Catalina Holdings UK Limited

Solvency and Financial Condition Report (SFCR)
31 December 2022

Contents

Executive Summary

Catalina Holdings UK Limited ("CHUK" or the "Company") is a UK-based insurance holding company. As the parent of the following three UK regulated insurance companies:

- Catalina Worthing Insurance Limited ("CWIL");
- AGF Insurance Limited ("AGF"); and
- Catalina London Limited ("CLL").

CHUK is supervised on a group basis by the Prudential Regulation Authority ("PRA"). CWIL, AGF and CLL are regulated by the Financial Conduct Authority ("FCA") and PRA.

CHUK also owns a regulated insurance intermediary, Catalina Services UK Limited ("CSUK"). Together these companies are referred to in this document as "CHUK Group", "Catalina UK Group" or the "Group".

The Solvency and Financial Condition Report ("SFCR") has been prepared in accordance with the requirements of the Risk Transformation and Solvency 2 and Insurance (Amendment, etc.) (EU Exit) Regulations 2019. It covers the Business and Performance of the Company and Group, its System of Governance, Risk Profile, Valuation for Solvency Purposes and Capital Management.

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 CWIL, AGF and 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.

On 18 November 2022, the High Court approved a Part VII transfer of the business of AGF and CLL into CWIL. The transfer was completed on 30 November 2022. On 17 April 2023, the PRA approved the removal of regulatory permissions of AGF and CLL under Part 4A of the Financial Services and Markets Act 2000. From this date both companies ceased to be regulated insurance undertakings and will remain non-operating while the legal formalities to complete their dissolution are concluded. As this SFCR provides an overview of the solvency and financial condition of the CHUK Group as at 31 December 2022, AGF and CLL continue to be regarded as "regulated insurance undertakings" throughout this report.

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

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

2022 Solvency and Financial Condition

Business and Performance

The principal activities of the Group are the efficient and orderly run-off of its claims portfolio, the management of its cash and investments, and the timely collection of its reinsurance assets and other debts. CSUK is the main service provider to the Group providing services to Catalina UK regulated insurance companies, other Catalina Group companies and companies external to the Catalina Group.

During the year, the consolidated CHUK Group made a loss after tax of USD$58.5 million (2021: profit after tax USD$3.9 million). This comprised a loss on the technical account of USD$33.7 million (2021: loss of USD$16.3 million), net investment loss of USD$28.1 million (2021: income of USD$9.1 million), other income of USD$2.5 million (2021: other income of USD$1.6 million) and a tax benefit of USD$0.8 million (2021: tax benefit of USD$9.6 million).

The loss on the technical account was largely driven by reserve strengthening from the impact of excess short-term inflation, adverse development on US pollution and US abuse claims as well as higher average costs of mesothelioma claims.

Net investment losses comprise interest and dividend income as well as net realised and unrealised losses. The negative returns for the year were driven by unrealised losses on equity and fixed income funds. Fixed interest securities experienced heavy losses during the year driven by inflation, interest rate rises and the war in Ukraine.

Other income comprises USD$1.0 million of operating expenses net of recoveries from other Catalina companies and USD$1.5 million of foreign exchange gains from retranslation of non-USD balances into the Group's reporting currency, USD.

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

System of Governance

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

Prior to the Part VII transfer, day to day running of the three dual regulated legal entities within the Catalina UK Group (CWIL, AGF, CLL) were treated and managed, so far as is practicable, as a single entity. As a result of the Part VII transfer, there will be a single board for the remaining regulated entity of CWIL.

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

Risk Profile

The CHUK Group are currently undertaking the detailed annual review and update of the full Own-Risk and Solvency Assessment ("ORSA") for presentation and approval by the Board in Q2 2023. The ORSA is an integral part of the business and is considered in the strategic decisions of the Group.

The types of risk to which the CHUK group have exposure to have not changed significantly in 2022 and remain reserving, market, credit, liquidity and operational risks. Inflation, geopolitical changes, cyber security and climate change are influencing the risk profiles to some degree and actions to further mitigate risks are being developed. Section C includes further details of the risks to which the 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 Group's Solvency II Balance Sheet according to Solvency II regulations.

As at 31 December 2022 the CHUK Group Total Own funds of USD$277.9 million (2021: USD$300.2 million) were USD$13.9 million less than the consolidated net assets in the CHUK Group's Financial Statements under UK GAAP (2021: USD$75.8 million less). The difference is primarily due to the valuation of gross and reinsurance technical balances.

Section D provides further details of the different valuation bases used by Solvency II and UK GAAP for assets, technical provisions and other liabilities. There is a consistent application in the determination of these between 2022 and 2021.

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 2022 there was a Solvency II surplus of USD$131.6 million (2021: USD$124.1 million) and a Solvency II coverage ratio of 190% (2021: 170 %). Both metrics refer to the excess of the CHUK Group's total eligible own funds over the solvency capital requirement.

	2022 USD'000	2021 USD'000
Group Consolidated Own Funds	277,932	300,204
Group Consolidated Standard Formula Solvency Capital Requirement (SCR)	146,362	176,125
Surplus	**131,570**	**124,079**
Ratio of Eligible own funds to SCR	**190%**	**170%**

The increase in the ratio of Eligible Own Funds to SCR during the year was driven by an increase in risk-free rates reducing the technical provisions and SCR.

Outlook

The Group will continue to focus on ensuring a proactive claims agreement process and managing its investments within the Board approved Strategic Asset Allocation and Prudent Person Principles. This enables compliance with the Catalina requirement for very strict adherence to the FCA policy around the fair treatment of customers, while at the same time managing its liabilities. The service obligations to our policyholders remain a high priority at all times.

In the beginning of 2023, Catalina Group made the strategic decision to shift away from bidding on broker distributed property and casualty new business opportunities in the short-term horizon to focus on non-property & casualty opportunities to diversify the Catalina Group. In the short-term this will have no effect on the CHUK Group's business plans and operations. Any longer-term risk from a prolonged extension of this change in strategy will be actively monitored to assess such risks and determine appropriate remediation activities.

From 4 January 2022, CSUK commenced providing claims handling and administrative services for a book of UK employers liability claims on behalf of Zurich Insurance Plc ("Zurich"). The resources to service this portfolio was from a combination of both TUPE resources from Zurich, new hires and some redeployment of existing capacity. Beyond the servicing of this existing Zurich portfolio ("Elbow"), Catalina's management in conjunction with Zurich and the regulators have commenced to plan for the Part VII legal transfer of the Elbow portfolio from Zurich to CWIL.

Subsequent to 31 December 2022 there has been no material change in the business and performance, system of governance, valuation for solvency purposes, and capital management for the Company or CHUK group. Furthermore, other than those mentioned above, there is no current transaction activity which could directly impact the Company or CHUK group.

Statement of Directors' Responsibilities

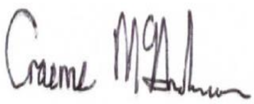
We acknowledge our responsibility for preparing the SFCR in all material respects in accordance with the PRA Rules and the Solvency II Regulations.

We are satisfied that:

a) throughout the financial year ended 31 December 2022, the insurers have complied in all material respects with the requirements of the PRA Rules and the Solvency II Regulations as applicable to the insurers; and

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

By Order of the Board



G J McAndrew

Director

16 May 2023

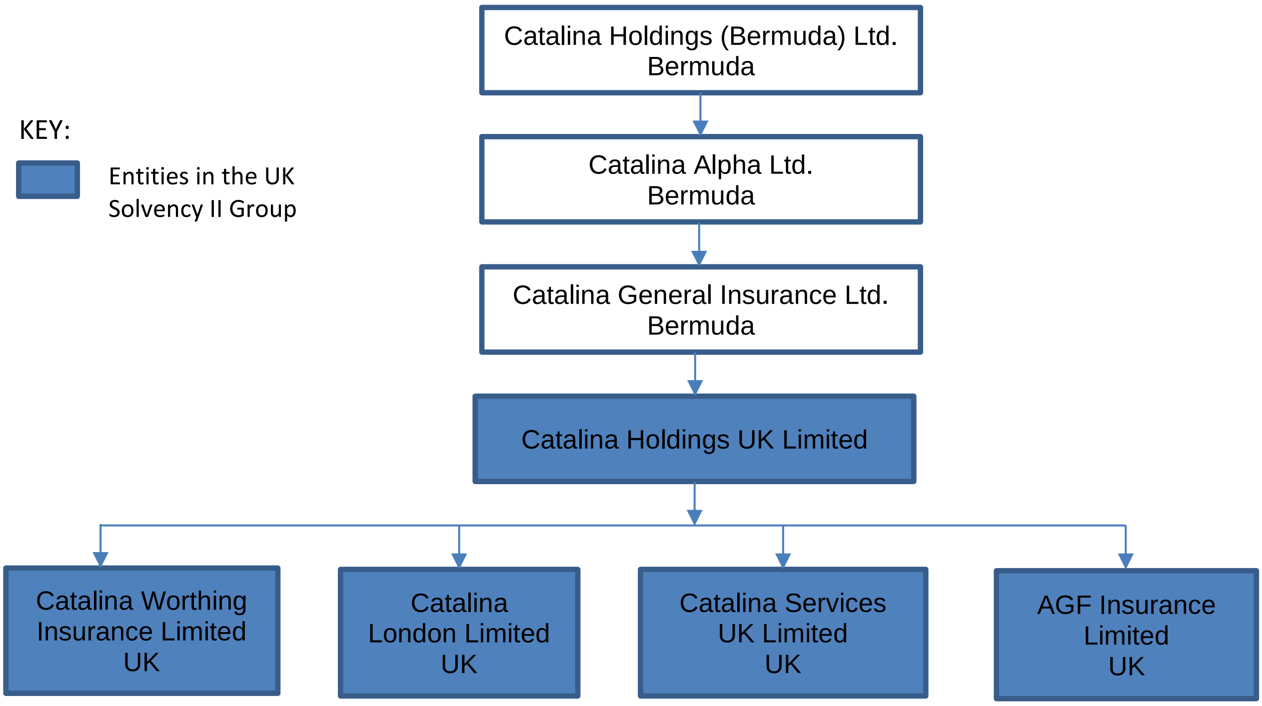
A. Business and Performance

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

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



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

CHUK Group prepares its consolidated financial statements on a UK GAAP basis and its reporting currency is USD.

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

The ultimate parent of CHUK is Catalina Holdings (Bermuda) Ltd. ("CHBL"). CHBL is a specialist consolidator of non-life general insurance and reinsurance companies and portfolios in run-off. The Group is based in

Bermuda and currently has offices in Bermuda, the United Kingdom, the Republic of Ireland, the United States of America, Singapore and Switzerland.

CHUK is the holding company for all the Catalina UK insurance and insurance service companies. Historically it is the vehicle in the UK that acquires, both directly and indirectly, all Catalina UK run-off portfolios.

On 18 November 2022, the High Court approved a Part VII transfer of the business of AGF and CLL into CWIL. On 30 November 2022 assets of £220.9 million were transferred into CWIL to cover liabilities of £147.6 million. From this date CWIL has an ongoing responsibility for all present and future AGF and CLL insurance and other liabilities. On 17 April 2023, the PRA approved the removal of regulatory permissions of AGF and CLL under Part 4A of the Financial Services and Markets Act 2000. From this date both companies ceased to be regulated insurance undertakings and will remain non-operating while the legal formalities to complete their dissolution are concluded.

At 31 December 2022, CWIL is the principal insurance subsidiary of the UK Group. Its portfolio comprises:

- Original Directors and Officers (“D&O”) business written in 2007-2012 as The Hartford;
- Business of Excess Insurance Company Limited 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;
- Portfolio of London & Edinburgh Insurance Company (“L&E”) almost entirely being US direct and treaty APH written through pools including Old Tower, Tower X, HS Weavers and B D Cooke;
- Business of AGF, originally incorporated under the name of Employers’ Mutual Insurance Association Limited, which wrote predominantly direct Employers’ Liability and Public Liability insurance within the UK until 1999; and
- Business of CLL formed through the combination of Alea London Limited (formerly The Imperial Fire and Marine Reinsurance Company), KX Re and OX Re, comprising property and casualty, aviation, marine, motor, personal lines and London Market. OX Re was also a member of a pool that reinsured property and casualty risks written by Community Re between 1979 and 1983. The OX Re book of business was fully commuted in 2022.

The Group’s reserves, including loss adjustment expenses on a Financial Statement valuation basis at 31 December 2022 was as follows in USD ‘000s equivalents:

Subsidiary	**Total 2022 USD’000**	**US 2022 USD’000**	**UK 2022 USD’000**	**Europe 2022 USD’000**	**Other 2022 USD’000**
CWIL	592,018	277,268	291,697	18,270	4,783
Gross Reserves	**592,018**	**277,268**	**291,697**	**18,270**	**4,783**

	2021 USD’000	**2021 USD’000**	**2021 USD’000**	**2021 USD’000**	**2021 USD’000**
CWIL	446,609	256,713	169,581	17,761	2,554
AGF	159,172	-	159,172	-	-
CLL	36,580	25,004	8,805	1,977	794
Intergroup	(3,029)	-	(3,029)	-	-
Gross Reserves	**639,332**	**281,717**	**334,529**	**19,738**	**3,348**

The table below shows the distribution of the Group's gross reserves by class of business across its direct and reinsurance portfolios:

Class of Business	2022 % of Reserves	2021 % of Reserves
Property	2.3%	1.2%
Liability	70.0%	72.1%
Marine, Aviation and Transport	0.8%	0.6%
Reinsurance – Casualty	25.2%	24.7%
Reinsurance – Marine, Aviation and Transport	0.8%	0.7%
Reinsurance - Property	0.9%	0.7%

A.2 Performance from underwriting activities

The table below shows the underwriting performance for the CHUK Group for the year end 31 December 2022, together with comparatives for the previous year. During 2022 the Group realised a loss on the technical account of USD$33.7 million (2021: loss of USD$16.3 million).

	2022 USD'000	2021 USD'000
Earned premiums, net of reinsurance	35	88,836
Claims incurred, net of reinsurance	(19,154)	(90,206)
Net operating expenses	(14,593)	(14,924)
Balance on the technical account	**(33,712)**	**(16,294)**
Claims incurred by class of business:		
Property	(4,355)	61
Liability	(11,431)	(54,541)
Marine, Aviation and Transport	(426)	(2,981)
Reinsurance – Casualty	(2,588)	(30,186)
Reinsurance – Marine, Aviation and Transport	(668)	(357)
Reinsurance – Property	314	(2,202)
Total claims incurred	**(19,154)**	**(90,206)**

The Group's technical result for the year ended 31 December 2022 was largely driven by adverse claims valuation outcomes for CWIL and AGF. CWIL reserves were strengthened to reflect excess inflation as well as material deteriorations on both US pollution and US abuse claims, while reserve strengthening in AGF reflected higher average costs of mesothelioma claims.

A.3 Performance from investment activities

The table below shows the investment income for the CHUK Group for the year end 31 December 2022, together with comparatives for the previous year.

	2022 USD'000	2021 USD'000
Net investment income	17,681	15,574
Net investment expense	(427)	(434)
Net realised (losses)/gains	(2,884)	11,678
Changes in fair value	(42,426)	(17,744)
Net investment result	**(28,056)**	**9,074**

Total investment returns in 2022 were a loss of USD$28.1 million (2021: profit of USD$9.1 million). The negative returns for the year were driven by unrealised losses on fixed income funds. Fixed interest securities experienced heavy losses during the year driven by inflation, interest rate rises and the war in Ukraine.

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.

	2022 USD'000	2021 USD'000
Write back of negative goodwill	-	1,204
Management fees	37,289	11,047
Administrative expenses	(36,317)	(10,228)
Foreign exchange gains/(losses)	1,494	(414)
Tax credit	777	9,554

In the CHUK Group UK GAAP financial statements, negative goodwill from the acquisition of AGF was fully amortised in 2021.

Management fees and administrative expenses included the expenses incurred within the CHUK Group on behalf of other CHBL companies. These expenses were recharged as management fees to the respective companies. Administrative expenses of USD$36.3 million were higher than prior year (2021: USD$10.2 million) driven by an increase in headcount to support broader Catalina group servicing activities. The majority of these costs were recovered from other CHBL companies and this was reflected in the higher management fees of USD$37.3 million compared to prior year (2021: USD$11.0 million).

The foreign exchange gains of USD$1.5 million (2021: loss of USD$0.4 million) arose from translation of Sterling and Euro assets and liabilities into USD for CHUK group reporting.

The tax credit of USD$ 0.8million was driven by an increase in the deferred tax assets recognised in respect of the group’s carried forward tax losses.

A.5 Any other disclosures

Not applicable.

B. System of Governance

B.1 General Governance arrangements

The day to day running of the legal entities within the CHUK Group were treated and managed, so far as is practicable, as a single entity. Accordingly, the managers, Boards and directors are aligned and mostly the same for each entity with the same business model and strategic objectives. Prior to the Part VII transfer, references to “the Board” were collectively to the Boards of the three UK dual-regulated entities (CWIL, CLL and AGF). As a result of the Part VII transfer, there will be a single board for the remaining regulated entity of CWIL.

The governance structures and policies are prepared on a UK group wide basis which is documented in a Governance and Internal Control (“GIC”) Framework. Within the CHUK Group, each legal entity operates under a Board of directors. All Boards operate under agreed Terms of Reference.

The Boards of the dual-regulated entities comprise:

- Three independent non-executive directors (“INED”);
- One non-executive director (group nominated);
- Chief Executive Officer (“CEO”);
- Chief Financial Officer (“CFO”); and
- UK Claims Director.

The CSUK Board comprises the CEO, CFO, 1 Executive Director, 1 Group Non-Executive Director, 1 INED Chair, who is also the INED Chair of the UK regulated insurance companies.

Within CHUK Group there is 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 for the four required key functions:

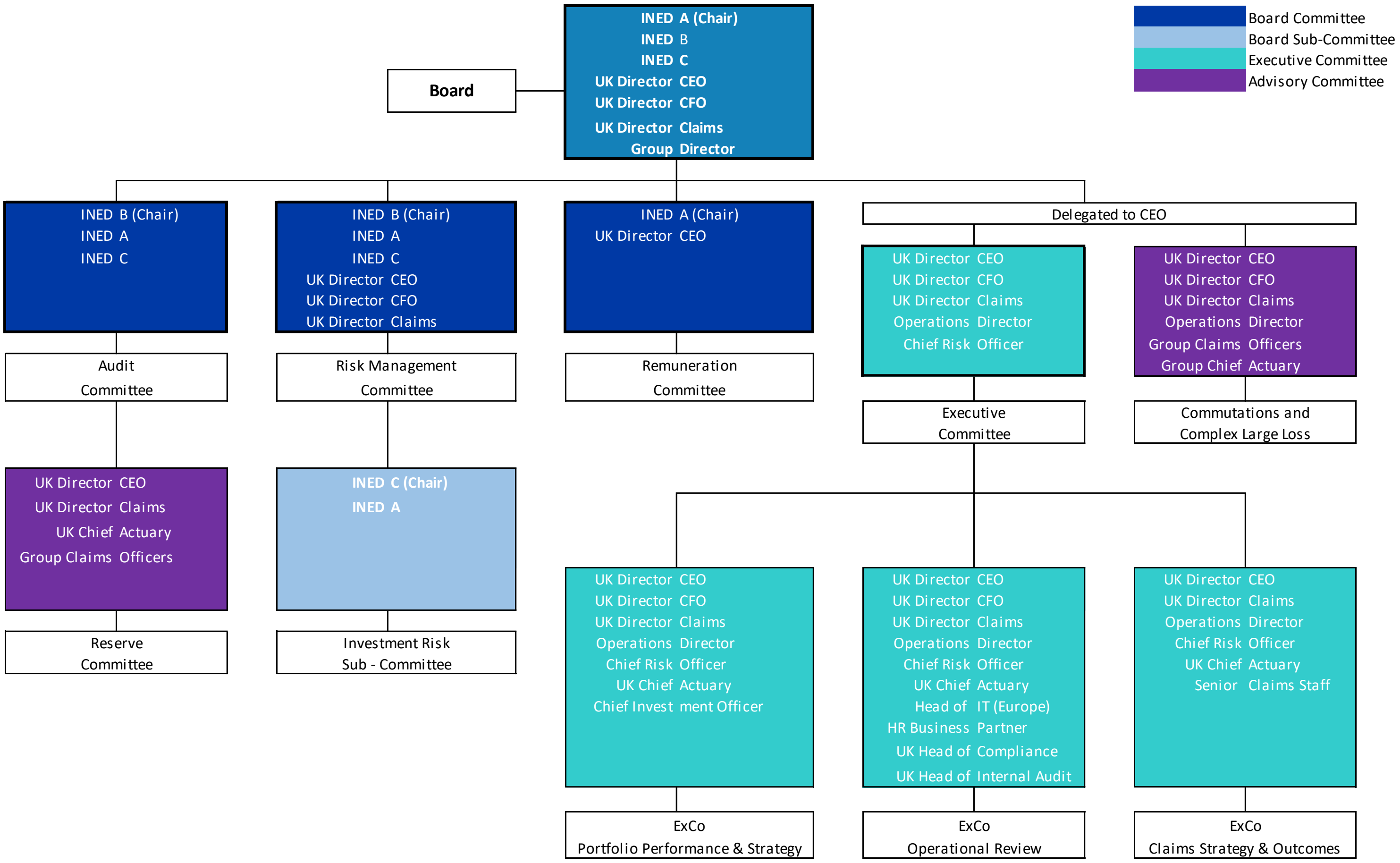
- Risk management;
- Actuarial;
- Compliance; and
- Internal audit.

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

Target Operating Model

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

The following summarises the current TOM for the UK regulated insurance companies:



Board Risk Management Committee

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

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

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

A Board level Investment Risk Sub Committee supports the Risk Management Committee to provide further challenges to the CIO on specific investment issues and thematic trends in financial markets relevant to the Company.

Board Audit Committee

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

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

The following committees are not committees of the Board but comprises executives from within the CHUK Group as well as the wider Catalina group. They act in an advisory capacity to the Board.

Executive Committee

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

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

Reserving Committee

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

Commutations and Complex Large Loss Committee

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

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

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

Investments

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

Remuneration Policy

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

As a group, Catalina has applied the principle of proportionality to requirements regarding remuneration. There is a Remuneration Committee to oversee the application of the Remuneration policy.

The objectives of the Remuneration policy are to ensure that:

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

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

B.2 Fit and proper requirements

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

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

Solvency II requirements

Solvency II requires that for CHUK Group "all persons who effectively run the undertaking or have other key functions are Fit and Proper at all times". 'Fit and Proper' persons must have the appropriate professional qualifications, knowledge and experience to enable them to perform their duties and fulfil their obligations, as well as being of good repute and integrity. Key functions are defined as all functions considered important or critical in the system of governance, including at least the Risk Management, Compliance, Internal Audit and Actuarial functions. The requirement for Fit and Proper extends to the Board, which collectively asserts that it has the qualifications, knowledge and experience to be able to provide for the sound and prudent management of the 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 FCA/PRA–designated Senior Management functions seek PRA and/or FCA approval prior to taking up their position. Each Company manages these requirements in accordance with the Senior Managers and Certification Regime ("SM&CR").

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

- It is clear who has which of those responsibilities;

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

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

The following table sets out the senior management functions and key function holders for the three dual-regulated firms within the UK Group as at 31 December 2022:

Senior Manager Role	SMF	Key function holder
Chairman	SMF9	Tony Mason
Chair Audit Committee	SMF11	Penny Shaw
CEO	SMF1	Graeme McAndrew
Head of Compliance	SMF16	Philip Parsons
Executive Director	SMF3	Guy Lether
Group Entity Senior Manager, Non-executive Director	SMF 7	Andrew Diaz-Matos
Chair Risk Committee	SMF10	Penny Shaw
Independent Non-executive Director		Walt Gontarek
Chief Financial Officer	SMF2	Gregg Jarvis
Chief Actuary	SMF20	Emma Burrows
Chief Risk Officer	SMF4	Chris Porter
Head of Internal Audit	SMF5	Stephanie McIvor-Oakley
Money Laundering Reporting Officer	SMF17	Philip Parsons
Head of IT	SMF24	Rhian Duff
Operations Director	SMF24 (pending) SMF18	Darren Rowswell
Other overall responsibility:		
Chief Investment Officer	SMF18	Philipp Waldstein

The UK Head of Compliance keeps the PRA informed of persons filling the designated roles and reviews that they meet the fitness and probity requirement on an ongoing basis. A person filling a controlled function must be:

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

These checks are conducted independently to any checks performed by the PRA under its own fit and proper review. Checks include: 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	Key function holder
Human Resources	Camilla Maxwell
Head of Outwards Reinsurance	Gary Pollard
Technical Operations	Emma King
Head of UK Property Claims	Simon Craigs
Head of UK Direct Claims	Rebecca Payton
Head of Assumed Claims	Venetia Bucci

B.3 Risk management system

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

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

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

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

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

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

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

Own Risk and Solvency Assessment

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

The Board and senior management are integrated into the ORSA process as they are engaged to challenge, discuss and debate risk. The ORSA process allows management, the Risk 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 Q2 2022. The result of the Board's review forms the basis for the future strategy of the business and for the following year's ORSA.

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 during the year ended 31 December 2022.

B.4 Internal control system

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

The importance of appropriate internal controls is promoted within Catalina Group. 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:

iii. ensuring that all employees are aware of their role in the internal control system as per the Fit and Proper Policy;
iv. ensuring consistent communication and implementation of the internal control systems;
v. establishing monitoring and reporting mechanisms to review and report the decision making processes; and
vi. providing appropriate training to all employees.

Compliance Function

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

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

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

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

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

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

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

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

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

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

Whistleblowing

There is both a Catalina Group and a Catalina UK Whistleblowing Policy. The UK Policy contains all of the necessary referrals as required under the FCA rules, including an independent "Whistleblowing Champion". At present this is the Chair of the Board. The Catalina intranet has a link to allow easy access to the whistleblowing hotline and a reporting facility. Reports may be made anonymously if the whistleblower so wishes. As part of the induction process the Policy is included. Catalina takes whistleblowing reports seriously and to protect anyone who makes a complaint in good faith. Ethics training undertaken for all staff across the Catalina Group includes whistleblowing.

B.5 Internal audit function

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

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

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

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

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

B.6 Actuarial function

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

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

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

B.7 Outsourcing

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

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

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

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

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

The CHUK Group has a Third Party Risk Management (including 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 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 of each legal entity is ultimately responsible for the approval and termination of its outsourcing arrangements of critical or important functions or activities. Critical or important functions or activities include key functions of the system of governance and all functions that are fundamental to carry out its core business.

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

B.8 Assessment of Governance

Significant work has been undertaken to future-proof the Catalina governance model and to ensure it is proportionate to the nature, scale and complexity of the operations of the Group.

C. Risk Profile

Following the Part VII transfer of AGF and CLL into CWIL on 30 November 2022, CWIL becomes the principal operating insurance subsidiary within the CHUK Group. As at 31 December 2022, the CHUK Group risk profile broadly reflects the CWIL risk profile.

Risks within the standalone CHUK 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 entities. The ability of the Company to service its debt is also dependent on the risks within its subsidiaries for these determine the ability to upstream capital to service the debt.

As a service company, CSUK carries no reserve risk, has no market risk since its surplus is held in cash, and carries no significant counterparty credit risk. During 2021, CSUK entered into a claims servicing arrangement with CatGen on behalf of the National Housing Building Council reinsurance deal. In 2022, CSUK commenced providing claims handling services on behalf of the Zurich UK employers liability portfolio. As CSUK has a very modest balance sheet, the operational risk arising from the outsourcing of claims handling to it is recognised by CatGen agreeing to indemnify CSUK for any losses incurred providing claims servicing on its behalf. Any counterparty credit risk arising out of non-payment by debtors is minimal as its debtors are predominantly CHBL companies and balances are settled on a quarterly basis.

The analysis below outlines, in general, the nature of the risk that affects the CHUK Group.

C.1 Underwriting (Liability) Risk

C.1.1 Risk exposure

CWIL has been in run-off since 2012 (with the vast majority of the book having been in run off since 1992), AGF since 1998, and CLL since 2005. Following the Part VII transfer of AGF and CLL into CWIL on 30 November 2022, the only entity in the Group with insurance risk exposure is CWIL. As at 31 December 2022, there were 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. As CWIL is no longer exposed to losses from new events, these risks are limited to reserve risk, i.e., the risk of losses due to the adverse development of loss reserves. CWIL does not have a pre-determined tolerance for insurance risk but the 1-in-20 value at risk from a reserve risk standpoint obtained from Catalina's Internal Capital Model (ICM) is monitored quarterly to assess how the reserve volatility changes over time.

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

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

CWIL has established robust systems and controls to ensure that claims settlement is performed according to its guidelines, within the authorities given to each adjuster, and to establish appropriate reporting requirements.

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

Within CWIL most of the remaining gross exposures relates to asbestos, and hearing impairment claims, arising from employer's liability business in the UK and asbestos, pollution and health hazard losses arising from direct and treaty involvements in the US. In 2022 a reserve strengthening was recognised in relation to US pollution, US abuse and UK asbestos claims. The experience on US pollution is mostly driven by specific insureds and on US abuse is both updated information on known cases on the direct book and on the assumed book an increase in reported exposures through extended statute of limitation windows. The experience on UK asbestos stems from recognition of higher future inflation expectation.

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 risk exposure. CWIL further enforces a policy of actively managing and promptly pursuing claims, to reduce its 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.

Notwithstanding the impact of inflation, 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 through reinsurance. For the CWIL legacy business, an 80% quota reinsurance arrangement with CatGen, a Bermuda based reinsurer which is part of the Catalina Group, significantly reduces the net exposure.

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

C.2 Market Risk

C.2.1 Risk exposure

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

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

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

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

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

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

Interest rate risk

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

The Group is exposed to interest rate risk as CWIL's investments are 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.

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

The Group's main source of interest rate exposure is fixed-rate cash bonds of which they hold different types, primarily corporate and government bonds. There are also holdings of other asset types, such as municipal bonds and several types of securitized products. Many of those have floating-rate coupons so have little rate exposure.

Led by the CIO, investments are managed by the Catalina asset management team which makes use of key rate durations, effective duration, historical duration, simulated Value at Risk ("VaR"), modified duration, spread duration and deterministic stress tests to measure interest rate risk.

Management actively monitors interest-rate risk, primarily through use of key rate durations and effective duration. Limits on effective duration are specified in the Investment Guidelines, which are modelled using data from Bloomberg. The CIO is responsible for market risk compliance reporting to the respective Boards with reporting at the Risk Committees independently verifying key risk metrics.

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

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

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

	Pre-tax profit		Shareholders' equity	
	2022	**2021**	**2022**	**2021**
	USD'000	**USD'000**	**USD'000**	**USD'000**
1% increase	(8,410)	(21,145)	(8,410)	(21,145)
1% decrease	8,410	21,145	8,410	21,145

Foreign exchange risk

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

The CHUK Group subsidiaries 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 2022. 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	**2022**	**2021**
	USD'000	**USD'000**
USD / GBP		
10% increase in USD/GBP exchange rate	(27,541)	(28,872)
10% decrease in USD/GBP exchange rate	27,541	28,872
USD / EUR		
10% increase in USD/EUR exchange rate	(420)	(55)
10% decrease in USD/EUR exchange rate	420	55

Other price risk

The Group 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 Group has 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:

	2022	**2021**
	USD'000	**USD'000**
1% increase		
Movement in fair value of share and other variable securities in unit trusts	11	43
Movement in fair value of debt securities and other fixed income securities	1,678	2,822
Movement in fair value of other financial investments	1,973	1,521
1% decrease		
Movement in fair value of share and other variable securities in unit trusts	(11)	(43)
Movement in fair value of debt securities and other fixed income securities	(1,678)	(2,822)
Movement in fair value of other financial investments	(1,973)	(1,521)

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

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

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

Quarterly scenario testing is performed based on various past market distress events to understand the implication of changes in asset mix and duration. For the management of interest rate risk this takes the form of matching asset cashflow duration with maturities of liabilities 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 each company's risk management reporting packs.

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

Market risk is tracked in various ways, including rate and spread durations, asset liability management and historic stress tests. The Group's 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 the Group's risk appetite in respect of individual and sector concentration, effective duration, credit quality, and exposure to emerging markets and high yield instruments. Adherence to these measures forms part of the regular investment risk reporting.

C.3 Credit Risk

C.3.1 Risk exposure

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

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

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

The following table shows aggregated credit risk exposure for assets with external credit ratings. The table also shows the carrying value of assets that are neither past due nor impaired, the ageing of assets that are past due but not impaired and assets that have been impaired. The factors considered in determining whether the value of an asset is impaired are: analysis of impairment, ageing of balances, past loss experience, current economic conditions and other relevant circumstances.

	2022 USD'000	**2021 USD'000**
By class of asset:		
Financial investments	1,106	2,240
Debt securities and other fixed income securities	167,759	282,230
Other investments	197,287	152,109
Investments in group undertakings and participating interests	27,366	18,548
Assets arising from reinsurance contracts held	372,999	398,542
Cash and cash equivalents	153,503	160,626
Other assets	64,864	89,470
Total assets bearing credit risk	**984,884**	**1,103,765**

	2022 USD'000	**2021 USD'000**
By credit rating:		
AAA	25,002	62,339
AA	113,388	123,923
A	180,386	199,239
BBB	146,797	213,965
Below BBB or not rated	519,311	504,209
Total assets bearing credit risk	**984,884**	**1,103,765**

	2022 USD'000	**2021 USD'000**
Financial assets past due or impaired		
Neither past due nor impaired	44,707	50,307
Past due less than 30 days	102	685
Past due 31 to 60 days	1,850	1,866
Past due 61 to 90 days	336	214
Past due more than 90 days	5,339	8,079
Total financial assets past due or impaired	**52,334**	**61,151**

Within the total financial assets past due or impaired, is a total impairment against insurance and reinsurance operations at 31 December 2022 of USD$44.1 million (2021: USD$26.1 million).

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

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

The Group is also exposed to credit risk via its investment portfolio. The CHUK 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 CIO, coupled with regular convening of the advisory Investment Committee and monitoring by the Board Risk Management Committee, ensure that Investment Guidelines are adhered to. There are specific concentration limits with regard to both sectors which can be invested in and individual obligors. The CIO is responsible for credit risk compliance reporting to the Board and the Risk Committee.

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

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

C.4 Liquidity Risk

C.4.1 Risk exposure

Liquidity risk is the risk that the 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 Group's 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 CFO, Group Treasurer and/or CIO 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 assets encumbered by Letter of Credit or Trusts is supplied to the Board. In addition, a quarterly analysis of estimated time to liquidate assets from the portfolio is presented during the Risk Committee to establish exposure to illiquid positions.

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

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**
	2022	**2022**	**2022**	**2022**
	USD'000	**USD'000**	**USD'000**	**USD'000**
Financial liabilities and claims outstanding				
Claims outstanding	48,029	167,476	376,513	592,018
Deposits received from reinsurers	4,598	16,032	36,044	56,674
Creditors arising out of reinsurance operations	10,322	-	-	10,322
Other creditors including taxation and social security	25,285	-	-	25,285
Accruals and deferred income	8,767	-	-	8,767
	97,001	**183,508**	**412,557**	**693,066**

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

C.5 Operational Risk

C.5.1 Risk exposure

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

Management adopts an approach to operational risk in proportion to the size of each company and its operations. Management believes strongly in setting performance precedents for staff, and ensuring as far as practicable the maintenance of our business systems.

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

The services provided by CSUK to the UK regulated companies are done so under a service level agreement. The services provided by CSUK under this agreement are monitored routinely by both the CSUK and UK company Boards and Committees to ensure operational risks are managed and mitigated.

C.6 Other Material Risks

Strategic Risk

In the beginning of 2023, Catalina made the strategic decision to shift away from bidding on broker distributed property and casualty business opportunities in the short-term horizon to focus on non-property & casualty opportunities to diversify the Catalina balance sheet from an exposure standpoint. In the short-term this will have no effect on the CHUK Group's business plans and operations. Any longer term risk from a smaller business will be actively monitored to assess such risks and determine appropriate remediation activities.

Inflation Risk

After a long period of subdued inflation and strong downward pressure on prices at the beginning of the COVID-19 pandemic, inflation increased sharply during the course of 2021 and continued in 2022. Inflation is generally measured as a year on year % change, UK CPI was 10.5% and US CPI was 6.5% in the 12 months to December 2022. The potential impacts of inflation on the Group are on the cost of settling claims, investment returns and operating expenses.

The UK Board will continue to actively monitor and mitigate inflation risk in 2023 with particular emphasis on ensuring inflation drivers used for determining claim reserves and the investment portfolio strategic asset allocation remain appropriate. The asset-liability matching programme within operation for the Group's regulated insurance company is reviewed annually to consider the particular types of inflation.

Geopolitical Risk

The on-going conflict between Russia and Ukraine which commenced in February 2022 and the resulting sanctions against Russia and Belarus has created market volatility and uncertainty. The exposure to Russia and Belarus on a direct or indirect basis is not material. The directors will continue to be vigilant in monitoring the position, particularly with the wider implications to supply chains and commodity pricing compliance with applicable sanction laws and any necessary exit strategies.

Cyber Security Risk

Cyber threats are expected to persist in 2023 and increasing levels of sophistication are anticipated. High profile cyber security incidents have continued to impact corporates globally due to the increased use of destructive malware/ransomware exacerbated also by a change in working practices, the Group has applied lessons learned from industry events in 2022 to strengthen its operational resilience.

The Group through its CISO has an active cyber security enhancement plan to reinforce its defences against rising external threats. These include on-going enhancements to vulnerability management, data protection, security logging & monitoring, incident response and controls monitoring. Cyber educational efforts are also considered to mitigate this risk. Catalina recognises the seriousness of the threats posed and the need to mitigate the operational risks posed by cyber security breaches.

Sustainability Risk

The Board has responsibility for considering climate-related matters and risks. While presently, there are no regulatory requirements for managing the financial risks of climate change, there are increasing expectations. Actively researching and integrating ESG factors into Catalina's broader risk management framework as part of sustainability risk monitoring is becoming more important. Environmental risks are managed through the following:

- *Environmental, Social and Governance ("ESG")*
  The Group recognises the risks of climate change and has an ambition to pursue an ESG agenda. The Group has adopted the broader Catalina Group ESG policy and through this established a UK ESG Committee. The UK ESG Committee is tasked to promote the intentions of the ESG policy and the need to engage in wider society by playing a part in ensuring consideration of the environment in business decisions, including for example where to invest, how to reduce the carbon footprint and to promote the contribution to the community.

- *Investment Decisions*
  The Group has reviewed its approach to investments in light of the ESG policy. This is driven by a conviction that ESG considerations are increasingly relevant as a performance driver. A responsible investment policy has been designed for the broader Catalina Group. Aggregate exposures to carbon intensive industries are maintained and as yet due to the minor carbon intensive investment exposure within the Group, no divestment has been required.

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 2022	Valuation Differences 2022	Reclassified UK GAAP 2022	Financial Statements Value 2022	Note
	USD'000	USD'000	USD'000	USD'000	
Deferred Tax Assets	-	10,342		10,342	1
Property Plant and Equipment Held for Own Use	918	-		918	2
Holdings in Related Undertakings Incl Participations	-	-	27,366	27,366	3
Equities Listed	-	-	-	-	4
Equities Unlisted	28,472	-	(27,366)	1,106	5
Government Bonds	21,070	-	(80)	20,990	6
Corporate Bonds	148,202	-	(2,365)	145,837	7
Collateralised Securities	471	-	462	933	8
Collective Investments Undertakings	198,900	-	(1,621)	197,279	9
Derivatives	-	-	8	8	10
Deposits Other than Cash Equivalents	65,025	-	(64)	64,961	11
Loans and Mortgages	-	-	-	-	12
Reinsurance Recoverables	279,119	93,880	-	372,999	13
Deposits to Cedants	8,583	-	-	8,583	14
Insurance and Intermediaries Receivables	5,526	-	-	5,526	15
Reinsurance Receivables	20,957	-	-	20,957	16
Receivables – Trade not Insurance	10,514	3,135	264	13,912	17
Cash and Cash Equivalents	88,542			88,542	18
Other Assets	-	1,228	3,396	4,626	19
Total Assets	**876,299**	**108,585**	**-**	**984,884**	

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

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. Deferred Tax Assets

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

2. 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.

3. Investments in Group Undertakings and Participating Interests

Investments in group undertakings and participating Interests represents a 31.9% (2021: 21.5%) holding in a private company incorporated in Bermuda that invests in commercial real estate properties across the UK and a 44.1% (2021: 44.1%) holding in a private company incorporated in Guernsey that invests in real estate properties located in the UK.

For CHUK financial statement purposes there is USD$27,366k (2021: USD$18,548k) reported as "Holdings in Related Undertakings Incl. Participations" which, for the purposes of Solvency II disclosure, has been reported as Equities Unlisted.

4. Equities Listed

The Group does not have any listed equities as at 31 December 2022 (2021: USD$2,192k). 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.

5. Equities - Unlisted

Equities unlisted include USD$27,366k (2021: USD$18,596) 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$1.1k (2021: USD$0.3k) 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.

6. 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 adjust for the elapsed time from a trade date to the valuation date to take into account available market information. Lacking recently reported trades, pricing vendors will use modelling techniques to determine a security price. The valuation basis for Solvency II is consistent with the CHUK Financial Statements basis.

For Solvency II purposes within "Government Bonds" the Solvency II valuation includes Accrued interest of USD$80k (2021: USD$16k). For CHUK Financial Statements purposes, Accrued Interest forms part of Prepayments and Accrued Income within Other Assets.

7. 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 adjust for the elapsed time from a trade date to the valuation date to take into account available market information. Lacking recently reported trades, pricing vendors will use modelling techniques to determine a security price. The valuation basis for Solvency II is consistent with the Company Financial Statements basis.

The Solvency II valuation includes Accrued interest of USD$2,365k (2021: USD$3,062k). For CHUK Financial Statements purposes, Accrued Interest forms part of Prepayments and Accrued Income within Other Assets.

8. Collateralised Securities

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

The Solvency II valuation includes Accrued interest of USD$1k (2021: USD$146k). For CHUK Financial Statements purposes, Accrued Interest forms part of Prepayments and Accrued Income.

As at 31 December 2022, USD$462k of securities issued by mortgage associations are reported as Mortgage-Backed Securities in the CHUK Financial Statements and reclassified to Corporate Bonds for Solvency II reporting purposes.

9. 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.

The Solvency II valuation includes Accrued Income of USD$1,613k (2021: USD$10k). For CHUK Financial Statements purposes, Accrued Interest forms part of Prepayments and Accrued Income.

10. 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.

Derivative asset of $8k relates to investment in an entity that undertakes credit spread hedging for Catalina UK companies. This is reported as Derivatives in the Financial Statements but reclassified to Collective Investment Undertakings for Solvency II reporting purposes.

Derivative liabilities of $631k are shown in the Liabilities section of the Solvency II balance sheet.

11. 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.

The Solvency II valuation includes Accrued interest of USD$64k (2021: USD$3k). For CHUK Financial Statements purposes, Accrued Interest forms part of Prepayments and Accrued Income.

12. Loans and Mortgages

As at 31 December 2022, the Group does not have any investment in loans and mortgages.

As at 31 December 2021, the Group's investment in loans and mortgages direct commercial loans of USD$41,695k, where the actual value of the loan provided is considered the best indicator of fair value. The valuation for Solvency II purposes includes Accrued Interest of USD$632k.

13. Reinsurance Recoverables

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 valuation adjustment of USD$93,880k (2021: USD$31,741k), refer Section D.2 Technical Provisions.

14. 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.

15. Insurance and Intermediaries Receivables

Insurance and intermediaries receivables of USD$5,526k (2021: USD$5,674k) 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.

16. Reinsurance Receivables

The valuation basis for reinsurance receivables within the CHUK Financial Statements and Solvency II balance sheet is undiscounted. Determination of fair value for Reinsurance Receivables for Solvency II and Financial Statements is after consideration of impairment of any amounts receivable.

17. Receivables – trade not insurance

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

Receivables – trade not insurance, comprise an inter-company debt representing future administration fees recoverable from CatGen. These amounts are in addition to the terms of the 80% reinsurance protection afforded under the CWIL 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, resulting in a valuation adjustment of USD$3,135k (2021: USD$2,100k) compared to the CHUK Financial Statements valuation.

18. 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.

19. Other Assets

Prepayments of USD$1,228k (2021: USD$902k) are deemed to have a fair value of nil for Solvency II purposes. Accrued interest of USD$3,396k (2021: USD$3,901k) 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 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 a 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 2022. The lines of business can represent direct, proportional reinsurance or non-proportional reinsurance liabilities.

	Gross Best Estimate 2022 USD'000	**Risk Margin 2022 USD'000**	**Solvency II Provisions 2022 USD'000**	**Financial Statement Value 2022 USD'000**
By material line of business:				
Liability	435,369	31,187	466,556	553,405
Property	14,847	1,063	15,910	19,268
Marine, Aviation and Transport	4,479	321	4,800	9,291
Annuities stemming from non-life insurance contracts	9,381	672	10,053	10,054
	464,076	**33,243**	**497,319**	**592,018**

	2021 USD'000	**2021 USD'000**	**2021 USD'000**	**2021 USD'000**
By material line of business:				
Liability	576,415	49,067	625,482	597,176
Property	11,442	752	12,194	12,355
Marine, Aviation and Transport	8,233	658	8,891	8,813
Other	259	32	291	267
Annuities stemming from non-life insurance contracts	19,624	1,660	21,284	20,721
	615,973	**52,169**	**668,142**	**639,332**

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

Increase /(decrease)	2022 USD'000	2021 USD'000
Events Not In Data (ENID) included in Solvency II TPs	18,222	18,082
Expense Provision increase included in Solvency II TPs	22,156	23,389
Discounting at the Risk Free Rate	(168,320)	(64,830)
Risk Margin	33,243	52,169
Total Solvency II Liability Adjustments	**(94,699)**	**28,810**

The total of the Solvency II Liability adjustments above result in the gross Best Estimate Liabilities on the Solvency II balance sheet being USD$94.7 million lower (USD$28.8 million higher in 2021) than the gross technical provisions of USD$592.0 million (USD$639.3 million in 2021) in the CHUK 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;
- Events 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. The Solvency II expense provision has been determined with reference to an analysis of the 2023 business plan, and an underlying assumption that in the event of run-off, costs can be apportioned to newly acquired business across the Group, with only essential activities maintained to support the CWIL liabilities; and
- Risk free rates: these rates are prescribed and provided by the Bank of England ("BoE").

The Group'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 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 2022.

Solvency II Classification 2022	Solvency II Value 2022 USD'000	Valuation Differences 2022 USD'000	Reclassification Differences 2022 USD'000	Financial Statements Value 2022 USD'000	Note
Deposits from Reinsurers	56,674	-	-	56,674	1
Derivatives	631	-	-	631	2
Reinsurance Payables	10,322	-	-	10,322	3
Payables – Trade not Insurance	33,421	-	-	33,421	3
	101,048	**-**	**-**	**101,048**	

2021	Solvency II Value 2021 USD'000	Valuation Differences 2021 USD'000	Reclassification Differences 2021 USD'000	Financial Statements Value 2021 USD'000	Note
Deposits from Reinsurers	63,400	-	-	63,400	1
Derivatives	51	-	(44)	7	2
Reinsurance Payables	14,107	-	-	14,107	3
Payables – Trade not Insurance	10,949	-	-	10,949	3
Total Other Liabilities	**88,507**	**-**	**(44)**	**88,463**	

1. Deposits from Reinsurers

   For Company Financial Statements purposes, deposits from reinsurers are measured at amortised cost of USD$56,674k (2021: USD$63,400 k).

2. Derivatives

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

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

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

D.4 Alternative methods for valuation

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

D.5 Any other information

There are no material differences in the valuation bases, methods and assumptions between the Group Solvency II Balance Sheet and the Solo Solvency II Balance Sheets of the Group's subsidiaries.

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 Group in order that it can meet its obligations. The Group manages capital to ensure a prudent level of Own Funds to protect its economic viability 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.

For the insurance and other subsidiaries within the CHUK Group, all Own Funds are similarly categorised as Tier 1.

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

	Tier 1 2022 USD'000	Tier 2 2022 USD'000	Tier 3 2022 USD'000	Total 2022 USD'000
Basic own funds				
Ordinary Share Capital	1,000	-	-	1,000
Reconciliation Reserve	276,932	-	-	276,932
Total basic own funds	**277,932**	**-**	**-**	**277,932**
	2021 USD'000	**2021 USD'000**	**2021 USD'000**	**2021 USD'000**
Basic own funds				
Ordinary Share Capital	1,000	-	-	1,000
Reconciliation Reserve	299,204	-	-	299,204
Total basic own funds	**300,204**	**-**	**-**	**300,204**

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

Reconciliation between Opening and Closing own funds	2022 USD'000	2021 USD'000
Opening own funds	**300,204**	**272,136**
Movement in Statutory Account Capital Reserve	-	14,044
Movement Financial Statements Retained Deficit	(58,525)	3,942
Movement Financial Statements Currency Translation Reserve	(25,627)	(3,885)
Movement Solvency II Asset Valuation and Reclassification differences – refer Section D.1 Assets	(61,673)	(30,799)
Movement Solvency II Liability Valuation differences – refer Section D.2 Liabilities	123,509	44,810
Movement Solvency II Liability Valuation and Reclassification differences – refer Section D.3 Liabilities	44	(44)
Closing Own Funds	**277,932**	**300,204**

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

Reconciliation Reserve Components	**2022**	**2021**	**Movement**
	USD’000	**USD’000**	**USD’000**
Financial Statements Capital Reserve	**386,100**	**386,100**	**-**
Financial Statements Retained Deficit	(90,575)	(32,050)	(58,525)
Financial Statements Currency Translation Reserve	(4,707)	20,920	(25,627)
Solvency II Asset Valuation and Reclassification differences – refer Section D.1 Assets	(108,585)	(46,912)	(61,673)
Solvency II Technical Provision Valuation differences – refer Section D.2 Liabilities	94,699	(28,810)	123,508
Solvency II Other Liability Valuation and Reclassification differences – refer Section D.3 Other Liabilities	-	(44)	44
Total Solvency II Excess of Assets over Liabilities	**276,932**	**299,204**	**(22,273)**

The eligibility of tiered Capital to cover the SCR and Minimum Consolidated Group Capital Requirement (“MCR”) depends on the tiering levels of its Own Funds. The Group 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 2022 USD'000**	**Tier 2 2022 USD'000**	**Tier 3 2022 USD'000**	**Total 2022 USD'000**
Total available own funds to meet the SCR	277,932	-	-	277,932
Total available own funds to meet the MCR	277,932	-	-	277,932
Total eligible own funds to meet the SCR	277,932	-	-	277,932
Total eligible own funds to meet the MCR	277,932	-	-	277,932
SCR				**146,362**
MCR				**36,591**
Ratio of Eligible own funds to SCR				**190%**
Ratio of Eligible own funds to MCR				**760%**

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

E.2 Solvency Capital Requirement and Minimum Consolidated Group SCR

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

	2022 USD'000	2021 USD'000
By risk module		
Market risk	102,511	114,434
Default risk	9,566	13,176
Non-life risk	55,789	75,168
Health risk	-	475
Life risk	115	239
Basic SCR before diversification	**167,981**	**203,492**
Diversification Benefits	(35,307)	(45,346)
Basic SCR	**132,674**	**158,146**
Operational risk	13,688	17,979
SCR	**146,362**	**176,125**
Minimum Consolidated Group SCR	**36,591**	**44,031**

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

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

The consolidation method (also known as Method 1) has been used to calculate the Group SCR.

In calculating the Group SCR, there are no capital requirements for the financial participations (e.g., credit institutions and financial institutions), no SCRs from the related insurance entities (e.g., JV's and associates), as there are no financial participations nor any related insurance entities. Although there was one operating service company (CSUK) in the Group at year end 2022, it does not have an SCR and so does not contribute to the Group SCR.

The Minimum Consolidated Group SCR is calculated as the sum of the Minimum Capital Requirements of the insurance subsidiaries of the Group.

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

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

E.4 Internal model

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

None.

Appendix 1: Catalina Worthing Insurance Limited solo SFCR sections

Executive Summary

Catalina Worthing Insurance Limited ("CWIL") 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.

On 18 November 2022, the High Court approved a Part VII transfer of the business of AGF and CLL into CWIL. On 30 November 2022 assets of £220.9 million were transferred into CWIL to cover liabilities of £147.6 million. From this date CWIL has an ongoing responsibility for all present and future AGF and CLL insurance and other liabilities. Following the Part VII transfer, CWIL remains the principal operating insurance subsidiary of the CHUK Group.

A. Business and Performance

A.1 Business and external environment

A.1.1 Undertaking, financial supervisory authority

Name of the undertaking:	Catalina Worthing Insurance Limited
Address of its registered office:	1 Alie Street, London E1 8DE
Legal status:	Private Limited Company
Company registration number:	05965916
Legal Entity Identifier (LEI):	213800JEV93JTFJ41Q27
Ultimate parent:	Catalina Holdings (Bermuda) Ltd.
Financial supervisory authority:	Prudential Regulation Authority
	Bank of England, Threadneedle Street, London EC2R 8AH

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 Catalina Holdings UK Limited ("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 Catalina Holdings (Bermuda) Ltd. ("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, Singapore and Switzerland.

CWIL 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 CWIL's business. CWIL'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.

On 18 November 2022, the High Court approved a Part VII transfer of the insurance business of AGF and CLL into CWIL. On 30 November 2022, assets of £220.3 million were transferred into CWIL to cover liabilities of £147.0 million. CWIL's net assets immediately prior to the transfer were £131.5m. Following the Part VII transfer, CWIL has an ongoing responsibility for all present and future AGF and CLL liabilities.

At 31 December 2022, CWIL'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;
- 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;
- Business of AGF, originally incorporated under the name of Employers' Mutual Insurance Association Limited, which wrote predominantly direct Employers' Liability and Public Liability insurance within the UK until 1999; and
- Business of CLL formed through the combination of Alea London Limited (formerly The Imperial Fire and Marine Reinsurance Company), KX Re and OX Re, comprising property and casualty, aviation, marine, motor, personal lines and London Market. OX Re was also a member of a pool that reinsured property and casualty risks written by Community Re between 1979 and 1983. The OX Re book of business was fully commuted in 2022.

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 ended 31 December 2022, together with comparatives for the previous year. During 2022 CWIL realised a technical account loss of £9.2 million (2021: loss of £2.2 million).

	2022	**2021**
	GBP'000	**GBP'000**
Earned premiums, net of reinsurance	(23)	66,749
Claims incurred, net of reinsurance	(3,502)	(64,416)
Net operating expenses	(5,683)	(4,582)
Balance on the technical account	**(9,208)**	**(2,249)**
By class of business:		
Direct Insurance		
Marine, aviation and transport	(397)	269
Property	(3,520)	(223)
Casualty	(737)	766
Reinsurance		
Casualty	(4,208)	(3,161)
Marine/Aviation	(319)	(43)
Property	(27)	143
Balance on the technical account	**(9,208)**	**(2,249)**

Full 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 2022, together with comparatives for the previous year.

	Net investment income	**Net investment expense**	**Net realised gains and losses**	**Changes in fair value**	**Net investment result**
	2021 GBP'000	**2021 GBP'000**	**2021 GBP'000**	**2021 GBP'000**	**2021 GBP'000**
Investments:					
- measured at FVTPL	5,162	(94)	(2,323)	(10,421)	(7,676)
- measured at amortised cost	436	-	-	-	436
	5,598	**(94)**	**(2,323)**	**(10,421)**	**(7,240)**

	2021 GBP'000	**2021 GBP'000**	**2021 GBP'000**	**2021 GBP'000**	**2021 GBP'000**
Investments:					
- measured at FVTPL	3,105	(62)	1,764	(2,291)	2,516
- measured at amortised cost	38	-	-	-	38
	3,143	**(62)**	**1,764**	**(2,291)**	**2,554**

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.

	2022 GBP'000	**2021 GBP'000**
Foreign exchange gains/(losses)	8,590	(191)
Tax credit on results on ordinary activities	1,684	6,650

Commentary on the current year and prior year performance can be found in section A.4 of the main body of the report.

A.5 Any other disclosures

Not applicable.

B. System of Governance

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

C. Risk Profile

CWIL'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. CWIL's risk sensitivities are detailed below.

C.1 Underwriting (Liability) Risk

Following the Part VII transfer of AGF and CLL into CWIL, the CHUK Group's underwriting risk profile is solely made up of CWIL's underwriting risks. Further details are included in section C of the main body of the report.

C.2 Market Risk

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

Interest rate risk	**Pre-tax profit**		**Shareholder's equity**	
	2022	**2021**	**2022**	**2021**
	GBP'000	**GBP'000**	**GBP'000**	**GBP'000**
1% increase	(6,952)	(3,550)	(6,952)	(3,550)
1% decrease	6,952	3,550	6,952	3,550

Foreign exchange risk	**Pre-tax profit**		**Shareholders' equity**	
	2022	**2021**	**2022**	**2021**
	GBP'000	**GBP'000**	**GBP'000**	**GBP'000**
GBP / USD				
10% increase in USD/GBP exchange rate	521	(2,710)	521	(2,710)
10% decrease in USD/GBP exchange rate	(521)	2,710	(521)	2,710
GBP / EUR				
10% increase in USD/EUR exchange rate	(347)	13	(347)	13
10% decrease in USD/EUR exchange rate	347	(13)	347	(13)

Other price risk	**Pre-tax profit**		**Shareholders' equity**	
	2022	**2021**	**2022**	**2021**
	GBP'000	**GBP'000**	**GBP'000**	**GBP'000**
1% increase				
Movement in fair value of share and other variable securities in unit trusts	172	124	172	124
Movement in fair value of debt securities and other fixed income securities	1,387	652	1,387	652
Movement in fair value of other financial investments	1,569	403	1,569	403
1% decrease				
Movement in fair value of share and other variable securities in unit trusts	(172)	(124)	(172)	(124)
Movement in fair value of debt securities and other fixed income securities	(1,387)	(652)	(1,387)	(652)
Movement in fair value of other financial investments	(1,569)	(403)	(1,569)	(403)

C.3 Credit Risk

CWIL'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.

	2022	**2021**
	GBP'000	**GBP'000**
By class of asset:		
Financial investments	17,190	12,351
Debt securities and other fixed income securities	138,678	65,192
Other Financial Investments	208,225	103,145
Assets arising from reinsurance contracts held	347,034	312,499
Assets arising from insurance contracts held	4,568	2,744
Cash and cash equivalents	27,812	21,294
Other assets	2,898	745
Total assets bearing credit risk	**746,405**	**517,970**

By credit rating:	**2022 GBP'000**	**2021 GBP'000**
AAA	19,944	14,434
AA	93,732	67,374
A	96,969	87,673
BBB	117,904	41,815
Below BBB or not rated	417,856	306,674
Total assets bearing credit risk	**746,405**	**517,970**
By past due ageing of debtors:		
Neither past due nor impaired	36,957	34,902
Past due less than 30 days	84	506
Past due 31-60 days	1,529	1,379
Past due 61 – 90 days	278	74
Past due more than 90 days	4,414	3,062
Total financial assets past due or impaired	**43,262**	**39,923**

The total allowance for the impairment of debtors arising out of direct insurance and reinsurance operations at 31 December 2022 is £44.3 million (2021: £25.1 million).

C.4 Liquidity Risk

CWIL'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**
	2022 GBP'000	**2022 GBP'000**	**2022 GBP'000**	**2022 GBP'000**
Financial liabilities and claims outstanding				
Claims outstanding	39,703	138,444	311,245	489,392
Deposits received from reinsurers	3,801	13,253	29,796	46,850
Creditors arising out of reinsurance operations	8,533	-	-	8,533
Other creditors including taxation and social security	2,248	-	-	2,248
Accruals and deferred income	360	-	-	360
	54,645	**151,697**	**341,041**	**547,383**
	2021 GBP'000	**2021 GBP'000**	**2021 GBP'000**	**2021 GBP'000**
Financial liabilities and claims outstanding				
Claims outstanding	25,329	87,373	217,410	330,112
Deposits received from reinsurers	3,596	12,403	30,863	46,862
Creditors arising out of reinsurance operations	8,719	-	-	8,719
Other creditors including taxation and social security	20	-	-	20
Accruals and deferred income	301	-	-	301
	37,965	**99,776**	**248,273**	**386,014**

C.5 Operational Risk

CWIL'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

CWIL'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 2022 GBP'000	Valuation Differences 2022 GBP'000	Reclassified UK GAAP 2022 GBP'000	Financial Statements Value 2022 GBP'000
Equities Unlisted	18,315	-	-	18,315
Government Bonds	17,417	-	(66)	17,351
Corporate Bonds	122,511	-	(1,955)	120,556
Collateralised securities	390	-	381	771
Collective Investment Undertakings	157,092	-	(1,344)	155,748
Derivatives	-	-	7	7
Deposits Other than Cash Equivalents	51,396	-	(51)	51,345
Reinsurance Recoverables	230,733	77,607	-	308,340
Deposits to Cedants	7,095	-	-	7,095
Insurance and Intermediaries Receivables	4,568	-	-	4,568
Reinsurance Receivables	17,324	-	-	17,324
Cash and Cash Equivalents	20,717	-	-	20,717
Receivables (trade not insurance)	10,114	11,053	203	21,370
Other Assets	-	73	2,825	2,898
Total Assets	**657,672**	**88,733**	**-**	**746,405**

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

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

D.2 Technical provisions

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

	Gross Best Estimate	Risk Margin	Total Solvency II Gross Provisions	Total Financial Statements Value
	2022 GBP'000	2022 GBP'000	2022 GBP'000	2022 GBP'000
By material line of business:				
Direct Insurance				
Marine, aviation and transport	2,207	158	2,365	3,737
Fire and other damage to property	4,898	351	5,249	11,345
General liability	276,074	19,777	295,851	342,819
Proportional and Non-proportional Reinsurance				
Casualty	83,824	6,005	89,829	114,654
Marine, aviation and transport	1,496	107	1,603	3,943
Property	7,375	528	7,903	4,583
Annuities relating to insurance obligation	7,755	556	8,311	8,311
Total 2022	**383,629**	**27,482**	**411,111**	**489,392**
	2021 GBP'000	**2021 GBP'000**	**2021 GBP'000**	**2021 GBP'000**
By material line of business:				
Direct Insurance				
Marine, aviation and transport	2,546	143	2,689	2,780
Fire and other damage to property	1,785	100	1,885	5,431
General liability	204,045	11,423	215,468	214,916
Proportional and Non-proportional Reinsurance				
Casualty	85,835	4,805	90,640	87,691
Marine, aviation and transport	1,401	78	1,479	1,528
Property	5,457	306	5,763	2,448
Annuities relating to insurance obligation	14,506	812	15,318	15,318
Total 2021	**315,575**	**17,667**	**333,242**	**330,112**

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.

CWIL has adopted a deterministic approach to estimating Best Estimate Liabilities by making the following adjustments to the GAAP reserves in its company Financial Statements:

Increase /(decrease)	**2022 GBP'000**	**2021 GBP'000**
Event Not In Data (ENID) included in Solvency II Balance Sheet	15,064	9,443
Expense Provision increase included in Solvency II Balance Sheet	18,315	11,949
Discounting at the Risk Free Rate	(139,141)	(35,929)
Risk Margin	27,482	17,667
Total Solvency II Liability Adjustments	**(78,281)**	**3,130**

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 the value of CWIL's other liabilities on its Solvency II Balance Sheet.

Solvency II Classification	**Solvency II Value 2022 GBP'000**	**Valuation Differences 2022 GBP'000**	**Reclassification Differences 2022 GBP'000**	**Financial Statements Value 2022 GBP'000**
Deposits received from Reinsurers	46,850	-	-	46,850
Derivative Liabilities	521	-	-	521
Insurance and Intermediaries	8,533	-	-	8,533
Payables (trade, not insurance)	2,087	-	-	2,087
Total Other Liabilities	**57,991**	**-**	**-**	**57,991**
	2021 GBP'000	**2021 GBP'000**	**2021 GBP'000**	**2021 GBP'000**
Deposits received from Reinsurers	46,862	-	-	46,862
Insurance and Intermediaries	8,719	-	-	8,719
Payables (trade, not insurance)	324	-	-	324
Total Other Liabilities	**55,905**	**-**	**-**	**55,905**

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
	2022	2022	2022	2022
Basic Own Funds	GBP'000	GBP'000	GBP'000	GBP'000
Ordinary Share Capital	158,000	-	-	158,000
Reconciliation Reserve	30,570			30,570
Total basic Own Funds	**188,570**	**-**	**-**	**188,570**
	2021	**2021**	**2021**	**2021**
	GBP'000	**GBP'000**	**GBP'000**	**GBP'000**
Basic Own Funds				
Ordinary Share Capital	158,000	-	-	158,000
Reconciliation Reserve	(59,302)			(59,302)
Total basic Own Funds	**98,698**	**-**	**-**	**98,698**

The following shows the movement in Own Funds:

	2022 GBP'000	2021 GBP'000
Opening own funds	**98,698**	**90,206**
Movement in Capital Account due to Part VII transfer from AGF and CLL	73,240	-
Movement in Financial Statements Retained Deficit	(6,174)	6,764
Movement in Solvency II Asset Valuation differences	(58,605)	(20,188)
Movement in Solvency II Liability Valuation differences	81,411	21,916
Closing Own Funds	**188,570**	**98,698**

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:

	2022 GBP'000	2021 GBP'000	Movement GBP'000
Financial Statements Capital Reserve	93,160	19,920	73,240
Financial Statements Retained Deficit	(52,138)	(45,964)	(6,174)
Solvency II Asset Valuation differences – refer Section D.1 Assets	(88,733)	(30,128)	(58,605)
Solvency II Liability Valuation differences – refer Section D.2 Technical Provisions	78,281	(3,130)	81,411
Total Reconciliation Reserve	**30,570**	**(59,302)**	**89,872**

The eligibility of tiered Capital to cover the SCR and Minimum Capital requirement ("MCR") depends on the tiering levels of its Own Funds. CWIL'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 2022 GBP'000	Tier 2 2022 GBP'000	Tier 3 2022 GBP'000	Total 2022 GBP'000
Total available own funds to meet the SCR	188,570	-	-	188,570
Total available own funds to meet the MCR	188,570	-	-	188,570
Total eligible own funds to meet the SCR	188,570	-	-	188,570
Total eligible own funds to meet the MCR	188,570	-	-	188,570
SCR				**84,819**
MCR				**21,205**
Ratio of Eligible own funds to SCR				**222%**
Ratio of Eligible own funds to MCR				**889%**

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

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”).

	2022 GBP'000	2021 GBP'000
By risk module		
Market risk	43,077	33,111
Default risk	5,748	6,172
Life risk	93	175
Non-life risk	46,147	18,736
Basic SCR before diversification	**95,065**	**58,194**
Diversification Benefits	(21,556)	(13,284)
Basic SCR	**73,509**	**44,910**
Operational risk	11,310	9,097
SCR	**84,819**	**54,007**
MCR	**21,205**	**13,502**

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

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

CWIL does not use the duration-based equity risk sub-module in the calculation of the SCR.

E.4 Internal model

No internal or partial internal model is used in the calculation of CWIL’s SCR.

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

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

E.6 Any other information

Not applicable

Appendix 2: AGF Insurance Limited solo SFCR sections

Executive Summary

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

On 18 November 2022, the High Court approved a Part VII transfer of the business of AGF and CLL into CWIL. On 30 November 2022, the assets and liabilities of the AGF insurance business were transferred into CWIL. On 17 April 2023, the PRA approved Catalina's application for removal of AGF's permissions under Part 4A of the Financial Services and Markets Act 2000. From this date, AGF ceased to be a regulated insurance undertaking while legal formalities to complete its dissolution are concluded.

A. Business and Performance

A.1 Business and external environment

A.1.1 Undertaking, financial supervisory authority

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

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

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

AGF was part of the Allianz SE Group, and was incorporated in 1960 under the name Employers' Mutual Insurance Association Limited. AGF wrote predominately direct Employers' Liability and Public Liability insurance within the UK. It ceased writing new business in 1999 and has since been in run-off. Liabilities are classed as "General Liability" and are based in the UK. AGF's functional and presentational currency is GBP, reflecting the historical distribution of its geographical business mix.

On 30 November 2022, the entire insurance business of AGF was transferred into CWIL by way of a High Court sanctioned Part VII transfer. As at 31 December 2022, AGF does not have any insurance liabilities and is non-operating.

A.2 Performance from underwriting activities

The table below shows the underwriting performance for the year end 31 December 2022, together with comparatives for the previous year.

	2022 GBP'000	**2021 GBP'000**
Earned premiums, net of reinsurance	-	-
Claims incurred, net of reinsurance	(31,478)	(4,608)
Net operating expenses	(3,512)	(3,870)
Balance on the technical account	**(34,990)**	**(8,478)**

All of AGF's insurance business is classed as General Liability for Solvency II reporting purposes.

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

A.3 Performance from investment activities

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

	Net investment income 2022 GBP'000	Net investment expense 2022 GBP'000	Net realised gains and losses 2022 GBP'000	Changes in fair value 2022 GBP'000	Net investment result 2022 GBP'000
Investments:					
- measured at FVTPL	7,954	(186)	(15,205)	(6,266)	(13,703)
- measured at amortised cost	1	-	-	-	1
	7,955	**(186)**	**(15,205)**	**(6,266)**	**(13,702)**

	2021 GBP'000	2021 GBP'000	2021 GBP'000	2021 GBP'000	2021 GBP'000
Investments:					
- measured at FVTPL	7,595	(225)	4,989	(8,725)	3,634
- measured at amortised cost	1	-	-	-	1
	7,596	**(225)**	**4,989**	**(8,725)**	**3,635**

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.

	2022 GBP'000	2021 GBP'000
Foreign exchange gain/(loss)	50	(8)

A.5 Any other disclosures

Not applicable.

B. System of Governance

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

C. Risk Profile

AGF'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 are detailed below.

C.1 Underwriting (Liability) Risk

As at 31 December 2022, AGF does not have any exposure to underwriting (insurance) risk.

C.2 Market Risk

As at 31 December 2022, AGF does not have any material exposures to interest rate, currency or other price risks.

C.3 Credit Risk

As at 31 December 2022, AGF's credit risk exposures mainly arise from its cash holdings. The split of assets by credit rating is detailed in the table below.

	2022 GBP'000	2021 GBP'000
By class of asset:		
Financial investments	-	9,776
Debt securities and other fixed income securities	-	124,684
Other Financial Investments	9,104	59,878
Assets arising from reinsurance contracts held	-	9,797
Assets arising from insurance contracts held	-	1,166
Cash and cash equivalents	14,645	22,913
Other assets	-	3,102
Total assets bearing credit risk	**23,749**	**231,316**
By credit rating:		
AAA	-	29,774
AA	100	13,293
A	14,545	36,223
BBB	-	101,741
Below BBB or not rated	9,104	49,285
Total assets bearing credit risk	**23,749**	**231,316**

As at 31 December 2022, AGF does not hold any financial assets that are past due or impaired.

C.4 Liquidity Risk

As at 31 December 2022, AGF does not have any insurance liabilities and as such it does not have any material liquidity risk exposures.

C.5 Operational Risk

As at 31 December 2022, AGF remains as a non-operating subsidiary of the CHUK Group and as such does not have any material operational risk exposures.

C.6 Other Material Risks

None.

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	Valuation Differences	Reclassified UK GAAP	Financial Statements Value
	2022 GBP'000	2022 GBP'000	2022 GBP'000	2022 GBP'000
Equities Unlisted	5,222	-	-	5,222
Collective Investment Undertakings	3,882	-	-	3,882
Cash and Cash Equivalents	14,645	-	-	14,645
Total Assets	**23,749**	**-**	**-**	**23,749**

	2021 GBP'000	2021 GBP'000	2021 GBP'000	2021 GBP'000
Equities Unlisted	1,051	-	-	1,051
Equities Unlisted	8,725	-	-	8,725
Government Bonds	14,500	-	(8)	14,492
Corporate Bonds	111,694	(1)	(1,653)	110,040
Collateralised Securities	152	-	-	152
Collective Investment Undertakings	35,987	-	(3)	35,984
Deposits Other than Cash Equivalents	3,692	-	(3,692)	-
Derivatives	27	(31)	4	-
Loans and mortgages	24,206	-	(312)	23,894
Reinsurance Recoverables	9,343	(1,068)	-	8,275
Insurance & intermediaries receivable	1,166	-	-	1,166
Receivables (trade, not insurance)	1,520	2	-	1,522
Reinsurance Receivables	145	-	(35)	110
Cash and Cash Equivalents	19,221	-	3,692	22,913
Other Assets	-	985	2,007	2,992
Total Assets	**231,429**	**(113)**	**-**	**231,316**

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.

D.2 Technical provisions

As at 31 December, AGF does not have any technical provisions or risk margin on its Solvency II Balance Sheet.

D.3 Other liabilities

The table below shows the value of AGF's other liabilities on its Solvency II Balance Sheet.

Solvency II Classification	Solvency II Value 2022 GBP'000	Valuation Differences 2022 GBP'000	Reclassification Differences 2022 GBP'000	Financial Statements Value 2022 GBP'000
Payables (trade, not insurance)	1,963	-	-	1,963
Total Other Liabilities	**1,963**		**-**	**1,963**

	2021 GBP'000	2021 GBP'000	2021 GBP'000	2021 GBP'000
Creditors arising out of insurance operations	606	-	-	606
Derivatives	38	-	(38)	-
Payables (trade, not insurance)	620	-	7	627
Total Other Liabilities	**1,264**	**-**	**(31)**	**1,233**

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.

2022	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	(188,699)	-	-	(188,699)
Total basic Own Funds	**21,786**	**-**	**-**	**21,786**
2021				
Basic Own Funds				
Ordinary Share Capital	210,485	-	-	210,485
Reconciliation Reserve	(116,115)	-	-	(116,115)
Total basic Own Funds	**94,370**	**-**	**-**	**94,370**

The following shows the movement in Own Funds:

	2022 GBP'000	2021 GBP'000
Opening own funds	**94,370**	**89,583**
Movement in Capital Account due to Part VII transfer to CWIL	(62,402)	-
Movement in Financial Statements Retained Deficit	(49,564)	(3,922)
Movement Solvency II Asset Valuation differences	(113)	(1,280)
Movement in Solvency II TP Valuation differences	39,464	10,020
Movement in Solvency II Other Liabilities Valuation differences	31	(31)
Closing Own Funds	**21,786**	**94,370**

Within Own Funds, the Reconciliation Reserve represents the statutory retained earnings and capital reserve less differences in valuations between Solvency II and UK GAAP basis.

The components of the Reconciliation Reserve at 31 December are:

Reconciliation Reserve Components	**2022 GBP'000**	**2021 GBP'000**	**Movement GBP'000**
Financial Statements Capital Reserve	15,000	15,000	-
Financial Statements Retained Deficit	(212,140)	(162,576)	(49,564)
Financial Statements Other Non-Distributable Reserves	8,441	70,843	(62,402)
Solvency II Asset Valuation differences	-	113	(113)
Solvency II TP Valuation differences	-	(39,464)	39,464
Solvency II Other Liabilities Valuation differences	-	(31)	31
Total Reconciliation Reserve	**(188,699)**	**(116,115)**	**(72,584)**

AGF's Own Funds are all Tier 1.

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").

	2022 GBP'000	**2021 GBP'000**
By risk module		
Market risk	2,787	24,045
Default risk	981	2,439
Non-life risk	-	35,107
Basic SCR before diversification	**3,768**	**61,591**
Diversification Benefits	(591)	(13,077)
Basic SCR	**3,178**	**48,514**
Operational risk	-	3,472
SCR	**3,178**	**51,986**
MCR	**3,440**	**12,997**

At 31 December 2022, AGF's Minimum Capital Requirement ("MCR") is higher than its SCR, and AGF held sufficient own funds to cover its MCR.

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

Not applicable.

E.4 Internal model

Not applicable.

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.

On 18 November 2022, the High Court approved a Part VII transfer of the business of AGF and CLL into CWIL. On 30 November 2022, the assets and liabilities of the AGF insurance business were transferred into CWIL. On 17 April 2023, the PRA approved Catalina's application for removal of CLL's permissions under Part 4A of the Financial Services and Markets Act 2000. From this date, CLL ceased to be a regulated insurance undertaking while legal formalities to complete its dissolution are concluded.

A. Business and Performance

A.1 Business and external environment

A.1.1 Undertaking, financial supervisory authority

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

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. 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 2005 when it was placed into run-off.

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

KX Re was formerly a UK regulated subsidiary of CNA Financial Corporation, part of the Loews Corporation, and wrote direct and reinsurance business principally in the London Insurance Market between 1951 and 1992 when it was closed to new business. After ceasing to write new business in 1992, KX Re entered into a number of inwards transfer agreements. Under these agreements certain UK portfolios of fellow group UK subsidiaries were transferred to KX Re. The portfolios transferred cover a wide range of insurance and reinsurance risks including aviation, marine, personal lines (including motor, yacht, personal accident, etc.) and London Market amongst others. Following the Part VII transfer to CLL, KX Re was dissolved in September 2018.

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

On 30 November 2022, the entire insurance business of CLL was transferred into CWIL by way of a High Court sanctioned Part VII transfer. As at 31 December 2022, CLL does not have any insurance liabilities and is non-operating.

A.2 Performance from underwriting activities

The table below shows the underwriting performance for the year end 31 December 2022, together with comparatives for the previous year.

	2022	**2021**
	GBP'000	**USD'000**
Earned premiums, net of reinsurance	63	12
Claims incurred, net of reinsurance	(382)	1,388
Net operating expenses	(3,252)	(3,270)
Balance on the technical account	**(3,571)**	**(1,870)**
By class of business:		
Direct Insurance		
Property	(1,467)	(695)
Casualty	(1,344)	(792)
Reinsurance		
Casualty	(1,385)	(707)
Marine/Aviation	801	415
Property	(176)	(91)
Balance on the technical account	**(3,571)**	**(1,870)**

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 2022, 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**
	2022	**2022**	**2022**	**2022**	**2022**
	USD'000	**USD'000**	**USD'000**	**USD'000**	**USD'000**
Investments:					
- measured at FVTPL	1,120	(80)	(1,668)	(1,658)	(2,286)
- measured at amortised cost	9	-	-	-	9
	1,130	**(80)**	**(1,668)**	**(1,658)**	**(2,277)**
	2021	**2021**	**2021**	**2021**	**2021**
	USD'000	**USD'000**	**USD'000**	**USD'000**	**USD'000**
Investments:					
- measured at FVTPL	924	(41)	2,330	(2,598)	615
	924	**(41)**	**2,330**	**(2,598)**	**615**

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.

	2022 USD'000	2021 USD'000
Foreign exchange gains/(loss)	532	(5)

A.5 Any other disclosures

Not applicable.

B. System of Governance

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

C. Risk Profile

CLL'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 CLL are detailed below.

C.1 Underwriting (Liability) Risk

As at 31 December 2022, CLL does not have any exposure to underwriting (insurance) risk.

C.2 Market Risk

As at 31 December 2022, CLL does not have any material exposures to interest rate, currency or other price risks.

C.3 Credit Risk

As at 31 December 2022, CLL's credit risk exposures mainly arise from its cash holdings. The split of assets by credit rating is detailed in the table below.

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

	2022 USD'000	2021 USD'000
By class of asset:		
Financial investments	-	5,163
Debt securities and other fixed income securities	-	27,141
Other Financial Investments	4,170	6,369
Assets arising from reinsurance contracts held	-	29,262
Assets arising from insurance contracts held	-	342
Cash and cash equivalents	18,847	18,407
Other assets	448	1,439
Total assets bearing credit risk	**23,465**	**88,123**
By credit rating:		
AAA	-	3,420
AA	335	15,347
A	18,035	35,346
BBB	477	14,053
Below BBB or not rated	4,618	19,957
Total assets bearing credit risk	**23,465**	**88,123**

As at 31 December 2022, CLL does not hold any financial assets that are past due or impaired.

C.4 Liquidity Risk

As at 31 December 2022, CLL does not have any insurance liabilities and as such it does not have any material liquidity risk exposures.

C.5 Operational Risk

As at 31 December 2022, CLL remains as a non-operating subsidiary of the CHUK Group and as such does not have any material operational risk exposures.

C.6 Other Material Risks

None.

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 2022 USD'000	Valuation Differences 2022 USD'000	Reclassified UK GAAP 2022 USD'000	Financial Statements Value 2022 USD'000
Collective Investment Undertakings	4,170			4,170
Cash and Cash Equivalents	18,847			18,847
Other Assets	448			448
Total Assets	**23,465**	**-**	**-**	**23,465**

	2021 USD'000	2021 USD'000	2021 USD'000	2021 USD'000
Equities Listed	770	-	-	770
Equities Unlisted	48	-	-	48
Government Bonds	1,060	-	(5)	1,055
Corporate Bonds	23,263	-	(182)	23,081
Collateralised Securities	1,213	-	(3)	1,210
Collective Investment Undertakings	6,589	-	-	6,589
Deposits Other than Cash Equivalents	12,599	-	(1)	12,598
Reinsurance Recoverable from Non Life	14,315	1,033	-	15,348
Deposits to Cedants	330	-	-	330
Insurance & intermediaries receivables	384	-	-	384
Reinsurance Receivables	10,753	537	-	11,290
Receivables (trade, not insurance)	324	-	-	324
Cash and Cash Equivalents	6,938	-	-	6,938
Other Assets	-	152	191	343
Total Assets	**78,586**	**1,722**	**-**	**80,308**

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.

D.2 Technical provisions

As at 31 December, CLL does not have any technical provisions or risk margin on its Solvency II Balance Sheet.

D.3 Other liabilities

The table below shows the value of CLL's other liabilities on its Solvency II Balance Sheet.

	Solvency II Value	Valuation Differences	Reclassification Differences	Financial Statements Value
	2022	**2022**	**2022**	**2022**
	USD'000	**USD'000**	**USD'000**	**USD'000**
Payables (trade, not insurance)	1,325	-	-	1,325
Total Other Liabilities	**1,325**		**-**	**1,325**
	2021	**2021**	**2021**	**2021**
	USD'000	**USD'000**	**USD'000**	**USD'000**
Reinsurance Payables	3,473	-	-	3,473
Payables (trade, not insurance)	367	-	-	367
Total Other Liabilities	**3,840**	**-**	**-**	**3,840**

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

D.4 Alternative methods for valuation

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

D.5 Any other information

Not applicable.

E. Capital Management

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

E.1 Own Funds

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

	Tier 1	Tier 2	Tier 3	Total
	2022	2022	2022	2022
	USD'000	USD'000	USD'000	USD'000
Basic Own Funds				
Ordinary Share Capital	1,000	-	-	1,000
Reconciliation Reserve	21,140	-	-	21,140
Total basic Own Funds	**22,140**	**-**	**-**	**22,140**
	2021	**2021**	**2021**	**2021**
	USD'000	**USD'000**	**USD'000**	**USD'000**
Basic Own Funds				
Ordinary Share Capital	1,000	-	-	1,000
Reconciliation Reserve	33,896	-	-	33,896
Total basic Own Funds	**34,896**	**-**	**-**	**34,896**

The following shows the movement in Own Funds:

	2022	2021
	USD'000	USD'000
Opening own funds	**34,896**	**33,632**
Movement in Capital Account due to Part VII transfer to CWIL	(13,068)	-
Movement in Financial Statements Retained Deficit	(4,680)	(1,257)
Movement Solvency II Asset Valuation differences	1,722	(1,368)
Movement in Solvency II TP Valuation differences	3,270	3,889
Closing Own Funds	**22,140**	**34,896**

Within Own Funds, the Reconciliation Reserve represents the statutory retained earnings and capital reserve less differences in valuations between Solvency II and UK GAAP basis.

The components of the Reconciliation Reserve at 31 December are:

Reconciliation Reserve Components	2022	2021	Movement
	USD'000	USD'000	USD'000
Financial Statements Capital Reserve	51,643	51,643	-
Financial Statements Retained Deficit	(17,435)	(12,755)	(4,680)
Financial Statements Other Non Distributable Reserves	(13,068)	-	(13,068)
Solvency II Asset Valuation differences – refer Section D.1 Assets	-	(1,722)	1,722
Solvency II Liability Valuation differences – refer Sections D.2 Technical Provisions	-	(3,270)	3,270
Total Reconciliation Reserve	**21,140**	**33,896**	**(12,756)**

CLL's Own Funds are all Tier 1.

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").

	2022 USD'000	2021 USD'000
By risk module		
Market risk	572	4,035
Default risk	1,243	3,113
Non-life risk	-	7,639
Basic SCR before diversification	**1,815**	**14,787**
Diversification Benefits	(323)	(3,731)
Basic SCR	**1,492**	**11,056**
Operational risk	-	1,064
SCR	**1,492**	**12,120**
MCR	**4,161**	**4,309**

At 31 December 2022, CLL's Minimum Capital Requirement ("MCR") is higher than its SCR, and CLL held sufficient own funds to cover its MCR.

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

Not applicable.

E.4 Internal model

Not applicable.

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

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**	918
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	462,140
Property (other than for own use)	**R0080**	
Holdings in related undertakings, including participations	**R0090**	
Equities	**R0100**	28,472
Equities - listed	**R0110**	
Equities - unlisted	**R0120**	28,472
Bonds	**R0130**	169,743
Government Bonds	**R0140**	21,070
Corporate Bonds	**R0150**	148,202
Structured notes	**R0160**	
Collateralised securities	**R0170**	471
Collective Investments Undertakings	**R0180**	198,900
Derivatives	**R0190**	
Deposits other than cash equivalents	**R0200**	65,025
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**	279,119
Non-life and health similar to non-life	**R0280**	271,559
Non-life excluding health	**R0290**	271,559
Health similar to non-life	**R0300**	
Life and health similar to life, excluding health and index-linked and unit-linked	**R0310**	7,561
Health similar to life	**R0320**	
Life excluding health and index-linked and unit-linked	**R0330**	7,561
Life index-linked and unit-linked	**R0340**	
Deposits to cedants	**R0350**	8,583
Insurance and intermediaries receivables	**R0360**	5,526
Reinsurance receivables	**R0370**	20,957
Receivables (trade, not insurance)	**R0380**	10,514
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**	88,542
Any other assets, not elsewhere shown	**R0420**	
Total assets	**R0500**	876,299

		Solvency II value
Liabilities		**C0010**
Technical provisions – non-life	**R0510**	487,266
Technical provisions – non-life (excluding health)	**R0520**	487,266
TP calculated as a whole	**R0530**	
Best Estimate	**R0540**	454,692
Risk margin	**R0550**	32,574
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**	10,052
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**	10,052
TP calculated as a whole	**R0660**	
Best Estimate	**R0670**	9,380
Risk margin	**R0680**	672
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**	56,674
Deferred tax liabilities	**R0780**	
Derivatives	**R0790**	631
Debts owed to credit institutions	**R0800**	
Financial liabilities other than debts owed to credit institutions	**R0810**	
Insurance & intermediaries payables	**R0820**	
Reinsurance payables	**R0830**	10,323
Payables (trade, not insurance)	**R0840**	33,421
Subordinated liabilities	**R0850**	
Subordinated liabilities not in BOF	**R0860**	
Subordinated liabilities in BOF	**R0870**	
Any other liabilities, not elsewhere shown	**R0880**	
Total liabilities	**R0900**	598,367
Excess of assets over liabilities	**R1000**	277,932

CATALINA HOLDINGS UK 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:				
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	Total
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written																		
Gross - Direct Business	**R0110**																	
Gross - Proportional reinsurance accepted	**R0120**																	
Gross - Non-proportional reinsurance accepted	**R0130**														0		-24	-24
Reinsurers' share	**R0140**																5	5
Net	**R0200**														0		-29	-29
Premiums earned																		
Gross - Direct Business	**R0210**								64									64
Gross - Proportional reinsurance accepted	**R0220**																	
Gross - Non-proportional reinsurance accepted	**R0230**														0		-24	-24
Reinsurers' share	**R0240**																5	5
Net	**R0300**								64						0		-29	35
Claims incurred																		
Gross - Direct Business	**R0310**						353	2,201	41,881									44,435
Gross - Proportional reinsurance accepted	**R0320**				41		15	659	1,092									1,808
Gross - Non-proportional reinsurance accepted	**R0330**													125	-2,370	14	1,793	-438
Reinsurers' share	**R0340**				32		-58	-1,496	31,548					97	-5,605	-263	2,021	26,276
Net	**R0400**				9		426	4,355	11,426					27	3,236	277	-228	19,528
Changes in other technical provisions																		
Gross - Direct Business	**R0410**																	
Gross - Proportional reinsurance accepted	**R0420**																	
Gross - Non- proportional reinsurance accepted	**R0430**																	
Reinsurers'share	**R0440**																	
Net	**R0500**																	
Expenses incurred	**R0550**				77		-54	1,292	9,994					233	3,148	-682	412	14,421
Other expenses	**R1200**																	
Total expenses	**R1300**																	14,421

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

		Line of Business for: **life insurance obligations**						**Life reinsurance obligations**		Total
		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**						-1,712			-1,712
Reinsurers' share	**R1620**						-1,337			-1,337
Net	**R1700**						-374			-374
Changes in other technical provisions										
Gross	**R1710**									
Reinsurers' share	**R1720**									
Net	**R1800**									
Expenses incurred	**R1900**						172			172
Other expenses	**R2500**									
Total expenses	**R2600**									172

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	276,932	276,932			
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	277,932	277,932			
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	277,932	277,932			
Total available own funds to meet the minimum consolidated group SCR	R0530	277,932	277,932			
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	277,932	277,932			
Total-eligible own funds to meet the minimum consolidated group SCR	R0570	277,932	277,932			
Minimum consolidated Group SCR	R0610	132,673				
Ratio of Eligible own funds to Minimum Consolidated Group SCR	R0650	209.49%				
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	277,932	277,932			
Group SCR	R0680	146,362				
Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	R0690	189.89%				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	277,932
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	276,932
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

S.25.01.22

Solvency Capital Requirement - for groups on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
Market risk	R0010	102,511		
Counterparty default risk	R0020	9,566		
Life underwriting risk	R0030	115		
Health underwriting risk	R0040			
Non-life underwriting risk	R0050	55,789		
Diversification	R0060	-35,307		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	132,673		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	13,689
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	146,362
Capital add-on already set	R0210	
Solvency capital requirement	R0220	146,362
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	132,673
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	146,362

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%	1	100.00%		1	100.00%	1		1
GB	549300H9ZV454BK2FJ76	LEI	Catalina London Limited	3	Limited	2	Prudential Regulation Authority	100.00%	1	100.00%		1	100.00%	1		1
GB	549300DZTBX4Q7HNFP87	SC	Catalina Services UK Limited	10	Limited	2	Financial Conduct Authority	100.00%	1	100.00%		1	100.00%	1		1
GB	213800JEV93JTFJ41Q27	LEI	Catalina Worthing Insurance Limited	3	Limited	2	Prudential Regulation Authority	100.00%	1	100.00%		1	100.00%	1		1
GB	549300TGWLOTZ6EKVQ66	LEI	Catalina Holdings UK Limited	5	Limited	2		100.00%	1	100.00%		1	100.00%	1		1

CATALINA WORTHING INSURANCE LIMITED

Annex I

S.02.01.02

Balance sheet

		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**	367,119
Property (other than for own use)	**R0080**	
Holdings in related undertakings, including participations	**R0090**	
Equities	**R0100**	18,314
Equities - listed	**R0110**	
Equities - unlisted	**R0120**	18,314
Bonds	**R0130**	140,318
Government Bonds	**R0140**	17,417
Corporate Bonds	**R0150**	122,511
Structured notes	**R0160**	
Collateralised securities	**R0170**	390
Collective Investments Undertakings	**R0180**	157,092
Derivatives	**R0190**	
Deposits other than cash equivalents	**R0200**	51,396
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**	230,734
Non-life and health similar to non-life	**R0280**	224,484
Non-life excluding health	**R0290**	224,484
Health similar to non-life	**R0300**	
Life and health similar to life, excluding health and index-linked and unit-linked	**R0310**	6,250
Health similar to life	**R0320**	
Life excluding health and index-linked and unit-linked	**R0330**	6,250
Life index-linked and unit-linked	**R0340**	
Deposits to cedants	**R0350**	7,095
Insurance and intermediaries receivables	**R0360**	4,568
Reinsurance receivables	**R0370**	17,324
Receivables (trade, not insurance)	**R0380**	10,114
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**	20,717
Any other assets, not elsewhere shown	**R0420**	
Total assets	**R0500**	657,672

		Solvency II value
Liabilities		**C0010**
Technical provisions – non-life	**R0510**	402,799
Technical provisions – non-life (excluding health)	**R0520**	402,799
TP calculated as a whole	**R0530**	
Best Estimate	**R0540**	375,872
Risk margin	**R0550**	26,927
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**	8,310
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**	8,310
TP calculated as a whole	**R0660**	
Best Estimate	**R0670**	7,754
Risk margin	**R0680**	556
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**	46,850
Deferred tax liabilities	**R0780**	
Derivatives	**R0790**	521
Debts owed to credit institutions	**R0800**	
Financial liabilities other than debts owed to credit institutions	**R0810**	
Insurance & intermediaries payables	**R0820**	
Reinsurance payables	**R0830**	8,533
Payables (trade, not insurance)	**R0840**	2,087
Subordinated liabilities	**R0850**	
Subordinated liabilities not in BOF	**R0860**	
Subordinated liabilities in BOF	**R0870**	
Any other liabilities, not elsewhere shown	**R0880**	
Total liabilities	**R0900**	469,101
Excess of assets over liabilities	**R1000**	188,570

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:				
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	Total
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written																		
Gross - Direct Business	**R0110**																	
Gross - Proportional reinsurance accepted	**R0120**																	
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**																	
Gross - Proportional reinsurance accepted	**R0320**																	
Gross - Non-proportional reinsurance accepted	**R0330**														-2,340	320	1,376	-645
Reinsurers' share	**R0340**														-4,851	29	1,575	
Net	**R0400**														2,510	291	-199	
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**														1,725	28	205	
Other expenses	**R1200**																	
Total expenses	**R1300**																	

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

		Line of Business for: **life insurance obligations**						**Life reinsurance obligations**		Total
		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**						-1,378			-1,378
Reinsurers' share	**R1620**						-1,077			-1,077
Net	**R1700**						-301			-301
Changes in other technical provisions										
Gross	**R1710**									
Reinsurers' share	**R1720**									
Net	**R1800**									
Expenses incurred	**R1900**						139			139
Other expenses	**R2500**									
Total expenses	**R2600**									139

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Life and Health SLT Technical Provisions

		Insurance with profit participation	Index-linked and unit-linked insurance	Index-linked and unit-linked insurance: Contracts without options and guarantees	Index-linked and unit-linked insurance: Contracts with options or guarantees	Other life insurance	Other life insurance: Contracts without options and guarantees	Other life insurance: 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)**	Health insurance (direct business)	Health insurance (direct business): Contracts without options and guarantees	Health insurance (direct business): 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**								7,754		7,754						
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0080**								6,250		6,250						
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	**R0090**								1,504		1,504						
Risk Margin	**R0100**								556		556						
Amount of the transitional on Technical Provisions																	
Technical Provisions calculated as a whole	**R0110**																
Best estimate	**R0120**																
Risk margin	**R0130**																
Technical provisions - total	**R0200**								8,310								

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Non-life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	Total Non-Life obligation
		C0020	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0170**	**C0180**
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**				6,888		2,207	4,898	269,139	45					83,824	1,496	7,375	375,872
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**				5,291		1,560	3,830	142,594	35					64,011	1,364	5,800	224,484
Net Best Estimate of Claims Provisions	**R0250**				1,597		647	1,069	126,545	10					19,812	133	1,575	151,388
Total Best estimate - gross	**R0260**				6,888		2,207	4,898	269,139	45					83,824	1,496	7,375	375,872
Total Best estimate - net	**R0270**				1,597		647	1,069	126,545	10					19,812	133	1,575	151,388
Risk margin	**R0280**				284		115	190	22,508	2					3,524	24	280	26,927
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**				7,172		2,322	5,089	291,647	47					87,348	1,520	7,655	402,799
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**				5,291		1,560	3,830	142,594	35					64,011	1,364	5,800	224,484
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0340**				1,881		762	1,259	149,053	12					23,336	156	1,855	178,315

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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 0	1	2	3	4	5	6	7	8	9	10 & +
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110
Prior	R0100											31,247
2013	R0160											
2014	R0170											
2015	R0180											
2016	R0190											
2017	R0200											
2018	R0210											
2019	R0220											
2020	R0230											
2021	R0240											
2022	R0250											

		In Current year	Sum of years (cumulative)
		C0170	C0180
	R0100	31,247	31,247
	R0160		
	R0170		
	R0180		
	R0190		
	R0200		
	R0210		
	R0220		
	R0230		
	R0240		
	R0250		
Total	R0260	31,247	31,247

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

	Year	Development year 0	1	2	3	4	5	6	7	8	9	10 & +
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300
Prior	R0100											513,739
2013	R0160											
2014	R0170											
2015	R0180											
2016	R0190											
2017	R0200											
2018	R0210											
2019	R0220											
2020	R0230											
2021	R0240											
2022	R0250											

		Year end (discounted data)
		C0360
	R0100	375,872
	R0160	
	R0170	
	R0180	
	R0190	
	R0200	
	R0210	
	R0220	
	R0230	
	R0240	
	R0250	
Total	R0260	375,872

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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	30,570	30,570			
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	188,570	188,570			
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	188,570	188,570			
Total available own funds to meet the MCR	R0510	188,570	188,570			
Total eligible own funds to meet the SCR	R0540		188,570			
Total eligible own funds to meet the MCR	R0550		188,570			
SCR	R0580					
MCR	R0600					
Ratio of Eligible own funds to SCR	R0620					
Ratio of Eligible own funds to MCR	R0640					

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	188,570
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	30,570
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	

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Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
Market risk	R0010	43,077		
Counterparty default risk	R0020	5,748		
Life underwriting risk	R0030	93		
Health underwriting risk	R0040			
Non-life underwriting risk	R0050	46,147		
Diversification	R0060	-21,556		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	73,508		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	
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	
Capital add-on already set	R0210	
Solvency capital requirement	R0220	
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	

		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	

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

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCR_{NL} Result	**R0010**	

		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**		
Income protection insurance and proportional reinsurance	**R0030**		
Workers' compensation insurance and proportional reinsurance	**R0040**		
Motor vehicle liability insurance and proportional reinsurance	**R0050**	1,597	
Other motor insurance and proportional reinsurance	**R0060**		
Marine, aviation and transport insurance and proportional reinsurance	**R0070**	647	
Fire and other damage to property insurance and proportional reinsurance	**R0080**	1,069	
General liability insurance and proportional reinsurance	**R0090**	126,545	
Credit and suretyship insurance and proportional reinsurance	**R0100**	10	
Legal expenses insurance and proportional reinsurance	**R0110**		
Assistance and proportional reinsurance	**R0120**		
Miscellaneous financial loss insurance and proportional reinsurance	**R0130**		
Non-proportional health reinsurance	**R0140**		
Non-proportional casualty reinsurance	**R0150**	19,812	
Non-proportional marine, aviation and transport reinsurance	**R0160**	133	
Non-proportional property reinsurance	**R0170**	1,575	

Linear formula component for life insurance and reinsurance obligations

		C0040
MCR_{L} Result	**R0200**	45,083

		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**	2,146,826	
Total capital at risk for all life (re)insurance obligations	**R0250**		

Overall MCR calculation

		C0070
Linear MCR	**R0300**	
SCR	**R0310**	
MCR cap	**R0320**	
MCR floor	**R0330**	
Combined MCR	**R0340**	
Absolute floor of the MCR	**R0350**	3,126

		C0070
Minimum Capital Requirement	**R0400**	