:				
		Workers' compensation insurance	Motor vehicle liability insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Health	Casualty	Marine, aviation, transport	Property	Total
		C0030	**C0040**	**C0060**	**C0070**	**C0080**	**C0130**	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written											
Gross - Direct Business	**R0110**										
Gross - Proportional reinsurance accepted	**R0120**					-12					-12
Gross - Non-proportional reinsurance accepted	**R0130**							87		1	88
Reinsurers' share	**R0140**					-12		107		1	95
Net	**R0200**							-20		0	-20
Premiums earned											
Gross - Direct Business	**R0210**			-2,704	364	-1,716					-4,056
Gross - Proportional reinsurance accepted	**R0220**										
Gross - Non-proportional reinsurance accepted	**R0230**							925	1,130	586	2,641
Reinsurers' share	**R0240**			-2,704	364	-1,716		945	1,130	586	-1,395
Net	**R0300**							-20		0	-20
Claims incurred											
Gross - Direct Business	**R0310**		101	180	155	-2,620					-2,182
Gross - Proportional reinsurance accepted	**R0320**	-1		-47	493	-157					288
Gross - Non-proportional reinsurance accepted	**R0330**						1	-5,538	12	563	-4,962
Reinsurers' share	**R0340**		-3	-125	-414	-6,515		-2,847	-115	-123	-10,142
Net	**R0400**	-1	104	258	1,062	3,738	1	-2,691	127	686	3,286
Changes in other technical provisions											
Gross - Direct Business	**R0410**										
Gross - Proportional reinsurance accepted	**R0420**										
Gross - Non- proportional reinsurance accepted	**R0430**										
Reinsurers'share	**R0440**										
Net	**R0500**										
Expenses incurred	**R0550**		5	1,956	334	5,802		4,086	822	579	13,584
Other expenses	**R1200**										
Total expenses	**R1300**										13,584

CATALINA HOLDINGS UK LIMITED

Annex I

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Premiums, claims and expenses by line of business

		Line of Business for: **life insurance obligations**						**Life reinsurance obligations**		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other	Health reinsurance	Life-reinsurance	
		C0210	**C0220**	**C0230**	**C0240**	**C0250**	**C0260**	**C0270**	**C0280**	**C0300**
Premiums written										
Gross	**R1410**									
Reinsurers' share	**R1420**									
Net	**R1500**									
Premiums earned										
Gross	**R1510**									
Reinsurers' share	**R1520**									
Net	**R1600**									
Claims incurred										
Gross	**R1610**						-2,094			-2,094
Reinsurers' share	**R1620**						-2,094			-2,094
Net	**R1700**									
Changes in other technical provisions										
Gross	**R1710**									
Reinsurers' share	**R1720**									
Net	**R1800**									
Expenses incurred	**R1900**						1,355			1,355
Other expenses	**R2500**									
Total expenses	**R2600**									1,355

CATALINA HOLDINGS UK LIMITED

Annex I
S.23.01.22
Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector						
Ordinary share capital (gross of own shares)	R0010	1,000	1,000			
Non-available called but not paid in ordinary share capital at group level	R0020					
Share premium account related to ordinary share capital	R0030					
Iinitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Non-available subordinated mutual member accounts at group level	R0060					
Surplus funds	R0070					
Non-available surplus funds at group level	R0080					
Preference shares	R0090					
Non-available preference shares at group level	R0100					
Share premium account related to preference shares	R0110					
Non-available share premium account related to preference shares at group level	R0120					
Reconciliation reserve	R0130	158,017	158,017			
Subordinated liabilities	R0140					
Non-available subordinated liabilities at group level	R0150					
An amount equal to the value of net deferred tax assets	R0160					
The amount equal to the value of net deferred tax assets not available at the group level	R0170					
Other items approved by supervisory authority as basic own funds not specified above	R0180					
Non available own funds related to other own funds items approved by supervisory authority	R0190					
Minority interests (if not reported as part of a specific own fund item)	R0200					
Non-available minority interests at group level	R0210					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities	R0230					
whereof deducted according to art 228 of the Directive 2009/138/EC	R0240					
Deductions for participations where there is non-availability of information (Article 229)	R0250					
Deduction for participations included by using D&A when a combination of methods is used	R0260					
Total of non-available own fund items	R0270					
Total deductions	R0280					
Total basic own funds after deductions	R0290	159,017	159,017			
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Non available ancillary own funds at group level	R0380					
Other ancillary own funds	R0390					
Total ancillary own funds	R0400					
Own funds of other financial sectors						
Reconciliation reserve	R0410					
Institutions for occupational retirement provision	R0420					
Non regulated entities carrying out financial activities	R0430					
Total own funds of other financial sectors	R0440					
Own funds when using the D&A, exclusively or in combination of method 1						
Own funds aggregated when using the D&A and combination of method	R0450					
Own funds aggregated when using the D&A and a combination of method net of IGT	R0460					
Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0520	159,017	159,017			
Total available own funds to meet the minimum consolidated group SCR	R0530	159,017	159,017			
Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0560	159,017	159,017			
Total eligible own funds to meet the minimum consolidated group SCR	R0570	159,017	159,017			
Minimum consolidated Group SCR	R0610	33,823				
Ratio of Eligible own funds to Minimum Consolidated Group SCR	R0650	470.14%				
Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)	R0660	159,017	159,017			
Group SCR	R0680	139,869				
Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	R0690	113.69%				

		C0060	
Reconciliation reserve			
Excess of assets over liabilities	R0700	159,017	
Own shares (included as assets on the balance sheet)	R0710		
Forseeable dividends, distributions and charges	R0720		
Other basic own fund items	R0730	1,000	
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740		
Other non available own funds	R0750		
Reconciliation reserve before deduction for participations in other financial sector	R0760	158,017	
Expected profits			
Expected profits included in future premiums (EPIFP) - Life business	R0770		
Expected profits included in future premiums (EPIFP) - Non- life business	R0780		
Total EPIFP	R0790		

CATALINA HOLDINGS UK LIMITED

Annex I

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Solvency Capital Requirement - for groups on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	**C0090**	**C0120**
Market risk	**R0010**	65,230		
Counterparty default risk	**R0020**	26,976		
Life underwriting risk	**R0030**			
Health underwriting risk	**R0040**	713		
Non-life underwriting risk	**R0050**	65,630		
Diversification	**R0060**	-39,746		
Intangible asset risk	**R0070**			
Basic Solvency Capital Requirement	**R0100**	118,803		

Calculation of Solvency Capital Requirement		**C0100**
Operational risk	**R0130**	21,066
Loss-absorbing capacity of technical provisions	**R0140**	
Loss-absorbing capacity of deferred taxes	**R0150**	
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	**R0160**	
Solvency capital requirement excluding capital add-on	**R0200**	139,869
Capital add-on already set	**R0210**	
Solvency capital requirement	**R0220**	139,869
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	**R0400**	
Total amount of Notional Solvency Capital Requirements for remaining part	**R0410**	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	**R0420**	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	**R0430**	
Diversification effects due to RFF nSCR aggregation for article 304	**R0440**	
Minimum consolidated group solvency capital requirement	**R0470**	33,823
Information on other entities		
Capital requirement for other financial sectors (Non-insurance capital requirements)	**R0500**	
Capital requirement for other financial sectors (Non-insurance capital requirements) - Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	**R0510**	
Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational retirement provisions	**R0520**	
Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement for non-regulated entities carrying out financial activities	**R0530**	
Capital requirement for non-controlled participation requirements	**R0540**	
Capital requirement for residual undertakings	**R0550**	
Overall SCR		
SCR for undertakings included via D and A	**R0560**	
Solvency capital requirement	**R0570**	139,869

CATALINA HOLDINGS UK LIMITED

Annex I
S.32.01.22
Undertakings in the scope of the group

								Criteria of influence						Inclusion in the scope of group supervision		Group solvency calculation
Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	YES/NO	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
GB	213800RACEL2PXX1QU17	LEI	AGF Insurance Company Limited	2	Limited	2	Prudential Regulation Authority	100.00%	100	100.00%		1	100.00%	1		1
GB	549300H9ZV454BK2FJ76	LEI	Catalina London Limited	3	Limited	2	Prudential Regulation Authority	100.00%	100	100.00%		1	100.00%	1		1
GB	549300TGWLOTZ6EKVQ66GB00001	SC	Catalina Services UK Limited	10	Limited	2		100.00%	100	100.00%		1		1		1
GB	213800JEV93JTFJ41Q27	LEI	Catalina Worthing Insurance Limited	3	Limited	2	Prudential Regulation Authority	100.00%	100	100.00%		1	100.00%	1		1
GB	549300TGWLOTZ6EKVQ66GB00002	SC	Downlands Liability Management Limited	10	Limited	2		100.00%	100	100.00%		1		1		1
GB	549300TGWLOTZ6EKVQ66	LEI	Catalina Holdings UK Limited	5	Limited	2		100.00%	100	100.00%		1		1		1

CATALINA WORTHING INSURANCE LIMITED
Annex I
S.02.01.02
Balance sheet

		Solvency II value
Assets		**C0010**
Intangible assets	**R0030**	
Deferred tax assets	**R0040**	
Pension benefit surplus	**R0050**	
Property, plant & equipment held for own use	**R0060**	
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	127,741
Property (other than for own use)	**R0080**	
Holdings in related undertakings, including participations	**R0090**	
Equities	**R0100**	13,819
Equities - listed	**R0110**	430
Equities - unlisted	**R0120**	13,389
Bonds	**R0130**	47,034
Government Bonds	**R0140**	18,919
Corporate Bonds	**R0150**	24,472
Structured notes	**R0160**	
Collateralised securities	**R0170**	3,643
Collective Investments Undertakings	**R0180**	13,635
Derivatives	**R0190**	234
Deposits other than cash equivalents	**R0200**	53,019
Other investments	**R0210**	
Assets held for index-linked and unit-linked contracts	**R0220**	
Loans and mortgages	**R0230**	17,172
Loans on policies	**R0240**	
Loans and mortgages to individuals	**R0250**	
Other loans and mortgages	**R0260**	17,172
Reinsurance recoverables from:	**R0270**	365,664
Non-life and health similar to non-life	**R0280**	351,726
Non-life excluding health	**R0290**	351,726
Health similar to non-life	**R0300**	
Life and health similar to life, excluding health and index-linked and unit-linked	**R0310**	13,938
Health similar to life	**R0320**	
Life excluding health and index-linked and unit-linked	**R0330**	13,938
Life index-linked and unit-linked	**R0340**	
Deposits to cedants	**R0350**	6,625
Insurance and intermediaries receivables	**R0360**	2,142
Reinsurance receivables	**R0370**	13,876
Receivables (trade, not insurance)	**R0380**	21,746
Own shares (held directly)	**R0390**	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	**R0400**	
Cash and cash equivalents	**R0410**	14,469
Any other assets, not elsewhere shown	**R0420**	
Total assets	**R0500**	569,434

		Solvency II value
Liabilities		**C0010**
Technical provisions – non-life	**R0510**	387,444
Technical provisions – non-life (excluding health)	**R0520**	387,444
TP calculated as a whole	**R0530**	
Best Estimate	**R0540**	373,430
Risk margin	**R0550**	14,014
Technical provisions - health (similar to non-life)	**R0560**	
TP calculated as a whole	**R0570**	
Best Estimate	**R0580**	
Risk margin	**R0590**	
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	14,461
Technical provisions - health (similar to life)	**R0610**	
TP calculated as a whole	**R0620**	
Best Estimate	**R0630**	
Risk margin	**R0640**	
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	14,461
TP calculated as a whole	**R0660**	
Best Estimate	**R0670**	13,938
Risk margin	**R0680**	523
Technical provisions – index-linked and unit-linked	**R0690**	
TP calculated as a whole	**R0700**	
Best Estimate	**R0710**	
Risk margin	**R0720**	
Contingent liabilities	**R0740**	
Provisions other than technical provisions	**R0750**	
Pension benefit obligations	**R0760**	
Deposits from reinsurers	**R0770**	74,774
Deferred tax liabilities	**R0780**	
Derivatives	**R0790**	15
Debts owed to credit institutions	**R0800**	
Financial liabilities other than debts owed to credit institutions	**R0810**	
Insurance & intermediaries payables	**R0820**	
Reinsurance payables	**R0830**	6,401
Payables (trade, not insurance)	**R0840**	682
Subordinated liabilities	**R0850**	
Subordinated liabilities not in BOF	**R0860**	
Subordinated liabilities in BOF	**R0870**	
Any other liabilities, not elsewhere shown	**R0880**	444
Total liabilities	**R0900**	484,221
Excess of assets over liabilities	**R1000**	85,213

CATALINA WORTHING INSURANCE LIMITED
Annex I
S.05.01.02
Premiums, claims and expenses by line of business

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**			Line of business for: **accepted non-proportional reinsurance**			Total
		Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Casualty	Marine, aviation, transport	Property	
		C0060	**C0070**	**C0080**	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written								
Gross - Direct Business	**R0110**							
Gross - Proportional reinsurance accepted	**R0120**			-9				-9
Gross - Non-proportional reinsurance accepted	**R0130**				83		0	84
Reinsurers' share	**R0140**			-9	83		0	74
Net	**R0200**							
Premiums earned								
Gross - Direct Business	**R0210**	-2,114	285	-1,341				-3,171
Gross - Proportional reinsurance accepted	**R0220**							
Gross - Non-proportional reinsurance accepted	**R0230**				739	883	458	2,080
Reinsurers' share	**R0240**	-2,114	285	-1,341	739	883	458	-1,091
Net	**R0300**							
Claims incurred								
Gross - Direct Business	**R0310**							
Gross - Proportional reinsurance accepted	**R0320**							
Gross - Non-proportional reinsurance accepted	**R0330**							
Reinsurers' share	**R0340**							
Net	**R0400**							
Changes in other technical provisions								
Gross - Direct Business	**R0410**							
Gross - Proportional reinsurance accepted	**R0420**							
Gross - Non- proportional reinsurance accepted	**R0430**							
Reinsurers'share	**R0440**							
Net	**R0500**							
Expenses incurred	**R0550**	1,252	169	794	437	523	271	3,446
Other expenses	**R1200**							
Total expenses	**R1300**							3,446

CATALINA WORTHING INSURANCE LIMITED
Annex I
S.05.01.02
Premiums, claims and expenses by line of business

		Line of Business for: **life insurance obligations**	Total
		Annuities stemming from non-life insurance contracts and relating to insurance obligations other	
		C0260	**C0300**
Premiums written			
Gross	**R1410**		
Reinsurers' share	**R1420**		
Net	**R1500**		
Premiums earned			
Gross	**R1510**		
Reinsurers' share	**R1520**		
Net	**R1600**		
Claims incurred			
Gross	**R1610**	-1,638	-1,638
Reinsurers' share	**R1620**	-1,638	-1,638
Net	**R1700**		
Changes in other technical provisions			
Gross	**R1710**		
Reinsurers' share	**R1720**		
Net	**R1800**		
Expenses incurred	**R1900**	970	970
Other expenses	**R2500**		
Total expenses	**R2600**		970

CATALINA WORTHING INSURANCE LIMITED
Annex I
S.12.01.02
Life and Health SLT Technical Provisions

			Index-linked and unit-linked insurance			Other life insurance						Health insurance (direct business)				
		Insurance with profit participation		Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	**Total (Life other than health insurance, incl. Unit-Linked)**		Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	**Total (Health similar to life insurance)**
		C0020	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0150**	**C0160**	**C0170**	**C0180**	**C0190**	**C0200**	**C0210**
Technical provisions calculated as a whole	**R0010**																
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0020**																
Technical provisions calculated as a sum of BE and RM																	
Best Estimate																	
Gross Best Estimate	**R0030**								13,938		13,938						
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0080**								13,938		13,938						
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	**R0090**																
Risk Margin	**R0100**								523		523						
Amount of the transitional on Technical Provisions																	
Technical Provisions calculated as a whole	**R0110**																
Best estimate	**R0120**																
Risk margin	**R0130**																
Technical provisions - total	**R0200**								14,461		14,461						

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

		Direct business and accepted proportional reinsurance				Accepted non-proportional reinsurance			Total Non-Life obligation
		Motor vehicle liability insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0050	**C0070**	**C0080**	**C0090**	**C0150**	**C0160**	**C0170**	**C0180**
Technical provisions calculated as a whole	**R0010**								
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0050**								
Technical provisions calculated as a sum of BE and RM									
Best estimate									
Premium provisions									
Gross	**R0060**								
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**								
Net Best Estimate of Premium Provisions	**R0150**								
Claims provisions									
Gross	**R0160**	8,720	30,244	674	222,128	103,359	1,233	7,073	373,430
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**	8,720	30,244	674	200,424	103,359	1,233	7,073	351,726
Net Best Estimate of Claims Provisions	**R0250**				21,704				21,704
Total Best estimate - gross	**R0260**	8,720	30,244	674	222,128	103,359	1,233	7,073	373,430
Total Best estimate - net	**R0270**				21,704				21,704
Risk margin	**R0280**	347	1,205	27	7,986	4,118	49	282	14,014
Amount of the transitional on Technical Provisions									
Technical Provisions calculated as a whole	**R0290**								
Best estimate	**R0300**								
Risk margin	**R0310**								
Technical provisions - total									
Technical provisions - total	**R0320**	9,067	31,449	701	230,114	107,477	1,282	7,355	387,444
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**	8,720	30,244	674	200,424	103,359	1,233	7,073	351,726
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0340**	347	1,205	27	29,690	4,118	49	282	35,718

CATALINA WORTHING INSURANCE LIMITED
Annex I
S.19.01.21
Non-life Insurance Claims Information

Total Non-Life Business

Accident year / Underwriting year	Z0020	Underwriting year [UWY]

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

	Year		1	2	3	4	5	6	7	8	9	10 & +
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**
Prior	**R0100**											34,637
2010	**R0160**				9			1	0			
2011	**R0170**							4,552				
2012	**R0180**											
2013	**R0190**											
2014	**R0200**											
2015	**R0210**											
2016	**R0220**											
2017	**R0230**											
2018	**R0240**											
2019	**R0250**											

		In Current year	Sum of years (cumulative)
		C0170	**C0180**
	R0100	34,637	34,637
	R0160		10
	R0170		4,552
	R0180		
	R0190		
	R0200		
	R0210		
	R0220		
	R0230		
	R0240		
	R0250		
Total	**R0260**	34,637	39,199

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

	Year		1	2	3	4	5	6	7	8	9	10 & +
		C0200	**C0210**	**C0220**	**C0230**	**C0240**	**C0250**	**C0260**	**C0270**	**C0280**	**C0290**	**C0300**
Prior	**R0100**											419,848
2010	**R0160**							3,341	385			
2011	**R0170**						1,457	7,002				
2012	**R0180**					5,687	3,398					
2013	**R0190**											
2014	**R0200**											
2015	**R0210**											
2016	**R0220**											
2017	**R0230**											
2018	**R0240**											
2019	**R0250**											

		Year end (discounted data)
		C0360
	R0100	373,430
	R0160	
	R0170	
	R0180	
	R0190	
	R0200	
	R0210	
	R0220	
	R0230	
	R0240	
	R0250	
Total	**R0260**	373,430

CATALINA WORTHING INSURANCE LIMITED
Annex I
S.23.01.01
Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35						
Ordinary share capital (gross of own shares)	R0010	158,000	158,000			
Share premium account related to ordinary share capital	R0030					
Iinitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Surplus funds	R0070					
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	-72,787	-72,787			
Subordinated liabilities	R0140					
An amount equal to the value of net deferred tax assets	R0160					
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions	R0290	85,213	85,213			
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Other ancillary own funds	R0390					
Total ancillary own funds	R0400					
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	85,213	85,213			
Total available own funds to meet the MCR	R0510	85,213	85,213			
Total eligible own funds to meet the SCR	R0540	85,213	85,213			
Total eligible own funds to meet the MCR	R0550	85,213	85,213			
SCR	R0580	39,635				
MCR	R0600	9,909				
Ratio of Eligible own funds to SCR	R0620	215.00%				
Ratio of Eligible own funds to MCR	R0640	859.99%				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	85,213
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	158,000
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	-72,787
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	
Total Expected profits included in future premiums (EPIFP)	R0790	

CATALINA WORTHING INSURANCE LIMITED
Annex I
S.25.01.21
Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	**C0090**	**C0120**
Market risk	**R0010**	15,820		
Counterparty default risk	**R0020**	17,525		
Life underwriting risk	**R0030**	1		
Health underwriting risk	**R0040**			
Non-life underwriting risk	**R0050**	7,162		
Diversification	**R0060**	-10,020		
Intangible asset risk	**R0070**			
Basic Solvency Capital Requirement	**R0100**	30,488		

Calculation of Solvency Capital Requirement		**C0100**
Operational risk	**R0130**	9,146
Loss-absorbing capacity of technical provisions	**R0140**	
Loss-absorbing capacity of deferred taxes	**R0150**	
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	**R0160**	
Solvency capital requirement excluding capital add-on	**R0200**	39,635
Capital add-on already set	**R0210**	
Solvency capital requirement	**R0220**	39,635
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	**R0400**	
Total amount of Notional Solvency Capital Requirement for remaining part	**R0410**	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	**R0420**	
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	**R0430**	
Diversification effects due to RFF nSCR aggregation for article 304	**R0440**	

		Yes/No
Approach to tax rate		**C0109**
Approach based on average tax rate	**R0590**	2 - No

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

CATALINA WORTHING INSURANCE LIMITED
Annex I
S.28.01.01
Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCR_{NL} Result	**R0010**	2,236

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	**C0030**
General liability insurance and proportional reinsurance	**R0090**	21,704	

Linear formula component for life insurance and reinsurance obligations

		C0040
MCR_L Result	**R0200**	

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

Overall MCR calculation

		C0070
Linear MCR	**R0300**	2,236
SCR	**R0310**	39,635
MCR cap	**R0320**	17,836
MCR floor	**R0330**	9,909
Combined MCR	**R0340**	9,909
Absolute floor of the MCR	**R0350**	3,187
		C0070
Minimum Capital Requirement	**R0400**	9,909

AGF INSURANCE LIMITED
Annex I
S.02.01.02
Balance sheet

Assets		Solvency II value C0010
Intangible assets	R0030	
Deferred tax assets	R0040	
Pension benefit surplus	R0050	
Property, plant & equipment held for own use	R0060	
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	188,820
Property (other than for own use)	R0080	
Holdings in related undertakings, including participations	R0090	
Equities	R0100	10,952
Equities - listed	R0110	
Equities - unlisted	R0120	10,952
Bonds	R0130	150,676
Government Bonds	R0140	51,879
Corporate Bonds	R0150	96,019
Structured notes	R0160	
Collateralised securities	R0170	2,778
Collective Investments Undertakings	R0180	26,890
Derivatives	R0190	301
Deposits other than cash equivalents	R0200	
Other investments	R0210	
Assets held for index-linked and unit-linked contracts	R0220	
Loans and mortgages	R0230	21,885
Loans on policies	R0240	
Loans and mortgages to individuals	R0250	
Other loans and mortgages	R0260	21,885
Reinsurance recoverables from:	R0270	7,226
Non-life and health similar to non-life	R0280	7,226
Non-life excluding health	R0290	7,226
Health similar to non-life	R0300	
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	
Health similar to life	R0320	
Life excluding health and index-linked and unit-linked	R0330	
Life index-linked and unit-linked	R0340	
Deposits to cedants	R0350	
Insurance and intermediaries receivables	R0360	1,515
Reinsurance receivables	R0370	1,196
Receivables (trade, not insurance)	R0380	
Own shares (held directly)	R0390	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	
Cash and cash equivalents	R0410	15,206
Any other assets, not elsewhere shown	R0420	77
Total assets	R0500	235,926

Liabilities		Solvency II value C0010
Technical provisions – non-life	R0510	144,614
Technical provisions – non-life (excluding health)	R0520	144,614
TP calculated as a whole	R0530	
Best Estimate	R0540	121,119
Risk margin	R0550	23,495
Technical provisions - health (similar to non-life)	R0560	
TP calculated as a whole	R0570	
Best Estimate	R0580	
Risk margin	R0590	
Technical provisions - life (excluding index-linked and unit-linked)	R0600	
Technical provisions - health (similar to life)	R0610	
TP calculated as a whole	R0620	
Best Estimate	R0630	
Risk margin	R0640	
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	
TP calculated as a whole	R0660	
Best Estimate	R0670	
Risk margin	R0680	
Technical provisions – index-linked and unit-linked	R0690	
TP calculated as a whole	R0700	
Best Estimate	R0710	
Risk margin	R0720	
Contingent liabilities	R0740	
Provisions other than technical provisions	R0750	
Pension benefit obligations	R0760	
Deposits from reinsurers	R0770	
Deferred tax liabilities	R0780	
Derivatives	R0790	39
Debts owed to credit institutions	R0800	
Financial liabilities other than debts owed to credit institutions	R0810	
Insurance & intermediaries payables	R0820	97
Reinsurance payables	R0830	
Payables (trade, not insurance)	R0840	633
Subordinated liabilities	R0850	
Subordinated liabilities not in BOF	R0860	
Subordinated liabilities in BOF	R0870	
Any other liabilities, not elsewhere shown	R0880	
Total liabilities	R0900	145,382
Excess of assets over liabilities	R1000	90,543

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

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**	Total
		General liability insurance	
		C0080	**C0200**
Premiums written			
Gross - Direct Business	**R0110**		
Gross - Proportional reinsurance accepted	**R0120**		
Gross - Non-proportional reinsurance accepted	**R0130**		
Reinsurers' share	**R0140**		
Net	**R0200**		
Premiums earned			
Gross - Direct Business	**R0210**		
Gross - Proportional reinsurance accepted	**R0220**		
Gross - Non-proportional reinsurance accepted	**R0230**		
Reinsurers' share	**R0240**		
Net	**R0300**		
Claims incurred			
Gross - Direct Business	**R0310**	5,333	5,333
Gross - Proportional reinsurance accepted	**R0320**		
Gross - Non-proportional reinsurance accepted	**R0330**		
Reinsurers' share	**R0340**	-3,833	-3,833
Net	**R0400**	9,166	9,166
Changes in other technical provisions			
Gross - Direct Business	**R0410**		
Gross - Proportional reinsurance accepted	**R0420**		
Gross - Non- proportional reinsurance accepted	**R0430**		
Reinsurers'share	**R0440**		
Net	**R0500**		
Expenses incurred	**R0550**	3,098	3,098
Other expenses	**R1200**		
Total expenses	**R1300**		3,098

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

		Direct business and accepted proportional reinsurance	Total Non-Life obligation
		General liability insurance	
		C0090	**C0180**
Technical provisions calculated as a whole	**R0010**		
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0050**		
Technical provisions calculated as a sum of BE and RM			
Best estimate			
Premium provisions			
Gross	**R0060**		
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**		
Net Best Estimate of Premium Provisions	**R0150**		
Claims provisions			
Gross	**R0160**	121,119	121,119
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**	7,226	7,226
Net Best Estimate of Claims Provisions	**R0250**	113,893	113,893
Total Best estimate - gross	**R0260**	121,119	121,119
Total Best estimate - net	**R0270**	113,893	113,893
Risk margin	**R0280**	23,495	23,495
Amount of the transitional on Technical Provisions			
Technical Provisions calculated as a whole	**R0290**		
Best estimate	**R0300**		
Risk margin	**R0310**		
Technical provisions - total			
Technical provisions - total	**R0320**	144,614	144,614
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**	7,226	7,226
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0340**	137,388	137,388

AGF INSURANCE LIMITED
Annex I
S.19.01.21
Non-life Insurance Claims Information

Total Non-Life Business

Accident year / Underwriting year	**Z0020**	Underwriting year [UWY]

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

	Year	Development year	1	2	3	4	5	6	7	8	9	10 & +
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**
Prior	**R0100**											19,174
2010	**R0160**											
2011	**R0170**											
2012	**R0180**											
2013	**R0190**											
2014	**R0200**											
2015	**R0210**											
2016	**R0220**											
2017	**R0230**											
2018	**R0240**											
2019	**R0250**											

		In Current year	Sum of years (cumulative)
		C0170	**C0180**
	R0100	19,174	19,174
	R0160		
	R0170		
	R0180		
	R0190		
	R0200		
	R0210		
	R0220		
	R0230		
	R0240		
	R0250		
Total	**R0260**	19,174	19,174

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

	Year	Development year	1	2	3	4	5	6	7	8	9	10 & +
		C0200	**C0210**	**C0220**	**C0230**	**C0240**	**C0250**	**C0260**	**C0270**	**C0280**	**C0290**	**C0300**
Prior	**R0100**											131,819
2010	**R0160**											
2011	**R0170**											
2012	**R0180**											
2013	**R0190**											
2014	**R0200**											
2015	**R0210**											
2016	**R0220**											
2017	**R0230**											
2018	**R0240**											
2019	**R0250**											

		Year end (discounted data)
		C0360
	R0100	121,119
	R0160	
	R0170	
	R0180	
	R0190	
	R0200	
	R0210	
	R0220	
	R0230	
	R0240	
	R0250	
Total	**R0260**	121,119

AGF INSURANCE LIMITED
Annex I
S.23.01.01
Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35						
Ordinary share capital (gross of own shares)	R0010	210,485	210,485			
Share premium account related to ordinary share capital	R0030					
Iinitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Surplus funds	R0070					
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	-119,942	-119,942			
Subordinated liabilities	R0140					
An amount equal to the value of net deferred tax assets	R0160					
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions	R0290	90,543	90,543			
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Other ancillary own funds	R0390					
Total ancillary own funds	R0400					
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	90,543	90,543			
Total available own funds to meet the MCR	R0510	90,543	90,543			
Total eligible own funds to meet the SCR	R0540	90,543	90,543			
Total eligible own funds to meet the MCR	R0550	90,543	90,543			
SCR	R0580	49,955				
MCR	R0600	12,489				
Ratio of Eligible own funds to SCR	R0620	181.25%				
Ratio of Eligible own funds to MCR	R0640	725.00%				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	90,543
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	210,485
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	-119,942
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	
Total Expected profits included in future premiums (EPIFP)	R0790	

AGF INSURANCE LIMITED
Annex I
S.25.01.21
Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	**C0090**	**C0120**
Market risk	**R0010**	16,900		
Counterparty default risk	**R0020**	2,666		
Life underwriting risk	**R0030**			
Health underwriting risk	**R0040**			
Non-life underwriting risk	**R0050**	37,585		
Diversification	**R0060**	-10,830		
Intangible asset risk	**R0070**			
Basic Solvency Capital Requirement	**R0100**	46,321		

Calculation of Solvency Capital Requirement		**C0100**
Operational risk	**R0130**	3,634
Loss-absorbing capacity of technical provisions	**R0140**	
Loss-absorbing capacity of deferred taxes	**R0150**	
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	**R0160**	
Solvency capital requirement excluding capital add-on	**R0200**	49,955
Capital add-on already set	**R0210**	
Solvency capital requirement	**R0220**	49,955
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	**R0400**	
Total amount of Notional Solvency Capital Requirement for remaining part	**R0410**	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	**R0420**	
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	**R0430**	
Diversification effects due to RFF nSCR aggregation for article 304	**R0440**	

		Yes/No
Approach to tax rate		**C0109**
Approach based on average tax rate	**R0590**	3 - Not applicable as LAC DT is not used (in this case R0600 to R0690 are not applicable)

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

AGF INSURANCE LIMITED
Annex I
S.28.01.01
Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCR_{NL} Result	**R0010**	11,731

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	**C0030**
General liability insurance and proportional reinsurance	**R0090**	113,893	

Linear formula component for life insurance and reinsurance obligations

		C0040
MCR_L Result	**R0200**	

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

Overall MCR calculation

		C0070
Linear MCR	**R0300**	11,731
SCR	**R0310**	49,955
MCR cap	**R0320**	22,480
MCR floor	**R0330**	12,489
Combined MCR	**R0340**	12,489
Absolute floor of the MCR	**R0350**	2,153
		C0070
Minimum Capital Requirement	**R0400**	12,489

CATALINA LONDON LIMITED
Annex I
S.02.01.02
Balance sheet

Assets		Solvency II value C0010
Intangible assets	R0030	
Deferred tax assets	R0040	
Pension benefit surplus	R0050	
Property, plant & equipment held for own use	R0060	
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	53,359
Property (other than for own use)	R0080	
Holdings in related undertakings, including participations	R0090	
Equities	R0100	4,939
Equities - listed	R0110	821
Equities - unlisted	R0120	4,118
Bonds	R0130	30,305
Government Bonds	R0140	3,042
Corporate Bonds	R0150	26,632
Structured notes	R0160	
Collateralised securities	R0170	631
Collective Investments Undertakings	R0180	6,210
Derivatives	R0190	
Deposits other than cash equivalents	R0200	11,905
Other investments	R0210	
Assets held for index-linked and unit-linked contracts	R0220	
Loans and mortgages	R0230	
Loans on policies	R0240	
Loans and mortgages to individuals	R0250	
Other loans and mortgages	R0260	
Reinsurance recoverables from:	R0270	20,122
Non-life and health similar to non-life	R0280	20,122
Non-life excluding health	R0290	20,120
Health similar to non-life	R0300	2
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	
Health similar to life	R0320	
Life excluding health and index-linked and unit-linked	R0330	
Life index-linked and unit-linked	R0340	
Deposits to cedants	R0350	899
Insurance and intermediaries receivables	R0360	384
Reinsurance receivables	R0370	18,664
Receivables (trade, not insurance)	R0380	
Own shares (held directly)	R0390	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	
Cash and cash equivalents	R0410	4,163
Any other assets, not elsewhere shown	R0420	374
Total assets	R0500	97,965

Liabilities		Solvency II value C0010
Technical provisions – non-life	R0510	51,614
Technical provisions – non-life (excluding health)	R0520	49,113
TP calculated as a whole	R0530	
Best Estimate	R0540	44,347
Risk margin	R0550	4,766
Technical provisions - health (similar to non-life)	R0560	2,501
TP calculated as a whole	R0570	
Best Estimate	R0580	2,258
Risk margin	R0590	243
Technical provisions - life (excluding index-linked and unit-linked)	R0600	
Technical provisions - health (similar to life)	R0610	
TP calculated as a whole	R0620	
Best Estimate	R0630	
Risk margin	R0640	
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	
TP calculated as a whole	R0660	
Best Estimate	R0670	
Risk margin	R0680	
Technical provisions – index-linked and unit-linked	R0690	
TP calculated as a whole	R0700	
Best Estimate	R0710	
Risk margin	R0720	
Contingent liabilities	R0740	
Provisions other than technical provisions	R0750	
Pension benefit obligations	R0760	
Deposits from reinsurers	R0770	
Deferred tax liabilities	R0780	
Derivatives	R0790	105
Debts owed to credit institutions	R0800	
Financial liabilities other than debts owed to credit institutions	R0810	
Insurance & intermediaries payables	R0820	
Reinsurance payables	R0830	5,844
Payables (trade, not insurance)	R0840	2,795
Subordinated liabilities	R0850	
Subordinated liabilities not in BOF	R0860	
Subordinated liabilities in BOF	R0870	
Any other liabilities, not elsewhere shown	R0880	
Total liabilities	R0900	60,357
Excess of assets over liabilities	R1000	37,608

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

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted**						Line of business for:				
		Workers' compensation insurance	Motor vehicle liability insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Health	Casualty	Marine, aviation, transport	Property	Total
		C0030	**C0040**	**C0060**	**C0070**	**C0080**	**C0090**	**C0130**	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written												
Gross - Direct Business	**R0110**											
Gross - Proportional reinsurance accepted	**R0120**											
Gross - Non-proportional reinsurance accepted	**R0130**								-20			-20
Reinsurers' share	**R0140**								0		0	0
Net	**R0200**								-20		0	-20
Premiums earned												
Gross - Direct Business	**R0210**											
Gross - Proportional reinsurance accepted	**R0220**											
Gross - Non-proportional reinsurance accepted	**R0230**								-20			-20
Reinsurers' share	**R0240**								0		0	0
Net	**R0300**								-20		0	-20
Claims incurred												
Gross - Direct Business	**R0310**		-101	-180	-155	244	-2					-194
Gross - Proportional reinsurance accepted	**R0320**	1		47	-493	157						-288
Gross - Non-proportional reinsurance accepted	**R0330**							-1	5,538	-12	-563	4,962
Reinsurers' share	**R0340**		3	125	414	186			2,847	115	123	3,813
Net	**R0400**	1	-104	-258	-1,062	215	-2	-1	2,691	-127	-686	667
Changes in other technical provisions												
Gross - Direct Business	**R0410**											
Gross - Proportional reinsurance accepted	**R0420**											
Gross - Non- proportional reinsurance accepted	**R0430**											
Reinsurers'share	**R0440**											
Net	**R0500**											
Expenses incurred	**R0550**		4	207	99	308			3,527	153	232	4,530
Other expenses	**R1200**											
Total expenses	**R1300**											4,530

CATALINA LONDON LIMITED
Annex I
S.17.01.02
Non-life Technical Provisions

		Direct business and accepted proportional reinsurance							Accepted non-proportional reinsurance				
		Medical expense insurance	Workers' compensation insurance	Motor vehicle liability insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	Total Non-Life obligation
		C0020	**C0040**	**C0050**	**C0070**	**C0080**	**C0090**	**C0130**	**C0140**	**C0150**	**C0160**	**C0170**	**C0180**
Technical provisions calculated as a whole	**R0010**												
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0050**												
Technical provisions calculated as a sum of BE and RM													
Best estimate													
Premium provisions													
Gross	**R0060**												
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**												
Net Best Estimate of Premium Provisions	**R0150**												
Claims provisions													
Gross	**R0160**	14	1,579	18	774	315	14,442	21	665	24,364	2,796	1,616	46,605
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**	2		0	458	194	5,463	0		11,445	1,943	617	20,122
Net Best Estimate of Claims Provisions	**R0250**	12	1,579	17	316	122	8,979	21	665	12,919	854	999	26,483
Total Best estimate - gross	**R0260**	14	1,579	18	774	315	14,442	21	665	24,364	2,796	1,616	46,605
Total Best estimate - net	**R0270**	12	1,579	17	316	122	8,979	21	665	12,919	854	999	26,483
Risk margin	**R0280**	1	170	2	83	34	1,552	2	72	2,619	301	174	5,009
Amount of the transitional on Technical Provisions													
Technical Provisions calculated as a whole	**R0290**												
Best estimate	**R0300**												
Risk margin	**R0310**												
Technical provisions - total													
Technical provisions - total	**R0320**	15	1,749	20	857	349	15,995	23	737	26,983	3,097	1,790	51,614
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**	2		0	458	194	5,463	0		11,445	1,943	617	20,122
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0340**	13	1,749	19	399	156	10,532	23	737	15,538	1,154	1,172	31,492

CATALINA LONDON LIMITED
Annex I
S.19.01.21
Non-life Insurance Claims Information

Total Non-Life Business

Accident year / Underwriting year	Z0020	Underwriting year [UWY]

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

	Year	Development year	1	2	3	4	5	6	7	8	9	10 & +
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110
Prior	R0100											9,178
2010	R0160											
2011	R0170											
2012	R0180											
2013	R0190											
2014	R0200											
2015	R0210											
2016	R0220											
2017	R0230											
2018	R0240											
2019	R0250											

		In Current year	Sum of years (cumulative)
		C0170	C0180
	R0100	9,178	9,178
	R0160		
	R0170		
	R0180		
	R0190		
	R0200		
	R0210		
	R0220		
	R0230		
	R0240		
	R0250		
Total	R0260	9,178	9,178

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

	Year	Development year	1	2	3	4	5	6	7	8	9	10 & +
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300
Prior	R0100											50,898
2010	R0160											
2011	R0170											
2012	R0180											
2013	R0190											
2014	R0200											
2015	R0210											
2016	R0220											
2017	R0230											
2018	R0240											
2019	R0250											

		Year end (discounted data)
		C0360
	R0100	46,605
	R0160	
	R0170	
	R0180	
	R0190	
	R0200	
	R0210	
	R0220	
	R0230	
	R0240	
	R0250	
Total	R0260	46,605

CATALINA LONDON LIMITED
Annex I
S.23.01.01
Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35						
Ordinary share capital (gross of own shares)	R0010	1,000	1,000			
Share premium account related to ordinary share capital	R0030					
Iinitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Surplus funds	R0070					
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	36,608	36,608			
Subordinated liabilities	R0140					
An amount equal to the value of net deferred tax assets	R0160					
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions	R0290	37,608	37,608			
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Other ancillary own funds	R0390					
Total ancillary own funds	R0400					
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	37,608	37,608			
Total available own funds to meet the MCR	R0510	37,608	37,608			
Total eligible own funds to meet the SCR	R0540	37,608	37,608			
Total eligible own funds to meet the MCR	R0550	37,608	37,608			
SCR	R0580	15,940				
MCR	R0600	4,127				
Ratio of Eligible own funds to SCR	R0620	235.93%				
Ratio of Eligible own funds to MCR	R0640	911.27%				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	37,608
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	1,000
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	36,608
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	
Total Expected profits included in future premiums (EPIFP)	R0790	

CATALINA LONDON LIMITED
Annex I
S.25.01.21
Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	**C0090**	**C0120**
Market risk	**R0010**	3,300		
Counterparty default risk	**R0020**	5,421		
Life underwriting risk	**R0030**			
Health underwriting risk	**R0040**	713		
Non-life underwriting risk	**R0050**	9,547		
Diversification	**R0060**	-4,438		
Intangible asset risk	**R0070**			
Basic Solvency Capital Requirement	**R0100**	14,542		

Calculation of Solvency Capital Requirement		**C0100**
Operational risk	**R0130**	1,398
Loss-absorbing capacity of technical provisions	**R0140**	
Loss-absorbing capacity of deferred taxes	**R0150**	
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	**R0160**	
Solvency capital requirement excluding capital add-on	**R0200**	15,940
Capital add-on already set	**R0210**	
Solvency capital requirement	**R0220**	15,940
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	**R0400**	
Total amount of Notional Solvency Capital Requirement for remaining part	**R0410**	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	**R0420**	
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	**R0430**	
Diversification effects due to RFF nSCR aggregation for article 304	**R0440**	

		Yes/No
Approach to tax rate		**C0109**
Approach based on average tax rate	**R0590**	2 - No

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

CATALINA LONDON LIMITED
Annex I
S.28.01.01
Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCR_{NL} Result	**R0010**	4,015

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	**C0030**
Medical expense insurance and proportional reinsurance	**R0020**	12	
Workers' compensation insurance and proportional reinsurance	**R0040**	1,579	
Motor vehicle liability insurance and proportional reinsurance	**R0050**	17	
Marine, aviation and transport insurance and proportional reinsurance	**R0070**	316	
Fire and other damage to property insurance and proportional reinsurance	**R0080**	122	
General liability insurance and proportional reinsurance	**R0090**	8,979	
Miscellaneous financial loss insurance and proportional reinsurance	**R0130**	21	
Non-proportional health reinsurance	**R0140**	665	
Non-proportional casualty reinsurance	**R0150**	12,919	
Non-proportional marine, aviation and transport reinsurance	**R0160**	854	
Non-proportional property reinsurance	**R0170**	999	

Linear formula component for life insurance and reinsurance obligations

		C0040
MCR_{L} Result	**R0200**	

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

Overall MCR calculation

		C0070
Linear MCR	**R0300**	4,015
SCR	**R0310**	15,940
MCR cap	**R0320**	7,173
MCR floor	**R0330**	3,985
Combined MCR	**R0340**	4,015
Absolute floor of the MCR	**R0350**	4,127
		C0070
Minimum Capital Requirement	**R0400**	4,127