THE BRITANNIA STEAM SHIP INSURANCE ASSOCIATION EUROPE

SOLVENCY AND FINANCIAL CONDITION REPORT

Year Ended 20 February 2022

Contents

Directors' responsibility statement

We acknowledge our responsibility for preparing the Group's Solvency and Financial Condition Report in all material respects in accordance with the CAA Rules and the Solvency II Regulations.

We are satisfied that:

- throughout the financial year in question, the Group has complied in all material respects with the applicable requirements of the CAA Rules and the Solvency II Regulations; and

- it is reasonable to believe that the Group has continued to so comply subsequently and will continue to so comply in future.

For and on behalf of the Board of The Britannia Steam Ship Insurance Association Europe

A J Cutler **A J Firmin**
5 July 2022

A. Summary

The structure of the Solvency and Financial Condition Report (SFCR) follows the public disclosure requirements of Articles 290 to 303 of the Commission Delegated Regulation (EU) 2015/35 (“Solvency II regulations”).

This is the Group SFCR for The Britannia Steam Ship Insurance Association Europe based on the financial position as at 20 February 2022.

The ultimate Administrative Body that has the responsibility for all of these matters is the Board of Directors of the Association, with the help of various governance and control functions that it has put in place to monitor and manage the business.

The Group SFCR has been prepared in accordance with the requirements of the Solvency II Directive and related Delegated Regulation as transposed into the Luxembourg Insurance Law of 7 December 2015. The report sets out different aspects of the Association’s solvency and financial condition, specifically its business and performance, system of governance, risk profile, valuation methods used for solvency purposes and its capital management practices. The Group’s financial year runs to 20 February each year and it reports its results in US Dollar.

As a single SFCR, this document includes the disclosure obligations of the Group’s two entities which are subject to Solvency II regulation, both at Group level and Solo level:

- The Britannia Steam Ship Insurance Association Europe – Group
- The Britannia Steam Ship Insurance Association Europe – Solo
- The Britannia Steam Ship Insurance Association Limited – Solo

All monetary figures in the report are in USD000 unless specified otherwise.

All consolidated accounting figures in the tables in this report are reported on a Luxembourg GAAP (“Lux GAAP”) basis only.

The Association’s approach to capital management and valuation for solvency purposes remains stable and this is demonstrated through its capital ratios summarised below. The capital requirements are calculated in accordance with the Solvency II standard formula which the Association has determined to be appropriate for its risk profile.

For Solvency Capital Requirement (“SCR”) purposes the total eligible own funds stood at USD523.3m (2021 – USD565.0m). Eligible own funds cover the SCR of USD279.0m (2021 – USD298.3m) with a capital adequacy ratio of 187.56% (2021 – 189.41%). The Minimum Capital Requirement (“MCR”) is USD69.7m (2021 – USD74.5m) leading to an MCR capital adequacy ratio of 556.68% (2021 – 584.44%).

B. Business and performance

B.1. Business

The Group comprises The Britannia Steam Ship Insurance Association Holdings Limited (Britannia Holdings), incorporated in England and Wales, and its two principal subsidiaries, The Britannia Steamship Insurance Association Europe (Britannia Europe or BE), incorporated in Luxembourg, and The Britannia Steamship Insurance Association Limited (Britannia), incorporated in England and Wales (together, the Associations). Britannia Holdings is the controlling member of the Associations. Together the three entities are referred to as the Group.

The Group is a leading mutual marine insurer providing its worldwide Membership of shipowners, charterers and operators with liability insurance and related services. In addition to providing mutualised protection and indemnity insurance it also safeguards and promotes its Members' interests in other areas of their business by, for instance, providing regular advice and guidance about loss prevention, sanctions or any relevant changes in maritime law and practice.

The Group is a mono-line underwriter of P&I risks, operating as one of 13 independent clubs in the International Group of P&I Clubs ("IG") which together provide liability cover for the majority of the world's merchant marine fleet. P&I cover has developed over more than 150 years in response to shipowners needs, to provide coverage and levels of cover substantially unavailable in the traditional marine insurance markets.

The Group underwrites primarily P&I risks and provides cover of over USD7.5bn per claim but with separate limits of cover for oil pollution of USD1.0bn, USD2.0bn for passenger liabilities and USD3.0bn for passenger and crew liabilities combined. The individual club retention is currently USD10.0m. In aggregate, the P&I clubs offer cover through a combination of the individual club retention, the International Group Pool, the International Group General Excess of Loss Contract, the Collective Overspill Reinsurance Contract, and the Group Overspill System. The Group also provides discretionary insurance for legal expenses, also known as Freight, Demurrage and Defence (or "FD&D") risks, to complement the P&I insurance of entered vessels.

Britannia Holdings is a mutual company which is not authorised to conduct any insurance business.

Britannia Europe is a mutual insurance company. The Association is registered in Luxembourg as a company limited by guarantee without share capital. As a mutual insurance company, the liability of its Members is limited to the calls and premiums set by its Directors.

Britannia Europe is authorised by the Luxembourg Minister of Finance and regulated by the Commissariate aux Assurances (CAA). The CAA is the Group Supervisor for the purposes of Solvency II regulation.

Contact details for the CAA can be found on their website:
https://www.caa.lu/

Britannia is a mutual insurance company. The Association is registered in England and Wales as a company limited by guarantee without share capital. As a mutual insurance company, the liability of its Members is limited to the calls and premiums set by its Directors.

Britannia is authorised by the Prudential Regulation Authority (PRA) and regulated by the PRA and the Financial Conduct Authority (FCA), firm reference number 202047.

Contact details for the PRA and the FCA can be found on their respective websites:
www.bankofengland.co.uk/pra
www.fca.org.uk

The provisions of the Articles of Association of Britannia, Britannia Europe and Britannia Holdings ensure that Britannia Holdings is the controlling Member of Britannia and Britannia Europe. Britannia Holdings is 100% owned by the Mutual Membership and has no controlling Member.

The constitution of the Boards of Britannia, Britannia Holdings and Britannia Europe are identical, thus ensuring a consistency of approach across the entire business. All Members of Britannia and Britannia Europe are also Members of Britannia Holdings. The Members' Representative Committee of Britannia Europe now sits at the level of Britannia Holdings in order that it will have an overview of Britannia and Britannia Europe.

Universal Shipowners Marine Insurance Association Limited (USMIA), the Group's quota share reinsurance company, is wholly owned by Britannia Europe. USMIA is registered in Bermuda and regulated by the Bermuda Monetary Authority (BMA).

The Britannia Cell in Hydra Insurance Company Limited (Hydra) is wholly owned by Britannia Europe and is registered in Bermuda and regulated by the BMA. Hydra is the IG's Bermudian registered segregated cell reinsurance captive.

The Group is managed on a day-to-day basis by Tindall Riley & Co Limited ("TRC" or "the Managers"). TRC is a private company owned principally by its directors and other senior staff.

The details of the Group's primary three auditors are as follows:

- Britannia Holdings' external auditor is Deloitte LLP, whose address is 1 New Street Square, London EC4a 3BZ.
- Britannia's external auditor is Deloitte LLP, whose address is 1 New Street Square, London EC4a 3BZ.
- Britannia Europe's external auditor is Deloitte Audit Société à responsabilité limitée, whose address is 20 Boulevard de Kockelscheuer, L-1821, Luxembourg.

USMIA

The Group reinsures 90% of its Class 3 (P&I) and Class 6 (FD&D) business on a quota share basis to USMIA. USMIA, which is not a mutual, has an independent Board of Directors responsible for stewardship of the company, and, in particular, for monitoring the operation of the quota share reinsurance and taking investment decisions. Day-to-day management of USMIA is carried out by independent managers, Marsh Management Services (Bermuda) Limited, a specialist captive and investment management company.

Hydra

Hydra reinsures:

- The Pool's layers from USD30m to USD50m;
- 92.5% of the layer USD50m excess USD50m; and
- The annual aggregate deductible of USD100m in the first layer of the USD650m excess of USD100m layer of the IG's reinsurance contract.

The purpose of Hydra is to enable each club individually to reinsure its exposure to other clubs' Pool claims, in other words its own pooling contributions. In addition, Hydra is used strategically by the IG depending upon reinsurance market conditions and pricing.

Boudicca

The final entity which is important to gain a full understanding of the Group's financial position is Boudicca Insurance Company Limited (Boudicca), a Bermuda registered company, regulated by the Bermudian Monetary Authority.

Boudicca provides the Group with quota share and excess of loss P&I reinsurance. It is owned by a Bermudian purpose trust called the Iceni Trust.

The Trustee of the Iceni Trust (currently a Bermudian Trust company) is appointed by a Protector Committee whose members are drawn from the non-executive members of the Group's Members' Representative Committee.

The members of the Protector Committee (the Protectors) are responsible for ensuring that the Iceni Trust discharges its responsibilities appropriately.

The Group has historically held free reserves over and above the statutory minimum margin of solvency required by EU insurance companies. These reserves have been maintained to provide protection against the possibility of unexpected or exceptional claims not covered by technical (claims) provisions. Their existence has enabled the Group to avoid exceeding its deferred call estimates for over 40 years.

Since 20 February 1997, equivalent protection has been provided partly by means of a reinsurance policy with Boudicca. In summary, the policy provides cover for the following:

- Charges which would previously have fallen on the General Reserve i.e., amounts necessary:
    - (i) to meet the Association's regulatory capital requirement (SCR and MCR);
    - (ii) to keep open and closed policy years in balance;
    - (iii) to meet losses from an overspill claim.
- Any excess (above an agreed excess point) of claims in any policy year;
- Britannia's share of Pool claims not met by the IG excess of loss or Hydra contracts due to the failure of any of the reinsurers;
- A percentage quota share of each policy year's claims (currently 4%);
- Excess of loss cover for larger claims (excess of USD3 million in 2021/22) within the Association's retention.

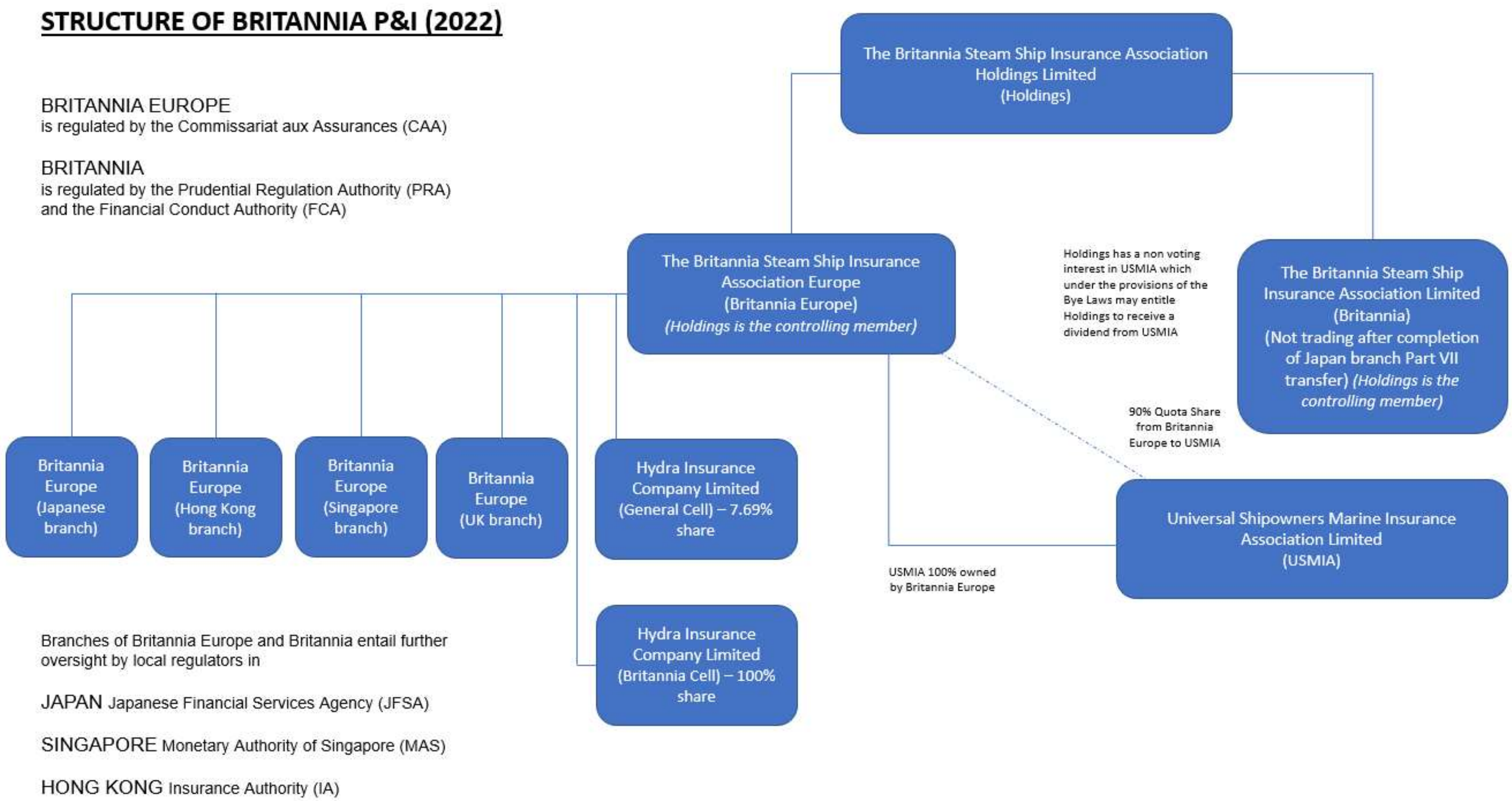
The Directors of Boudicca are all Bermudian residents. The company is managed on a day-to-day basis by an independent management company, Symphony Management Limited.

Boudicca's assets are separately held by an independent custodian and are subject to a security interest agreement which ensures that they cannot be dissipated to the detriment of the reinsurance contract with the Group.

As Boudicca is wholly-owned by the Iceni Trust and is independent of the Group, its financial statements are not consolidated with those of the Group. However, the basis of the reinsurance contract and the funds held by Boudicca are disclosed in Britannia Holdings' annual financial statements.

As at 20 February 2022, assets of Boudicca totalling USD189.0m were available to support the Group should they be required. These funds do not form part of the Group's Solvency II own funds, but nevertheless, under the terms of the reinsurance contract, they are available should the Group's actual own funds fall below the level of the SCR.

Chart 1: Corporate Group structure at 20 February 2022



B.2. Underwriting performance

The Group's underwriting result was negative again this year with net claims incurred in excess of net earned premiums. It was noted last year that this situation is not sustainable and the recent increase in Estimated Total Call (ETC) for the 2022/23 policy year is aimed at addressing this.

Calls and premiums were higher than in the prior year, at USD216.9m compared with USD200.1m. There was again no general rate increase at the 2021/22 renewal, but individual Members' rates were adjusted to reflect their claims record and risk profile where necessary. Reinsurance costs were higher, mainly due to restructuring and enhanced cover under the Group's non-pool programme.

Claims incurred in the financial year were significantly higher than the prior year. Retained claims incurred in the 2021/22 policy year at the 12-month stage were USD143.9m, slightly higher than the 2020/21 policy year at the same stage. 16 claims that are currently expected to cost more than USD1.0m were reported, with an aggregate estimate of USD46.4m. This is lower than the prior policy year, which saw 20 incidents reported with an aggregate cost of USD63.4m. Pool claims had a spike in the first half of the year but settled down after that, albeit they stand at USD487.0m which is a record high at the 12-month stage of a policy year, surpassing the 2020/21 total of USD478.1m at the same stage. In total, 11 incidents had been reported compared to 22 in the prior year. The development of prior year claims has generally continued to see improvement, but the 2020/21 policy year has seen a number of late notifications that has reduced the overall improvement and led to an increase in the net provision this year. Nevertheless, USD36.9m was released from the claims' provisions held in respect of those years.

Operating costs were up at USD38.8m. Most of the Group's operating costs are in GBP and its strengthening against USD in the year has driven 40% of the increase. The remaining increase in operating costs is due to a higher management fee on increased tonnage.

Overall, the Group had an underwriting loss of USD37.4m compared to a loss in USD20.5m in the prior year.

The following table shows a summary of the technical (underwriting) account for the year ended 20 February 2022.

Table 1: Underwriting performance

Sources of income and expenditure	USD'000 2021/22	USD'000 2020/21
Calls and premiums	216,931	200,086
Reinsurance premiums	(72,700)	(69,798)
Net claims incurred	(142,840)	(118,257)
Net operating expenses	(38,802)	(32,520)
Underwriting loss	**(37,411)**	**(20,489)**

B.3. Investment performance

The Group's investment strategy is the responsibility of the Board, assisted by its investment advisors Lane Clark & Peacock LLP (LCP).

There was no material change to the Group's investment strategy during the year. It has a long-term focus, reflecting the long-tail nature of many of the liabilities and the characteristics of mutuality. Its objectives are twofold:

- To hold a portfolio of government bonds and cash which matches, in terms of average duration and currency, the claims liabilities of the Group. This is known as the 'matching portfolio'. The matching portfolio includes a 'cash buffer' sufficient to ensure appropriate liquidity; and

- To invest assets in excess of the matching portfolio in accordance with the ‘prudent person principle’, in such a way as to achieve the maximum return for a level of risk consistent with the Group’s investment risk appetite. This is known as the ‘growth portfolio’.

At 20 February 2022, the portfolio had the following composition:

Table 2: Investment composition

ASSET CLASS	**Percentage**
MATCHING PORTFOLIO	**Allocated**
Government bonds and cash	37%
GROWTH PORTFOLIO	
Absolute return bond funds	24%
Equities (Developed and Emerging)	23%
Diversified growth fund	16%
	100%

In the year ended 20 February 2022, the overall return on investments was 1.7% (USD13.5m). The best performing asset classes were equities, which returned 8.6%, and the diversified growth fund, which returned 2.4%. The remaining asset classes were all broadly flat.

B.4. Performance from other activities

As noted in B.1., the Group is not involved in any other activities.

B.5. Any other information

There is not any further information to disclose.

C. System of Governance

C.1 General information on the system of governance

C.1.1. Overview

C.1.1.1. Board structure

The Board

Overall responsibility for the management of the Group rests with the Boards of Britannia, Britannia Europe and Britannia Holdings (the Boards). The constitution of the Boards of Britannia, Britannia Europe and Britannia Holdings is identical, thus ensuring a consistency of approach across the entire business.

All Members of Britannia and Britannia Europe (together "the Associations") are also Members of Britannia Holdings. The Members' Representative Committee (MRC) sits at Britannia Holdings level in order that it has an overview of the Associations. The Boards comprise a non-executive chairman, up to ten non-executive directors drawn from the Associations' shipowner Members, at least one non-executive director who is expert in insurance matters, and two executive directors from the Group's Managers. The Group's Boards are responsible for all strategic aspects of the business of the Group. In practice, the Boards delegate certain of their powers to subcommittees and responsibility for the day-to-day management to Tindall Riley & Co Ltd (TRC) which acts through its subsidiaries Tindall Riley (Britannia) Limited (TRB) in the UK and Tindall Riley Europe Sàrl (TRE) in Luxembourg (together, the Managers).

TRB also acts as the UK branch of BE. The Managers are responsible for ensuring that appropriate information, which is adequate to enable the Boards to discharge their duties and to oversee the business effectively, is provided on a timely basis. There are nevertheless a number of matters that are reserved exclusively for decision by the boards, and these are reviewed and updated at least annually. The Boards meet five times a year.

The Board's Terms of Reference include details of specific matters reserved for its exclusive decision. These include:

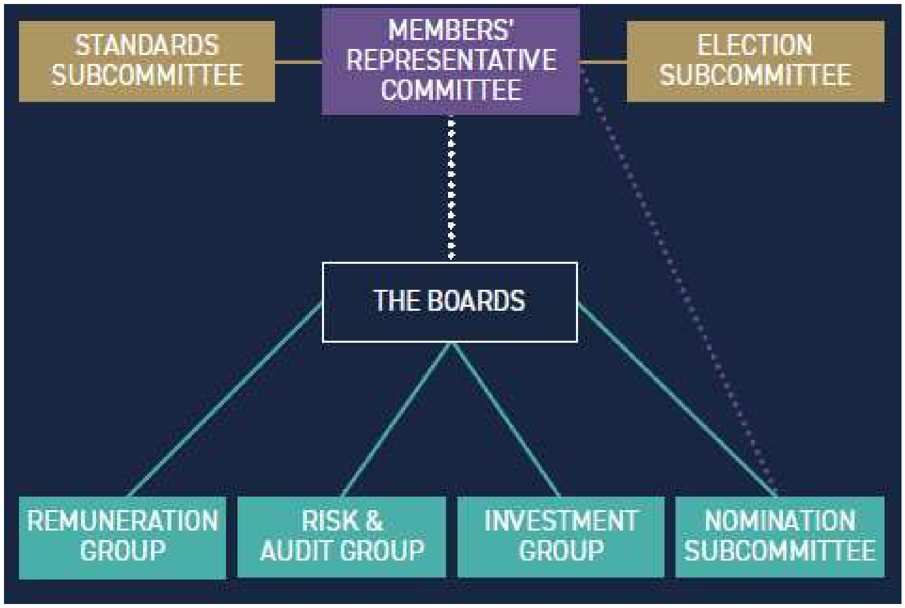
- Overall strategy;
- Investment strategy;
- Reinsurance strategy;
- Financial reporting and controls;
- Economic and regulatory capital;
- Capital calls and distributions;
- System of Governance, Risk Management and Compliance;
- Appointment and remuneration of the Managers; and
- Appointment and remuneration of the Non -Executive Directors

The Board's Terms of reference are reviewed and updated at least annually. The Board meets five times a year.

The Members' Representative Committee

The Members' Representative Committee (the MRC) is a larger body, comprising all of the directors of the boards (other than the two Manager directors), plus up to 28 other representatives drawn from the associations' shipowner Members. The Chairman of the Boards is also the Chairman of the MRC. The MRC does not carry out any regulated functions, but the boards have a duty to consult the MRC on key areas including strategy, investments, finance and call decisions. The MRC does have a key role in the associations' loss prevention activities, through the Standards Subcommittee, and the consideration of claims trends and industry matters. It also retains the right to approve discretionary claims up to uSD2m. The Board and MRC have appointed a number of subcommittees to assist them in discharging their responsibilities. The corporate governance structure is set out in Chart 2 below.

Chart 2: The Group's governance structure



Subcommittees of the Board

There are four subcommittees of the boards: the Risk & Audit Group, the Remuneration Group, the Nomination Subcommittee and the Investment Group.

Risk & Audit Group

The Risk & Audit Group (RAG) comprises up to five non-executive directors of the Boards. Its responsibilities include the financial statements and the regulatory returns, the risk management framework, internal and external audit, and the robustness of internal financial systems and controls, including the making of recommendations thereon to the Boards. The RAG meets four times a year.

Remuneration group

The Remuneration Group comprises up to four non-executive directors of the Boards. Its responsibilities include an annual review of the fee paid to the Managers and periodic reviews of directors' remuneration. The group meets twice a year.

Nomination subcommittee

This subcommittee consists of up to four non-executive directors of the Boards and the two Manager directors. Its principal responsibilities are to make recommendations to the Boards on the appointment of new directors, the re-election of existing directors, the appointment of the chairman of the Boards, and reviewing the skills, training requirements and performance of directors and Senior Insurance Management Function holders. The subcommittee meets as required during the year.

Investment Group

The Investment Group consists of up to four non-executive directors and the two Manager directors. It is responsible for monitoring the long-term performance and value-at-risk of the investments against the objectives set out in the investment strategy and for carrying out periodic reviews of the investment strategy. The group meets four times a year.

Subcommittees of the MRC

Election Subcommittee

The Election Subcommittee's role is to:

- Make recommendations to the MRC in respect of the appointment, re-appointment or removal of Directors of the Boards;
- Make recommendations to the MRC in respect of the appointment, re-appointment or removal of representatives on the MRC; and
- Ensure that the MRC comprises suitably qualified individuals who are of good standing in the insurance and maritime industries and as a body is broadly representative of the Group's membership in terms of geographical location, ship type and size of fleet.

Standards Subcommittee

The Standards Subcommittee's role is to monitor the composition of the Group's membership, review loss prevention activities including the condition survey programme, and monitor claims trends. The subcommittee comprises up to five MRC members and three representatives of the Managers, including the Chief Underwriting Officer and the Director, P&I Claims.

The Group's Boards and subcommittee structure is supported by the effective distribution of responsibilities across holders of Senior Managers Functions (SMFs) and other Key Functions, notified non-executive and independent non-executive directors. The Group's integrated responsibility and corporate governance model is recorded in its Management Responsibilities Map (see **Appendix B**).

The Group's website provides details of the roles and responsibilities of the Boards, the MRC and their respective subcommittees (including their individual Terms of Reference), as well as listing the individuals who sit on them:

www.britanniapandi.com/about/corporate-governance

C.1.1.2. Key functions

The Managers

The Group has no direct employees and as such the Boards rely on the Managers for day-to-day management duties. In accordance with the CAA governance and the Solvency II Directive, the following business functions have been designated as Key Functions: Compliance, Risk Management, Internal Audit and Actuarial. All of these functions are provided by the Managers.

Compliance function

The Compliance function is responsible for:

- Identifying, assessing, monitoring and reporting on the Group's regulatory risk exposures;
- Assessing the possible impact of legislative change and conducting assurance activity to monitor the appropriateness of compliance procedures against market good practice; and
- Assisting, supporting and advising the Association in fulfilling its responsibilities to manage compliance risks.

The Chief Risk Officer (CRO) is responsible for day-to-day monitoring of, and reporting to the Boards on, all compliance related matters.

Risk Management function

The risk management function is responsible for:

- Setting the overall risk management and strategic framework;

- Identifying, managing, monitoring and reporting on current and emerging risks; and
- Monitoring and assisting in the effective operation of the Group's risk-management framework and maintaining an accurate view of the Group's risk profile.

The CRO manages the day-to-day risk monitoring of, and reports to the Boards on, all aspects of risk management.

Internal Audit function

The Group's internal audit function operates a risk-based internal audit cycle to provide assurance over the appropriateness, operation and effectiveness of the system of governance including the internal control system.

Internal Audit's remit covers review of the Group's processes and controls, how these are being adhered to and implemented by all business areas and the timing and frequency of management reporting. Corporate governance is also subject to an annual review by internal audit.

The Head of Internal Audit reports findings and recommendations, deadlines for and progress with completion and assigned action owners to the RAG.

Actuarial function

The Group has an in-house actuarial team which carries out the day-to-day actuarial activity, including claims reserving and maintenance of the Group's internal models. The formal regulatory role of Chief Actuary Function under Article 48 of the Solvency II Directive – to report formally to the Boards on technical provisions, reinsurance and underwriting policy - is carried internally. The Chief Actuary is an employee of TRC.

Segregation of responsibilities

All the designated key functions are provided with the necessary authority, resource and independence that they require to effectively fulfil their roles. They each report to the Group's Boards either directly or through designated Board subcommittees. Their reports are standing items on the Board and subcommittees' agenda.

The Investment Managers

Investment of the Group's funds is conducted by the Investment Managers in accordance with the Group's Investment Policy and is subject to internal compliance procedures.

C.1.2. Material changes to the system of governance

There have been no material changes to the system of governance during the last financial year.

C.1.3. Remuneration

Remuneration policy and practices

The Group has a Remuneration Policy which sets out the principles and procedures under which the Remuneration Group operates.

All the Group's key functions and services, with the exception of its Non-Executive Directors, are provided by the Managers or a third party appointed by the Managers (and approved by the Boards).

Managers' Remuneration

The Managers are paid a Management Fee by the Group under the terms of the Management Agreement between the parties.

The Remuneration Group sets the fee in accordance with the Management Agreement's management fee formula. In addition, 10% of the fee is awarded based on the achievement of an agreed set of KPIs. The fee is paid on a quarterly basis and there is no element of it that is variable by reference to the Group's financial performance.

Remuneration of the Directors

The Group's Chairman and the Senior Independent ('expert') Director receive a fixed fee paid monthly in arrears. Other non-executive directors (except for the two Manager directors) receive a fee per meeting attended, with the Chairman and members of the RAG receiving additional fees for attending the meetings of the RAG. These fees are paid in arrears at the end of each financial year. Members of the MRC receive a fee per meeting attended. The level of remuneration is considered annually by the Remuneration Group, which makes recommendations to the Boards.

The only variable component of the remuneration is that linked to attendance at meetings, but as noted above, this variable element is not available to the Chairman of the Group and the Senior Independent Director. The two Manager directors receive no remuneration directly from the Group but are remunerated by the Managers.

No remuneration paid by the Group to its non-executive Directors is based on the performance of the Group.

C.1.4. Related party transactions

The Board, comprising the Chairman, up to ten representatives of the membership of the Group and two Manager nominees, is appointed to oversee the management of the Group on behalf of the Members. However, because of the mutual nature of the Group, all Members, being both insurer and insured, are in effect related parties.

The Group companies, which are limited by guarantee, has no share capital and is controlled by the Members, who are also its insureds. All Members enter into insurance contracts negotiated with the Group's managers on arm's length terms. These transactions are therefore with related parties and are the only transactions between the Group and its Members.

C.2. Fit and proper requirements

The Group has well established procedures in place to ensure that all controlled function holders remain fit and proper to carry out their duties and to discharge their responsibilities. In particular these individuals must:

- Meet the requirements of the Regulators' 'fit and proper' test and follow its principles;
- Comply with the Statement of Responsibilities; and
- Report anything that could affect their ongoing suitability.

When considering an individual's fitness and propriety the following are considered:

- Their competence and capability;
- Their integrity and reputation; and
- Their financial soundness.

When assessing an individual's competence and capability to take on a controlled function role, all relevant matters are considered prior to their appointment. These include a review and assessment of:

- The competencies and capabilities required to fulfil the intended role. This is assessed throughout the recruitment process, particularly through interviews;
- The experience of the candidate and any additional training required; and
- Whether the candidate's reputation would suit the role for which they are being considered, bearing in mind the factors set out within the on fitness and propriety.

Fitness and propriety checks are made before an individual is appointed to carry out a controlled function and periodically thereafter. These include:

- With the knowledge and agreement of the candidate, the completion of civil and criminal checks through the use of a third-party provider;
- Checking the veracity of any professional or other qualifications that are relevant to the role being applied for;
- Obtaining references from the candidate’s former employers; and
- Consideration of any disclosures made by candidates (full supporting documentation will also be requested).

In determining a candidate’s financial soundness, the following factors will be taken into account:

- Any judgment debt or award in the United Kingdom or elsewhere;
- Whether this remains outstanding or was not satisfied within a reasonable period; and
- Whether the individual has made any arrangements with creditors, filed for bankruptcy, had a bankruptcy petition served on them, been the subject of a bankruptcy restriction order or any other related matter.

As noted in section C.1.1.1, selection of suitable Member Representatives for the MRC requires additional consideration of a candidate’s location, ship type and size of the fleet to ensure that, as a body, the profile of the MRC membership is consistent with that of the wider Group.

Prior to consideration for appointment, all new Member Representatives of the MRC and directors of the Group complete a self-assessment of their skills, experience and capabilities relative to the responsibilities assigned to them under the new role. The results, which are added to the Skills Matrix maintained for all MRC representatives and directors, are reviewed by the CRO, discussed as necessary with the individuals concerned and fed into individual training and further recruitment plans.

Refer to **Appendix A** for a listing of the persons of the Group that are responsible for the key functions.

C.3. Risk management system

The oversight of risk and the underlying corporate culture is fundamental to the future operations and success of the Group. It is an integral part of this approach that each individual is aware of the Group’s aims and objectives and how they are achieved. The Boards have a clear responsibility to understand the risk management activities of executive management.

It is a primary function of the Boards and senior management to establish the Group’s risk appetite and tolerances and to put in place the philosophy, structures, tools and methods to drive the risk management approach throughout the Group. It is vital in the discharge of its governance responsibilities that the Board understands inherent risks and the way these are measured, monitored, assessed and mitigated by management.

Exposure to these risks is monitored against the Board approved risk appetite; recorded as a set of qualitative statements and quantitative thresholds defining the type and level of risk that the Board is prepared to accept in order to deliver its business strategy.

The risk appetite, which underpins the Group’s three-year projected business plans, is used to assess and report to the RAG and to the Boards current, mid-term and emerging risks to the business on a quarterly basis. To augment the Group’s ongoing risk monitoring and reporting processes, the CRO conducts an annual review of its risk management system and more frequently if there are major changes in the risk profile of the business. Findings and recommendations arising from this review are also reported to the RAG and to the Boards.

The Group’s risk management system allows the Boards and the senior management team to review and challenge credible risk information and make informed decisions about the risk profile of the business.

The RAG has delegated responsibilities from the Board to oversee the Internal Control Framework including the oversight of Internal Audit, External Audit and Financial Reporting.

All individuals involved with business operations that allow the Group to manage risk, including control owners, are expected to be aware of the Group's approach to risk management. This is also the expectation of regulators and so those individuals that lead risk assessments or manage material controls or outsourced activities are considered by the Group to be certification functions (roles that could cause significant harm) and are consequently subject to enhanced due diligence by the Managers.

Key Risks and Mitigants

The key risks faced by the Group and the associated mitigants will be as follows:

Underwriting Risk

Underwriting risk which arises from two sources – adverse claims development (reserve risk) and inappropriate underwriting (premium risk). Reserve risk is managed by the Group's policy of setting prudent reserves for individual claims (evidenced by the release of redundant reserves shown in the financial statements) and frequent reviews of estimates, including oversight of large claims by senior claims directors. Prudent IBNR reserves are also maintained at confidence levels consistent with the Group's risk appetite.

Premium risk is managed by having in place a clear underwriting philosophy, procedures and controls in relation to pricing, rigorous selection criteria for the admission of new Members and diversification of risks. Reinsurance is also used to mitigate underwriting risk. Reinsurance may also be used in respect of certain risks where additional protection is deemed appropriate.

Market Risk

Market risk refers to the risk of losses on the Group's' investment portfolio arising from fluctuations in the market value of the underlying investments. There is a clear investment strategy which is subject to regular review. The principal objectives are to match investments with the claims' liabilities in terms of duration, to hold a diversified portfolio of investment types with high quality fixed interest government securities and hold appropriate levels of corporate bonds and equities and, within that overall context, to maximise the return generated at an agreed level of risk.

Credit Risk

Credit risk arises from the possibility of default by one or more counter-parties which may include, reinsurers, deposit takers and Members. This risk is managed by undertaking appropriate due diligence on prospective counterparties. This may include carrying out financial checks on prospective Members, looking at credit ratings for reinsurers and monitoring these over time, restricting exposure to individual deposit takers and operating a robust credit control regime.

Operational Risk

Operational risk covers the risks arising from the failure of internal processes, people or systems or from external events. A comprehensive Procedures Manual covers every aspect of management of the Group.

Risk Management Framework

The risk management framework helps the Board deliver the Group's strategic objectives; it is managed by the Risk function and overseen by the Boards.

The Risk function is responsible for:

- Identifying, managing, monitoring and reporting on current and emerging risks;
- Setting the overall risk management and strategic framework; and

- Monitoring and assisting in the effective operation of the Group's risk management framework and maintaining an accurate view of the Association's risk profile.

The Group's risk management policy sets out how the risk management framework supports the principles and characteristics of the Group when managing its strategic objectives, risk appetite and capital needs along with the necessary supporting culture. The policy also sets out how operational elements are devolved to the Managers while oversight is retained by the Directors.

The Group exists to benefit its Members which requires maintenance of financial strength to ensure that claims can be met in extreme circumstances and that unbudgeted Calls are not required. The Group needs to be measured when taking, managing and monitoring risks that pose a threat to its longevity, strategic objectives and capital position.

It is important that the Group's risk management framework considers:

- The wider risks to its Members business model as well as the more traditional risk management considerations expected from insurers under Solvency II;
- A proportionate approach to risk management that is reflective of the nature, scale and complexity of the Association's operations, especially considering the monoline nature of its business; and
- Transparency and accountability between the Group and the Managers.

This policy sets out a number of standards that help the Group achieve these targeted outcomes:

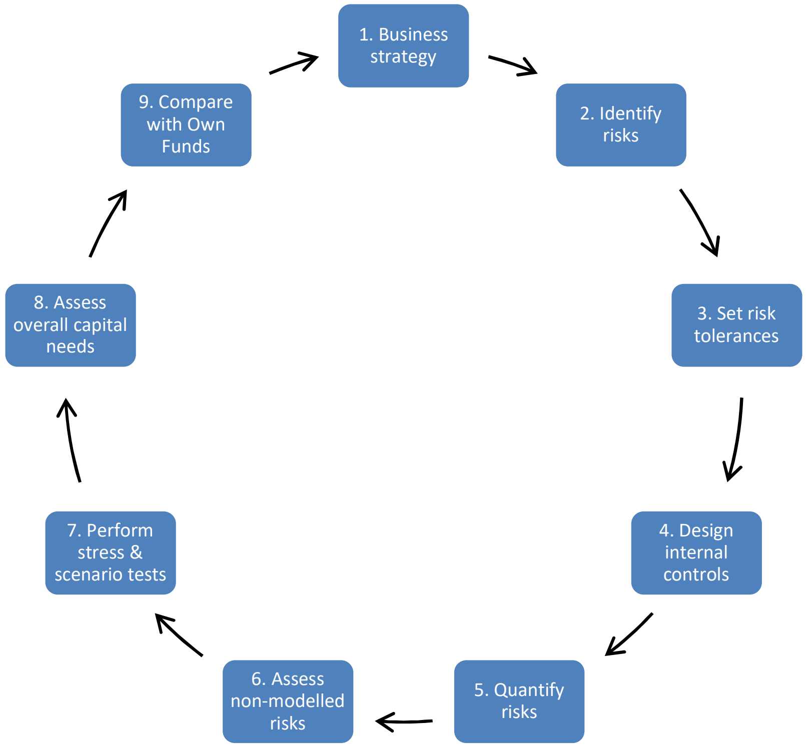
- **Identify** - Maintain a risk register of all significant risks to the Group aligned with one of the available risk categories and the "material" / "important" controls that are used to manage these risks. Ensure completeness of the risk universe and the controls environment, regularly back testing against results and reviewing risk incidents. The main management tool used by the Group to assist in assessing the systems and controls is a comprehensive risk register.
- **Assess** - Assess the impact of all risks in the Risk Register at the 1-in-10 and 1-in-200 confidence level using a score of 1 - 5. Assess the effectiveness of the controls supporting risks (through self-attestation).
- **Monitor** - Measure the current risk exposure against the Board's risk appetite as set out in the Risk Appetite Statements and as devolved into Risk Limits, Key Control and Key Risk Indicators.
- **Respond** - Where there are instances of risk taking outside the Board's expectations (outside risk appetite), ensure Board approved remediation actions are executed in a timely manner.
- **Report** - Report exceptions to the Board where the risk profile is outside the Board's Risk appetite or material controls are not operating in line with expectation. The reporting should also consider risk incidents, emerging risks and updates on remediation actions. At least annually, prepare an Own Risk and Solvency Assessment (ORSA) report, summarising the results of all risk management activities (ORSA process).
- **Risk Incidents** - Capture all risk incidents (unexpected events that cause, or nearly cause, a financial or reputational impact due to a failed control or unforeseen exposure) and update the processes and control environment in order to avoid repetition.
- **Emerging risks** - Be forward looking in our risk identification and consider risks that may emerge for the business due to internal or external change.

C.4. Own Risk and Solvency Assessment (ORSA)

The ORSA is carried out in accordance with the Group's ORSA Policy (the Policy). The policy sets out required standards and guidance for conducting the ORSA process and reporting to ensure all relevant regulatory and business requirements are continuously met. The purpose of the policy is to assist the Boards in implementing consistent processes to demonstrate the link between business strategy, risk appetite, risk profile and solvency needs. The Policy is reviewed and approved by the Boards.

The ORSA process, which incorporates the risk monitoring and reporting activities performed by the Group's Key Control Functions, operates continuously throughout the year as part of day-to-day business operations. Outcomes of the process and conclusions drawn are recorded in an annual report presented to and signed off by the Board. Key steps within the ORSA process are set out in chart 3 below.

Chart 3: Summary of ORSA process



From a strategic perspective, the annual ORSA report provides the Boards with a comprehensive assessment of the capital required to meet the Group's strategic objectives over the next three years, based its projected business plan and the risk profile it generates. From an operational point of view, ORSA processes and results are used to inform and support the Boards when making key decisions, for example on calls on Members, capital distributions, pricing, reinsurance purchase and investment strategy.

The 2021 ORSA includes an assessment of both the economic and regulatory capital position of the business for the next three years as at 20 February 2022 by reference to the Economic Capital Benchmark (ECB), Solvency Capital Requirement (SCR) and Minimum Capital Requirements (MCR).

The ECB defines the amount of capital that must be held to implement the business strategy for the next three years to cover the risk of losses from all potential sources that exceed risk appetite up to the 99.5th level of confidence.

The SCR defines the amount of capital that the Group must hold to satisfy regulatory requirements. The benchmark set for the SCR is also at the 99.5th level of confidence but measured over a one-year period.

The MCR, which represents the absolute minimum level of capital that the Association must hold to avoid regulatory action, is also measured over a one-year period but reflects the 85th level of confidence.

The Group has used the Solvency II Standard Formula to calculate its SCR and MCR.

The annual ORSA report is reviewed by the Boards to ensure that it is accurate and provides the necessary information for capital allocation and strategic planning purposes. Once the Boards are satisfied, it approves the report which is then submitted to the CAA and other relevant regulators who require a copy of the ORSA.

The ORSA report is produced annually, which is consistent with the stable nature of the Group's capital needs over time. The ORSA may be undertaken more frequently if specific triggers occur which are set out in the Policy. However, none of these events has occurred since the last ORSA was prepared.

C.5. Internal control system

The Group's internal control system refers to a combination of activities carried out to eliminate or reduce the likelihood of risks materialising that are beyond the level of risk appetite considered within business plans and strategy.

Activities include:

- Control management undertaken by the business, including quarterly control attestations provided to the CRO. Each identified control owner attests to the performance and effectiveness of their control environment over the quarter. The CRO reports the results and any associated recommendations to the quarterly meeting of the Tindall Riley (Britannia) Ltd Board (TRB) and to the RAG at each meeting;
- Annual review and re-assessment of the Group's key risks by relevant risk owners, independently challenged by the CRO and reported to TRB quarterly and to the RAG;
- Annual stress and scenario testing (including reverses stress tests) of the assumptions within the business plan to determine the financial, reputational, operational and capital impact of extreme adverse events. An agreed set of tests relevant to the Group's business plan and strategy are run by relevant members of the Finance and Actuarial Functions, reported to the CRO and included within the annual ORSA report;
- Annual independent validation of capital calculations, including underlying assumptions and associated projections both within the Actuarial team and by the Chief Actuary;
- Annual review and assessment of the effectiveness of the Group's risk management framework by the CRO;
- Regulatory guidance, 'horizon scanning', recording and quarterly reporting of operational losses (actual, potential and near misses) and compliance breaches to the Board;
- Quarterly compliance monitoring and reporting to TRB, the RAG and Board; and
- Independent assurance reviews conducted by Internal Audit.

Where control deficiencies exist, remedial actions, the person responsible for taking them and the timeframe within which the control deficiency will be addressed, are recorded and monitored by the CRO.

The Group is required to establish and implement the compliance activities necessary to demonstrate that it meets its regulatory expectations. These activities should be proportionate to the nature, scale, risk and complexity of the business.

There are seven key areas in which the Compliance Function operates:

1. Advisory
    - Active engagement with the Group to identify and advise on regulatory matters, whether internally or externally generated, to mitigate regulatory risk including financial crime risk and support business objectives; and
    - Proactive involvement in new strategic initiatives to provide guidance on regulatory matters.

2. Horizon scanning
    - Interpreting and communicating new or revised regulations;
    - Assessing and reporting the potential impact of these changes and proposing amendments to processes to meet requirements;
    - Identifying and evaluating compliance risk to the Group's strategic plans and business transactions; and
    - Regularly reviewing sources of emerging risk, maintaining a record within the emerging risk log, noting any potential impact and action planned or taken to avoid or mitigate the risk of loss.

3. Incident management
    - Coordinating the management and recording of any regulatory breaches and financial crime incidents, liaising between all relevant stakeholders to bring matters to a satisfactory conclusion;
    - Advising on remedial action for the business to take to reduce the impact and avoid re-occurrence; and
    - Undertaking incident root cause analysis as required.

4. Regulatory relationship management
    - Acting as the primary contact point between the Group, its regulators (in the UK and in other territories as necessary) and other relevant authorities such as law enforcement agencies, to facilitate and assist with the management of those relationships; and
    - Acting as a portal for routine communication and contact between the Group and its regulators, managing responses to information requests outside standard regulatory reporting.

5. Compliance training
    - Providing direction, education and formal training on compliance and regulatory matters; and
    - Monitoring staff completion of mandated compliance and financial crime training.

6. Reporting
    - Reporting on Regulatory and Financial Crime matters to the Board and other relevant stakeholders; and
    - Providing input to and co-managing, with Finance, external regulatory reports.

7. Oversight and assurance
    - Assessing and monitoring compliance across the business using agreed indicators and reporting the results to the RAG and to the Boards;
    - Conducting investigations and process reviews where regulatory controls are found to be weak or not consistently applied; or in response to demands by the regulator or at the request of management; and
    - Overseeing projects to implement operational changes within the business in order to comply with new or revised regulations.

The key elements of the compliance system are:

- Identifying internal (following projects) and external change (horizon scanning) to the status quo;
- Assessing the updates required from time to time to compliance activities;
- Monitoring the effectiveness of the compliance activities as part of the compliance dashboard; and
- Responding to exceptions in a timely manner through appropriate management action.

C.6. Internal audit function

Internal Audit, provided by the Managers on behalf of the Group, provides independent assurance, advice and insight to the Board, designed to add value to the business and improve its operational effectiveness. It helps the Group to accomplish its objectives by bringing a systematic, disciplined approach to the evaluation of the effectiveness of its governance, risk management and control processes.

The Internal Audit Function is governed by written Terms of Reference (TOR), setting out the function's role, mandate, independence and authority to act. The internal audit function is responsible for preparing:

- An internal audit universe based on the risks within the Group's risk register;
- A five-year strategic internal audit plan using a risk based approach for the timing and frequency of intended reviews; and
- An annual internal audit programme taking into consideration previous audit findings or those arising from compliance monitoring activities; the occurrence and cause of material unexpected

losses, regulatory breaches or incidents involving financial crime as well as in response to feedback from regulators and management.

The internal audit universe and the annual internal audit programme are presented annually to the RAG.

The Head of Internal Audit and holder of the associated regulatory role for the Group under the Senior Managers Regime, reports all findings and recommendations arising from the review work performed to the RAG at each meeting and has regular discussions with the chairman of the RAG between meetings. Included within the Head of Internal Audit's reports is an update on the implementation by assigned individuals of previous recommendations. Material issues not addressed within agreed timescales are escalated to the Boards.

The Internal Audit Function has no direct operational responsibility or authority over any of the activities audited and is not permitted to implement internal controls, develop operational procedures, prepare records or engage in any other activity that may impair its judgment. The Head of Internal Audit is obligated to report to the RAG any interference and related implications in determining the scope of internal audit reviews, performing work and communicating results.

The internal audit function is independent from the organisational activities audited and free to exercise its assignments without impairment and on its own initiative in all areas. The internal audit function reports directly to the Chair of Audit Group.

C.7. Actuarial Function

The Group's Actuarial Function is made up of an internal actuarial team employed by the Managers. The Chief Actuary is an employee of the Managers.

The Function's organisation is designed to provide the Group with the necessary 'Approved Person' role and flexible actuarial support, whilst enabling the Group's Managers to maintain operational control of the work performed.

The internal actuarial team report to and are managed by the Group's CFO. The Function has responsibilities for the calculation of the Group's reserves and Solvency II technical provisions, its capital modelling, risk pricing and for providing analytical support to underwriters.

In accordance with Article 48 of the Solvency II Directive, The Chief Actuary has four main duties:

- To assess the appropriateness and adequacy of the Group's Solvency II technical provisions;
- To provide an opinion on the underwriting policy;
- To provide an opinion on the adequacy of reinsurance arrangements; and
- To contribute to the Group's risk management.

Given the structure of the Group's actuarial function, some actuarial function duties are the responsibility of the CFO. These include:

- Responsibility for, and oversight of, the outsourced actuarial function and notifying the CAA of any subsequent material developments with respect to the function;
- Coordinating and managing the calculation of the LUX GAAP and Solvency II technical provisions; and
- Acting as line manager for internal actuarial personnel employed by the Association's Managers.

C.8. Outsourcing

Outsourcing is the use of a third party (either an affiliated entity within the same group or an external entity) to perform activities on a continuing basis that would normally be undertaken by the Group. The third party to whom an activity is outsourced is a 'service provider'.

The Group's approach to outsourcing is governed by the principles and standards set out in its Outsourcing Policy. The policy acts as a guide to the Managers for assessing the materiality of risks associated with outsourcing any given activity or service and the steps that must therefore be taken to mitigate and manage this risk effectively.

The policy establishes two fundamental principles:
- That the decision to outsource activities assessed as Critical (C) or Important (I) to the Group will be reserved for the Board; and
- The control framework through which outsourcing benefits and risks are assessed, controlled and monitored will be sufficiently robust to ensure that the Group's outsourcing arrangements will give advantage in practice.

Outsourcing is categorised under Solvency II as C or I if it would jeopardise adherence to the regulators' Threshold Conditions, which are required for the Group to maintain its regulatory authorisation.

The assessment of materiality determines at the outset whether the nature of the outsourced arrangement will make it C or I, after which the same stages for approval will be followed, although proportionate to the nature and materiality of the activities to be outsourced.

The starting point is to compare the potential benefits with the foreseeable risks, to see whether there is sufficient value in the proposition to go through a tender process. The scoring used in this viability check to assess whether the benefits outweigh the risk, is set out as an appendix to the Outsourcing policy.

Where the viability check is passed, the Business sponsor will arrange for specific due diligence on a number of providers before presenting a value proposition and preferred service provider to either the Managers' Board or, for C and I arrangements, the Board of the Group, for consideration and approval. The necessary due diligence, minimum contractual terms and approval process to be followed are set out in various appendices to the Outsourcing policy and designed to ensure that:

- Adequate review and assessment has been carried out on the impact of the outsourcing on the Group's risk profile and contingency plans in the event of service failure by the selected provider;
- The selected service provider has the ability, capability and legal authority to meet the Group's business requirements and is free of any conflicts of interest relevant to the outsourcing;
- The service provider is financially sound, professionally competent, appropriately experienced and has adequate insurance cover to meet its contractual obligations;
- Contracts between the service provider and the Group setting out the duties and responsibilities of both parties, are signed-off by appropriately authorised signatories and comply with all relevant legal and regulatory requirements;
- Control mechanisms established by the Managers for monitoring the performance and quality of services provided by a third party are commensurate with the nature and materiality of the risk to which they expose the Group; and
- The outsourcing does not impair the Group's systems of governance or increase the level of Operational risk.

The Group's C and I outsourcing arrangements relate to:

- the appointment of its Managers, TRB and its parent TRC; and
- the management of its investments by the following managers:
  - State Street Global Advisors;
  - Schroders;
  - Insight Investment
  - M&G Investments;
  - BlackRock and
  - Newton Investment Management

The Board bears ultimate responsibility for outsourced functions, services, or activities and related governance.

C.9. Adequacy of system of governance

The Board considers that the System of Governance is appropriate for the nature, scale and complexity of the inherent risks facing the Group.

C.10. Any other information

The Group considers no other information material to be disclosed.

D. Risk profile

The Group is focused on the identification and management of exposure to risk through its core activity as a provider of insurance services. The key areas of risk faced by the Group can be classified as follows:

- Underwriting risk – incorporating premium and reserving risk;
- Market risk – incorporating equity risk, interest rate risk, spread risk and currency rate risk;
- Counterparty default risk – being the risk that a counterparty is unable to pay amounts in full when due;
- Liquidity risk - being the risk that cash may not be available to pay obligations as they fall due;
- Operational risk – being the risk of failure of internal processes or controls;
- Climate change risk – being the risk of higher claims and poor investment performance due to climate changes; and
- Group risk – being the governance, capital, reputational or regulatory issues that can arise from having a Group structure.

The Group manages these risks through the quarterly Risk Register update, which uses metrics to monitor risk outcomes and control effectiveness and receives attestation on less significant controls from Risk Owners. Risk outcomes are compared to the results of the Group's SCR, outcomes of stress and scenario testing, self-reported Risk Incidents and Internal Audit findings to ensure that a rounded consideration of the Group's risk profile is provided to TRB each quarter and to the RAG and the Boards.

The assumptions underlying the Group's standard formula SCR are considered to be a good fit with its risk profile, noting that Group and Strategic risk capital is captured within operational risk and liquidity risk is incorporated within market risk.

The Group's standard formula SCR risk profile as at 20 February 2022 is as follows:

Table 3: Split of SCR by risk category

Key areas	2022 % of SCR
Underwriting risk	46.0%
Market risk	38.6%
Credit risk	8.6%
Operational risk	6.8%

D.1. Underwriting risk

The Group's exposure to Underwriting risk is managed through the underwriting process, acquisition of reinsurance cover, cover provided by the IG Pooling Agreement, the management of claims costs and the reserving process. Underwriting risk exposure arises from the Group's two classes of business, P&I and FD&D, which are written on a worldwide basis.

Underwriting process

The Group provides Members with cover for P&I and FD&D risks. The Group sets a projected level of Call based on a target confidence level, such that the Call and investment income will be sufficient to meet net claims incurred over the full development of the policy year. The development of claims is monitored monthly by the Managers and on a quarterly basis by the Managers' Board and the Group Boards.

Reinsurance and International Group Pooling Agreement

The establishment of the Group's reinsurance programme is driven by the Board's objective of managing risk to an acceptable level and to optimise the Group's capital position. The programme comprises excess of loss reinsurance cover purchased jointly with other members of the IG, reinsurance to cover specific risks, cover against a single catastrophic event and an accumulation of smaller attritional claims.

The IG Pooling Agreement provides a sharing of claims costs above an agreed retention between the 13-member associations.

The Group's chartered business is reinsured outside the IG Pooling arrangements. The programme is predominantly placed with Lloyd's underwriters and the liabilities from these risks are reinsured from the ground up, with the Group retaining a certain element of the risk.

Management of claims cost – Loss Prevention

The Group’s strategy is to help its Members to prevent and avoid the occurrence of incidents while ensuring the efficient handling and management of claims when they do occur. To facilitate this strategy, the Group has established programmes to ensure high levels of claims management and to reduce claims risk. This includes an extensive loss prevention programme comprising technical seminars for crew, information for Members on common claims and how they may be prevented, root cause analysis of major incidents, completion of ship inspections and the production of various guides for safe carriage of goods and the avoidance of incidents.

Reserving process

The Group establishes provisions for unpaid claims, both reported and unreported, and related expenses to cover its expected ultimate liability. These provisions are established through the application of actuarial techniques and assumptions and the key methods used by the Group in estimating liabilities are the Chain ladder, Bornhuetter Ferguson and Stochastic bootstrap modelling methods. The results are presented to the Group’s Reserving Group, which meets at least twice a year in order to review and challenge the setting of reserves, and then reviewed by the RAG. In order to minimise the risk of understating these provisions, the assumptions made, and actuarial techniques employed are reviewed in detail by senior management and reserves are set to meet a given level of confidence that they will prove adequate.

The Group considers that the liability for insurance claims recognised in the consolidated statement of financial position and the Solvency II balance sheet are appropriately recognised, with the understanding that actual experience will differ from the expected outcome.

D.2. Market risk

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

The investment strategy, which is reviewed periodically, is set by the Board with the assistance of external investment consultants. The strategy reflects the risk appetite of the Group and is designed to maximise return while holding risk to a level deemed acceptable. The policy allows the investment managers to invest a proportion of the portfolio in assets which carry a greater risk but potentially higher return (the growth portfolio), such as equities, with the majority in lower risk investments that match liabilities and provide a cash buffer (the matching portfolio).

The asset allocation of the investment portfolio is monitored by the Managers. Where an asset class exceeds its permitted range, the investment managers will be instructed to carry out a rebalancing exercise, in order to restore the allocation to the correct position.

The prudent person principle

Under the Group's investment policy, all of its investments are invested and managed in accordance with the 'prudent person principle', meaning the duties of the Investment Managers are discharged with the care, skill, prudence and diligence that a prudent person acting in a like capacity would use in the conduct of an enterprise of like character and aims. More specifically the portfolio:

- Is invested in assets and instruments whose risk can properly be identified, measured, monitored, managed, controlled and reported;
- Ensures the security, quality and liquidity of the portfolio as a whole;
- Is appropriate to the nature, currency and duration of the Group's insurance liabilities;
- Includes derivative instruments only where they contribute to a reduction of risks or efficient portfolio management; includes only a prudent level of unlisted investments and assets;
- Is diversified to avoid excessive reliance on any asset, issuer or group, or geographical area.

The funds are invested by the Investment Managers in accordance with parameters set by an Investment Mandate. The Investment Mandate provides a framework to the Investment Managers for the management and stewardship of the investment assets in conformity with the business and investment objectives and sets the parameters within which the Group's assets may be invested. It is considered and approved by the Board on an annual basis and ad hoc as required and is subject to the Group's Investment Policy. The Investment Managers report to the Board at each meeting.

Foreign currency risk

The Group is exposed to currency risk in respect of liabilities under policies of insurance denominated in currencies other than US dollars. The most significant currencies to which the Group is exposed are sterling, euro and yen. In order to manage this risk, the Group holds a proportion of its investments in each currency at a level to match expected future claim payments in those currencies.

The value of the assets held in foreign currency generally exceeds the value of the matched liabilities and therefore there is only a low risk that unmatched liabilities will lead to currency losses.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market rates. Interest rate risk arises primarily from the nature and term of investments held and is managed through the buying and selling of appropriate fixed interest securities of different durations.

The Group uses a number of sensitivity management tools to understand the volatility of surpluses/deficits.

Equity price sensitivity analysis

The Group is exposed to price risk through its holding of equities. This exposure is limited to a maximum proportion of the overall portfolio. At the year end the holding in equity instruments amounted to 23% (2021 – 20%) of the investment portfolio. The Group also holds an investment in a diversified growth fund amounting to 16% (2020 – 15%) of the portfolio.

Where available, the Group uses closing bid market values to determine the fair value of an investment holding. The carrying value of non-quoted equity holdings at the year-end amounted to zero (2020 – zero).

D.3. Credit risk

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 where the Group is exposed to credit risk are:

- Amounts recoverable under reinsurance contracts, including other P&I Clubs;
- Amounts due from Members; and
- Counterparty risk with respect to cash and investments.

Amounts recoverable on reinsurance contracts

The Group is exposed to credit risk from a counterparty failing to comply with its obligations under a contract of reinsurance. In order to manage this risk, the Managers consider the financial position of counterparties on a regular basis and monitor aggregate exposure to each reinsurer. The Group has set selection criteria whereby each reinsurer is required to hold a credit rating of at least “A-” at the time the contract is made. The majority of reinsurance is placed with Lloyd's underwriters (A+ rated) with the benefit of the Central Guarantee Fund. Non-Lloyd's reinsurance is monitored and reported on annually to the Board of the Managers.

Amounts due from Members

Amounts due from Members represent premiums owing to the Group in respect of insurance business written. The Group manages the risk of Member default through a screening process to ensure the quality of new entrants to the Group and the ability to cancel cover and outstanding claims to Members that fail to settle amounts payable. The Group's policy is that Members should have paid all outstanding calls prior to being issued with Blue Cards in advance of the coming policy year. In addition, the Group has the right to offset outstanding debts against claim payments unless there is a contractual arrangement that prevents such offsetting. The Managers’ Creditworthiness Group monitors the membership by reference to credit reports, aged debt analysis and market commentary. Amounts written off as bad debt have been minimal over recent years.

D.4. Liquidity risk

Liquidity risk is the risk that cash may not be available to pay obligations as they fall due at a reasonable cost. The Group has adopted an investment policy which requires the maintenance of significant holdings in cash funds and short-term deposits to ensure sufficient funds are available to cover anticipated liabilities and unexpected levels of demand. Short-term cash needs are monitored to ensure the most efficient investment of cash balances.

D.5. Operational risk

Operational risks relate to the failure of internal processes, systems or controls due to human or other error. Operational risk is tolerated but minimised by the Managers on behalf of the Group through the application of key mitigating controls.

The assessment of key operational risks and associated controls is recorded in the Group’s Risk Register which is updated and reported to the RAG on a quarterly basis. This assessment is informed by the Group’s incident and compliance breach logs and through the assessment of adverse scenarios linked to its particular business model, strategy and risk profile.

Scenario identification, assessment and analysis is designed to:

- Confirm that the current risk and control assessment, including emerging risk estimation and assumptions used for capital modelling, is robust; and
- Probe possible vulnerabilities in the business model.

For the purposes of a), scenario assessments are reported to the Board through the annual review of Risk Management effectiveness and the assumptions review conducted over the SCR and ECB calculations. Business model scenarios in b) are used to stimulate discussions when reappraising strategy and conducting the Group’s ORSA.

Operational risk scenarios used in the Group's ECB as at 20 February 2022 relate to the following operational aspects of the strategy and business model:

- Reliance on third parties;
- Compliance failure;
- Loss of key staff;
- Underwriting;
- Reinsurance;
- Claims;
- Business interruption;
- Inaccurate Management Information; and
- Internal or External Fraud.

Operational risks relating to 'people' are controlled by the Managers through succession planning; staff training; having adequate Errors and Omissions insurance; validation of references; background checks and the segregation of duties.

Systems are controlled through data back-up, Disaster Recovery design and regular testing of the Group's Business Continuity Plan.

All key control processes are documented in the Group's various operational policies and procedure manuals. Compliance is tested and monitored by the Group's Compliance, Risk Management and Internal Audit functions and reported to the RAG by the CRO and Head of Internal Audit respectively.

D.6. Climate change risk

As climate change predictions evolve and world economics change, climate change risk continues to pose a material financial risk to the Group. Increasing extreme weather conditions challenge the safety of our Members' vessels and crew, as well as the safe carriage of cargoes.

The Group recognises the increased claims risk to our Members' vessels and crews due to increasingly extreme weather caused by climate change. The trends of these claims will be monitored by the loss prevention department in the future and increased risk will be factored into our underwriting process. Our loss prevention department will continue to use its knowledge and developing data to advise on the best mitigation strategies.

Climate change can have direct or indirect impacts on the Group. Increased frequency or severity of storms can potentially have a corresponding effect on shipowner claims, while prioritising environmental protection can lead to increased costs of clean-up/ wreck removal and the imposition of fines where pollution occurs.

The Group's investments, including equities and bonds, could be adversely affected if the business model of the underlying companies is deemed unsustainable within the scope of increasing ESG factors. The ESG aspirations of Members and Reinsurers could affect the attractiveness of Britannia as an insurer, while longer term changes to global shipping's insurance needs should also be considered to ensure a viable ESG strategy is maintained.

D.7. Group risk

As noted in section B.1., the Associations are legally structured as part of a group. For the purposes of capital and risk management, however, the 'group' is considered as a single entity.

However, if the Associations were to be considered as standalone legal entities, there would be two significant 'group risks' in the form of the reinsurance exposure to USMIA and Hydra and the location of group capital held by USMIA and Hydra.

In addition, although the surplus funds in Boudicca do not form part of the Group's 'own funds' for Solvency II purposes, those funds nevertheless form a significant part of the Group's economic capital and are considered as part of the group capital and risk management strategy.

There are mechanisms in place to manage and mitigate these group risks as set out below.

USMIA

Under resolution of the Associations, recoveries under the reinsurance contract with USMIA would continue to be paid as the Associations ran off claims. In addition, as its parent undertaking, the Associations could place USMIA into liquidation, in which case as the sole shareholder and creditor of USMIA (save for some minor balances such as accrued professional fees), the balance of USMIA's assets would be paid to the Associations.

In addition, there are two security measures in place over the assets of USMIA, which would ensure that, in the event of default by USMIA or the insolvency of either party, the capital held by USMIA would be available to the Associations.

Account Pledge Agreement

There is a tripartite account pledge agreement (the Agreement) between the Associations, USMIA and USMIA's investment custodian. The Agreement defines 'secured obligations', being "all monies and liabilities which are now or may be at any time hereafter be due, owed or payable by USMIA to the Associations under or in connection with the reinsurance agreement". In the event of default by USMIA in relation to its obligations to the Associations (for example the payment of claims under the run-off of Britannia) or the insolvency of USMIA, the agreement allows the Associations to enforce the security interest direct and require the custodian to sell investments and remit the proceeds to the Associations.

Debenture

The Debenture creates a floating charge over all of the assets of USMIA in favour of the Associations. Under clause 5 of the Debenture, if the reinsurance agreement between USMIA and the Associations is terminated, or if USMIA becomes insolvent, the Associations may exercise its power of sale under the Debenture and thus recover all amounts owing to it as a creditor and the shareholder.

Hydra

Under resolution of the Associations, recoveries under the reinsurance contract with Hydra would continue to be paid as the Associations ran off claims.

The Hydra governing instrument contains winding up procedures which allow the board to terminate the operations of Hydra from the end of the then current policy year. Under these circumstances, the Britannia cell would be run off and eventually wound up, with any residual assets being transferred to Britannia Europe as the shareholder.

Boudicca

Under resolution of the Associations, recoveries under the reinsurance contract with Boudicca would continue to be paid as the Associations ran off claims.

In addition, there is a Security Interest Agreement in place over the assets of Boudicca, which would ensure that, in the event of default by Boudicca or the insolvency of either party, the capital held by Boudicca would be available to the Associations. This agreement, which is formally acknowledged by Boudicca's investment custodian, gives the Associations the power to sell Boudicca's assets held by the custodian in the event of the default by or insolvency of Boudicca.

D.8. Other material risks

The Group has not identified any other material risks that it considers necessary for disclosure.

D.9. Any other information

The Group considers no other information material to be disclosed.

E. Valuation for solvency purposes

This section provides information on the valuation of assets, technical provisions and other liabilities within the Association's SII balance sheet at 20 February 2022.

In accordance with article 75 of Solvency II Directive 2009/138 and with article 9 of Delegated Regulation 2015/35, assets are valued for solvency purposes at the amount for which they could be exchanged between knowledgeable willing parties in an arm's length transaction, and liabilities are valued at the amount for which they could be transferred, or settled, between knowledgeable willing parties in an arm's length transaction.

The Association applies the methodology and valuation hierarchy in accordance with Article 75 of the Level 1 Directive (or where specifically provided for by Delegated Acts):

- As the default valuation method, the Company values assets and liabilities using quoted market prices in active markets for the same assets or liabilities;
- Where the use of quoted market prices in active markets for the same assets or liabilities is not possible, assets and liabilities are valued using quoted market prices in active markets for similar assets and liabilities with adjustments to reflect differences;
- Where these criteria are not met, alternative valuation methods are used.

Where this methodology differs from the valuation policies used in the Club's financial statements, a specific provision is made in the following section.

The consolidated Solvency II balance sheet has been prepared in accordance with Method 1 (Accounting consolidation-based method) of article 230 of the Solvency II Directive 2009/138.

E.1. Valuation of assets

The following table sets out the value of the Association's assets at 20 February 2022.

Table 6: Valuation difference between assets held on a GAAP basis and SII basis

	Assets per Lux GAAP USD'm	Assets per Solvency II USD'm	Variance USD'm
Financial investments and cash and cash equivalents	763.5	881.2	(117.7)
Reinsurance recoverable	407.6	340.8	66.8
Other assets	215.9	114.1	101.8
Total Assets	**1,387.0**	**1,336.1**	**50.9**

In general, the valuation method of assets is aligned with the statutory accounts and therefore the basis of preparation aligns with the accounting policies outlined in the Association's Annual Report and Financial Statements, Note 1. Exceptions to these methods are outlined in the relevant sections below.

Financial investments and cash and cash equivalents

Equities and bonds valuation (including investment funds) rely on market prices (including accrued interests when applicable) provided daily by the Group's administrative agent and financial data providers. Investments in collective investment undertakings rely on net asset values provided by financial data vendors, fund promoters, or fund administrative agents.

This valuation methodology differs to the Lux GAAP accounts where financial investments are valued at the lower of cost (historic for equities and collective investments undertakings, amortised for fixed income) or market value.

Reinsurance recoverable (reinsurers' share of technical provisions)

The difference between the GAAP and Solvency II values for reinsurers' share of technical provisions reflects the difference in methodology used to calculate the underlying technical provisions under the two bases. This is set out in more detail in the Technical Provisions section below.

Other assets

The differences in the valuation between LUX GAAP and Solvency II relates to the recognition of accrued interest which has been recognised for Solvency II purposes under financial investments and for LUX GAAP purposes under 'other assets'. The remaining difference relates to the accounting treatment of other assets which are valued at their recoverable value. Full provision is made for balances considered to be doubtful. Lux GAAP Insurance Receivables which are not due at the reporting date are reclassified into the future premium cash-flows in the Technical Provisions section below. Furthermore, intangible assets, relating to software development, have been valued at zero under Solvency II valuation principles.

There were no changes to any of the recognition criteria or valuation methods during the year.

E.2. Technical provisions

At 20 February 2022, the Group held technical provisions, valued for solvency purposes, of USD802.2m Gross of Reinsurance.

The assessment of the technical provisions is based on commonly accepted actuarial techniques applied in a consistent manner from year to year. Whilst professional judgment has been exercised in all instances, projections of future ultimate losses and loss expenses are inherently uncertain due to the random nature of claim occurrences. The accuracy of the results is dependent upon the accuracy of the underlying data and additional information supplied to the actuarial team.

The following table shows the analysis of these provisions between best estimate and risk margin at 20 February 2022.

Table 7: Analysis of provisions between best estimate and risk margin at 20 February 2022

	Gross USD'm	**RI USD'm**	**Net* USD'm**
Balance per GAAP (Post Part VII transfer)	1,051.6	(407.6)	644.0
Prudence Margin (GAAP to BE)	(217.3)	96.7	(120.6)
Reclassification of deferred calls and reinsurance premiums	(101.3)	5.5	(95.8)
Bound but not incepted ("BBNI") business	58.7	(51.1)	7.6
RI credit default	0.0	6.5	6.5
ENIDs	19.4	(7.6)	11.8
Discounting	(44.0)	16.8	(27.2)
Expenses	35.1	-	35.1
Balance per Solvency II before risk margin adjustment	802.2	(340.8)	461.4
Risk Margin	94.6	-	94.6
Balance per SII	**896.8**	**(340.8)**	**556.0**
Variance between SII and GAAP	**154.8**	**(66.8)**	**88.0**

** The net amount in the table above is calculated as Gross less RI*

Since the Solvency II technical provisions figure is a best estimate, the GAAP technical provisions are adjusted for the following items:

- all margins for prudence are removed;
- a provision is made for events not in data (ENID) to represent a true average of future outcomes;
- Technical provisions are stated both gross and net of reinsurance;
- an allowance is made for business which is 'bound but not incepted' (BBNI) as at 20 February 2022; and
- an additional Solvency II risk margin is added, which is intended to represent a notional market value adjustment.

The Group values technical provisions using the methodology prescribed by the Solvency II Directive and the regulations made under the Directive.

Solvency II Technical Provisions methodology

Technical provisions (TPs) for Solvency II purposes are made up of a best estimate of claims, premiums and expense cashflows, which are then discounted. Finally, a risk margin is added. The best estimate cashflows are the amounts expected to be paid/received in the future without any margin of prudence. Each element of the TPs is described in more detail below.

Homogeneous risk groups

The Group uses four homogeneous risk groups when calculating the best estimate reserves. These are:

1. P&I Retention – Class 3 protection and indemnity claims where Britannia is the originating club.
2. P&I Pool – Class 3 protection and indemnity claims where Britannia pays a share of the claim through the IG pooling arrangement. This includes such claims originating from Britannia.
3. FD&D – Class 6 freight, demurrage and defence claims.
4. Latent claims (predominately Asbestos-related claims) – this group is further divided between mesothelioma and non-mesothelioma claims.

Gross claims cashflows and reinsurance recoveries

Gross claims are projected to ultimate cost using standard actuarial techniques including Bornhuetter-Ferguson and chain ladder with some judgment overlaid. This judgment is important because of the nature of the historical data and the need to apply relevant information regarding specific claims. The key assumptions made include the projected development patterns (both incurred and paid), initial expected loss ratio for the most recent policy years and the credibility assigned to the loss ratio.

These methods are considered appropriate given that the data includes policy years which are fully run off, where the business written has been stable and where there have been no material changes in the way that claims are handled.

At the valuation date, 20 February 2022, the Group had no material unearned business except for business that was bound but not incepted (BBNI). This is because the vast majority of coverage is annual, renews prior to year-end and incepts on the first day of the policy year. For the purposes of Solvency II, any business that is bound to be written before the beginning of the Association's financial year (i.e., from 12.00 on 20 February 2022) is included in the calculation of TPs. However, this concept is not applicable under UK GAAP where only business that has incepted is included in the TPs at the valuation date. BBNI includes all cash inflows as well as outflows and in the Group's case, this includes advance call, acquisition and administration expenses, reinsurance premiums, projected gross claims and corresponding reinsurance recoveries. The BBNI cashflow inputs of premiums and associated expenses are obtained from the calls' projections (business plan) and the ultimate gross claims and reinsurance recoveries are outputs from the Group's premium risk model. This is a stochastic model which projects future gross claims by applying a statistical distribution (based on historical claims experience) to the exposure. The gross claims are then subjected to the applicable reinsurance programme to obtain the expected reinsurance recoveries.

A percentage loading is added to both earned and BBNI business to allow for ‘events not in data’ (ENID), which allows for severe events to which the Group could be exposed but which are absent from the historical data. The ENID percentage loading has been calculated using the Lloyd’s Approximation Method 1, which is a simple and pragmatic calculation based on the assumption that the underlying data is a good fit with the log-normal distribution. The model uses the estimated coefficient of variation from the underlying data and an estimated return period to calculate the percentage loading.

Projected cashflows are estimated by applying payment patterns to the estimates of the ultimate gross claims and recoveries. The assumed payment patterns are derived using chain ladder methodology on historical gross paid claims triangles.

Premiums

Future amounts and timing of premium cashflows are assumed to be in line with the latest call setting decisions.

Gross and reinsurance premiums for the BBNI business are taken from the projected 2022/23 policy year, which forms the Group’s business plan.

Expenses

Acquisition and administrative expenses

- There are no internal acquisition or administrative expenses relating to earned business.
- Brokerage is paid when calls are received; therefore, there are external acquisition costs for the most recent policy years.
- For BBNI business, internal acquisition costs and administrative costs are calculated as a percentage of the total operating costs from the business plan for the forthcoming policy year. The brokerage is taken from the business plan.

Claims handling expenses

Allocated claims handling expenses are assumed to be included in the best estimate claims reserves and, therefore, no explicit allowance is made.

Unallocated claims handling expenses are split between expenses paid in the 2022/23 policy year and expenses paid in subsequent years. The expenses paid in 2022/23 are calculated as an assumed percentage of the total operating costs for the forthcoming year. The expenses paid beyond 2022/23 are the same as those included in the GAAP reserves. The unallocated claims handling expenses are allocated between claims and premium provisions in proportion to claims payments.

Investment management expenses

The investment management expenses are calculated as an assumed percentage of the sum of the projected and discounted TPs (excluding investment expenses) at each future valuation date. The assumed percentage is calculated as the annual investment management expenses divided by funds under management.

Discounting

All future cashflows (including claims, premium and expense) have been discounted using a weighted average yield curve based on the GBP, USD and EUR EIOPA yield curves as at 28 February 2022 and an assumed mix of cashflows in GBP, USD and EUR.

Risk Margin

The risk margin for the Group is the sum of the individual risk margins of:

- The Group’s subsidiaries USMIA and Hydra;
- Britannia Europe as a standalone (solo) entity, assuming the subsidiaries are third-party reinsurers; and

The method used to estimate the individual risk margins is to:

- estimate the SCR for each of the above using the standard formula;
- project the future SCRs using different runoff patterns for different elements of the SCR as follows:
    - non-life underwriting risk and operational risk are combined and run off in proportion to the square root of the percentage of future gross claims cashflows;
    - counterparty default risk is run off in proportion to the square root of the percentage of future reinsurance recovery cashflows; and
    - discount and sum the projected SCRs and multiply by the cost of capital.

Uncertainty associated with the value of technical provisions

The estimate of the Solvency II technical provisions is considered to be an accurate assessment of future obligations. However, it remains an approximation. Factors affecting the level of uncertainty are both internal and external and the nature of these factors is such that they are difficult to quantify in both likelihood and magnitude. The issues that affect the certainty of the technical provisions include:

the projection of numerous cash-flows, including future premiums, claim payments and reinsurance recoveries on these payments. None of these will develop exactly as projected and deviations from these projections are normal and to be expected;

- the assumptions used to calculate the Premium Provision are based on the expectation of an ‘average year’. Actual underwriting performance for that business may vary significantly from the assumed position at the outset;
- the yield curves used to discount future cash-flows can vary from one year to the next which introduces additional balance sheet volatility that does not exist on a GAAP balance sheet;
- there is greater uncertainty associated with more recent policy years as these are still in an early stage of development; and
- for certain elements of the technical provisions, for example ENID, very little data exists on which to base the assumptions and hence a high degree of judgement is required, which could lead to increased uncertainty in the estimates.

Data adjustments and recommendations

There were no data deficiencies for which an adjustment was necessary. Improvements to the data governance procedures have continued in the 2021/22 Policy Year and this will continue into 2022/23.

Changes since the last reporting period

There have been no other changes in the TPs methodology since the previous period.

E.3. Other liabilities

The following table sets out the value of the Association's other liabilities at 20 February 2021.

Table 8: Valuation difference between other liabilities held on a GAAP basis and SII basis

	Liabilities per GAAP USD'm	Liabilities per Solvency II USD'm	Variance USD'm
Creditors	50.4	50.4	-
Reinsurance creditors	3.0	-	3.0
Other liabilities	0.8	0.6	0.2
Total Liabilities	**54.2**	**51.0**	**3.2**

The differences in the valuation between GAAP and Solvency II relates to the recognition of payments on reinsurance contracts for the 2021/22 and prior policy years that have been accrued in the GAAP figures but reclassified to reinsurers' share of technical provisions under Solvency II. All other liabilities are valued for Solvency II purposes on the same basis as the financial statements.

E.4. Alternative methods of valuation

The Association does not use any alternative valuation methods.

E.5. Any other information

The Association considers no other information material to be disclosed.

F. Capital management

F.1. Own funds

The Group's Business Plan and ORSA process measure the current and projected capital and solvency position over a three-year time horizon. The core capital management objective over this period is for the Group to maintain tier 1 basic own funds at a level which provides a capital buffer in excess of the higher of its SCR and its ORSA-derived solvency needs (the economic capital benchmark or ECB).

It is consistent with the Business Planning process which is a projection of the premiums, claims, general expenses and investment return. The Medium-Term Capital Management Plan of the Group is a key component of its ORSA and is reviewed at least annually by the Board.

The Group has a simple capital structure, with balance sheet reserves comprising a single item: tier 1 capital derived from past underwriting and investment surpluses. There were no restrictions on the availability of the Group's own funds to support the SCR and MCR.

Ancillary own funds

Ancillary own funds are funds which are contingent in that they have not been paid in, and as such, are not recognised on the balance sheet of the insurance undertaking. If at some undetermined point in the future ancillary own funds are called, then they cease to be contingent and become basic own funds items represented by assets on the balance sheet. One critical feature of ancillary own funds is their loss-absorbency.

Under articles 93 and 94 of Solvency II Directive 2009/138, supplemented by articles COF1, 2, 5 and 6, of the Level 2 Implementing Measures and the Technical Specification for the Preparatory Phase (Part I) document, ancillary own funds include any future charge which mutual or mutual-type Clubs of shipowners with variable contributions may have against their Members by way of an unbudgeted supplementary premium contribution known as a "supplementary call" in the case of this Group.

The Group has the right under its rules to charge supplementary calls to its Members. These calls fall within the definition of ancillary own funds described above.

The total amount of Ancillary Own Funds included within the Group's own funds is based upon the methodology approved by the CAA on 17 February 2021. The amount of Tier 2 capital is equivalent to USD135.0m. The extent to which the value of the approved ancillary own funds in relation to supplementary calls is eligible to meet the Solvency Capital Requirement is however limited by the Tier 2 regulatory threshold which is currently a maximum of 50% of the SCR.

The methodology approved by the CAA remained valid until 20 February 2024.

Non-Available Own Funds (Guideline 12 of the EIOPA Guidelines on Reporting & Disclosure)

Based on article 330 of Delegated Regulation 2015/35, the Group are aware of the potential restriction on part of its own funds held in its reinsurance captive "Hydra Insurance Company Ltd. – Britannia Europe Hydra Cell" which cannot be made available to cover the group Solvency Capital Requirement.

If applicable, the reduction in available capital at group level due to this restriction is reported under QRT S.23.01.04 – R0750. As at 20 February 2022 there was no restriction.

At 20 February 2022 and 2021, the Group held the following own funds.

Table 9: Breakdown of the Basic own funds and the total of the Own funds

	20/02/2022 USD'm	20/02/2021 USD'm	Movement USD'm
Basic own funds	**388.3**	**435.5**	**(47.2)**
Ancillary own funds	135.0	129.5	5.5
Total own funds	**523.3**	**565.0**	**(41.7)**

As a mutual insurer with no share capital the capital structure consists of only one type of own fund. This consists of the reconciliation reserve. The reconciliation reserve equals the total excess of assets over liabilities. This item is available to fully absorb losses both on a going concern basis and in the case of winding up. The item also satisfies the criteria in Delegated Regulation (EU) 2015/35 and therefore is included in Tier 1. There are no items that are foreseen to reduce the reconciliation reserve.

Table 10: Analysis of total SII own funds by Tier

	20/02/2022 USD'm	20/02/2021 USD'm
Tier 1	388.3	435.5
Tier 2	135.0	129.5
Tier 3	-	-
Eligible own funds	**523.3**	**565.0**

The following table shows the movement in own funds between 30 September 2020 and 30 September 2021:

Table 11: Movement in reconciliation reserve

	USD'm
Own funds at 20 February 2021	435.5
Decrease in net technical provisions	19.9
Decrease in investments and cash and cash equivalents	(92.8)
Increase in other assets	58.6
Increase in other liabilities	(32.9)
Basic own funds at 20 February 2022	**388.3**
Ancillary own funds	135.0
Total own funds at 20 February 2022	**523.3**

The following table shows the reconciliation between GAAP net asset value and Solvency II net asset value at 20 February 2022:

Table 12: Reconciliation of total resources per Lux GAAP to reconciliation reserve per SII

	USD'm
Total Resources – GAAP	449.1
Asset valuation difference	(132.8)
Gross technical provisions valuation difference	(111.7)
Liability valuation difference	(7.6)
Basic own funds - Solvency II	435.5
Ancillary own funds - Solvency II	129.5
Total own funds - Solvency II	565.0

F.2. Solvency Capital Requirement and Minimum Capital Requirement

F.2.1. Solvency capital requirement

The following table shows an analysis of the Association's SCR on a group basis split by risk modules and comparison to the previous year end.

Table 13: Analysis of SCR

Heads of risk	20/02/2022 USD'm	20/02/2021 USD'm	Movement USD'm
Underwriting risk	163.8	156.0	7.8
Market risk	137.2	137.0	0.2
Counterparty default risk	30.7	62.2	(31.5)
Operational risk	24.1	30.5	(6.4)
Aggregate SCR	**355.8**	**385.7**	**(29.9)**
Correlation credit	(76.8)	(87.6)	10.8
Aggregate SCR net of correlations	**279.0**	**298.1**	**(19.1)**

The Association has not used any simplified calculations, nor the duration-based equity risk sub-module as set out in Article 304 of Directive 2009/138/EC in the calculation of the SCR. The Association has not used undertaking-specific parameters in any of the risk modules described below.
The main changes in the SCR since 20 February 2021 reflect the following factors.

Underwriting risk

SCR underwriting risk capital is made up of three elements, premium risk, reserve risk and catastrophe (CAT) risk. Premium risk is based on the higher of either the expected value of net premiums over the next 12 months or the value of net premiums earned over the last 12 months. Reserve risk is based on the valuation of net technical (claims) provisions. CAT risk is calculated using a prescribed scenario-based approach of one of the Association's insured vessels being involved in a collision resulting in a maximum possible loss.

Since the calculation was performed last year premiums, net of reinsurance, have increased. This increases the SCR Premium and Reserve Risk charge by USD7.5m. CAT risk has also increased slightly.

Overall, SCR underwriting risk capital has increased by USD7.8m which represents a 5% increase.

Market risk

Market risk is driven by a combination of market risk drivers - interest rate risk, equity risk, currency risk, spread risk and concentration risk.

The immaterial change in overall market risk consists of a decrease in currency risk offset by an increase in equity risk. The currency risk has reduced due to better identification of non-USD liabilities resulting in better modelled matching of assets and liabilities. The equity risk has increased due to having more type 2 equity exposures when compared to last year, due to a planned change in investment strategy.

Overall, SCR market risk capital has increased immaterially by 0.2% which equates to USD0.2m.

Counterparty default risk

Counterparty default risk capital requirement has had a significant decrease of USD31.5m. This is due to taking the Association's S&P credit rating of "A" for Boudicca rather than "CCC or lower" used previously and acknowledging that the balance is fully secured.

Operational risk

There has been a decrease of USD6.4m in the operational risk charge since last year due to a decrease in technical provisions, gross of reinsurance.

Overall movement

Overall, the SCR has seen a year on year decrease of USD19.1m, from USD298.1m to USD279.0m.

F.2.2. Minimum capital requirement

The MCR calculation is based on the net value of technical provisions as at the valuation date, 20 February 2022 and the net retained premiums in the last 12 months. The result of the calculation is then subject to a floor and a cap, of 25% and 45% of the SCR respectively. The MCR as at 20 February 2022 was USD69.8m, down from USD74.5m last year, reflecting the reduced SCR as the 25% floor applies).

F.2.3 Overall capital position

The following table shows the Association's capital position in relation to the SCR and the MCR at 20 February 2021.

Table 14: Overall capital position

	SCR USD'm	**MCR USD'm**
Capital requirement	279.0	69.8
Basic own funds available	388.3	388.3
Ancillary own funds	135.0	-
Total own funds	**523.3**	**388.3**
Headroom	244.3	318.5
Solvency ratio	**187.6%**	**556.7%**

By reference to the SCR and MCR, the Association's own funds substantially exceed the capital requirements. By these measures, the Association remains in a satisfactory capital position.

F.3. Use of the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement

The Association does not use this sub-module.

F.4. Difference between standard formula and any internal model used

No internal or partial internal model has been used in the calculation of the SCR.

F.5. Non-compliance with the Minimum Capital Requirement and non-compliance with the Solvency Capital Requirement

The Association has fully complied with the SCR and MCR requirements during the period under review. The calculation of the SCR and MCR is subject to supervisory assessment and may change following the review of the SCR and MCR calculation by the Regulator.

F.6. Any other information

There is no other information to report regarding the Association's capital management.

Appendix A: The Group's capital resources and requirements on a solo basis

1. Overview

In accordance with Article 256 of Directive 2009/138/EC, the Group applied for, and received, approval to publish a single group SFCR. As is clear from the operating structure, the Group is not a group in the conventional sense with subsidiary business units writing third party business.

The Group operates with a single book of business only, split 10%/90% by way of a quota share agreement. As part of its ORSA process the Group assessed the risks and solvency requirements of Britannia and Britannia Europe on a solo basis as well as at the level of the group. In endeavouring to develop a robust and comprehensive approach to the ORSA process, management looked from a number of different angles at how the Club's group risks might deviate from the solo risks. With each approach taken, however, the conclusion reached was that its risks and solvency needs on a solo basis were in all respects the same as those at the level of the group.

Britannia and Britannia Europe's own funds, SCR and MCR at 20 February 2022 on a solo basis are set out in the tables below.

At 20 February 2022, the Associations (on a solo basis) held the following own funds.

Table 15: Breakdown of the Basic own funds and the total of the Own funds for the Associations at 20 February 2022

	USD'm	
	Europe	**UK**
Basic own funds	319.2	-
Ancillary own funds	66.8	-
Total own funds	**386.0**	**-**

Britannia Europe has approval from the CAA for AOF of USD135.0m as described in more detail in section **F.1**. AOF for Britannia Europe is calculated as the lower of USD135.0m or 50% of its SCR. Therefore, for the purposes of the solo total own funds calculation, AOF is limited to 50% of the Solo SCR.

Solvency Capital Requirement (SCR) – solo Basis

The following table shows an analysis of the Association's SCR on a solo basis split by risk modules at 20 February 2022.

Table 16: Analysis of Solo SCR

	20/02/2021 USD'm	
Heads of risk	**Europe**	**UK**
Underwriting risk	23.5	-
Market risk	83.1	-
Counterparty default risk	35.9	-
Operational risk	23.9	-
Aggregate SCR	**166.4**	**-**
Correlation credit	(32.7)	-
Aggregate SCR net of correlations	**133.7**	**-**

Minimum Capital Requirement (MCR)

The MCR calculation is based on the net value of technical provisions as at the valuation date, 20 February 2022 and the net retained premiums in the last 12 months. The result of the calculation is then subject to a floor and a cap, of 25% and 45% of the SCR respectively. The MCR as at 20 February 2022 was USD33.4m on a solo basis for Britannia Europe and zero for Britannia.

The Associations' overall capital position – solo basis

The following table shows the Associations' capital position on a solo basis in relation to the SCR and the MCR at 20 February 2022.

Table 17: Overall Solo capital positions

	Europe		**UK**	
	SCR USD'm	**MCR USD'm**	**SCR USD'm**	**MCR USD'm**
Capital requirement	133.7	33.4	-	-
Basic own funds available	319.2	319.2	-	-
Ancillary own funds	66.8	-	-	-
Total own funds	**386.0**	**319.2**	**-**	**-**
Headroom	252.3	285.8	-	-
Solvency ratio	**288.7%**	**954.8%**	**-**	**-**

Following the completion of the final leg of the Part VII transfer at 20 February 2022, Britannia has ceased to underwrite and has no assets, liabilities or free reserves and hence no capital requirements. An application has been submitted to the PRA and FCA to deauthorise Britannia subsequent to the end of the financial year.

Appendix B: Governance map and organisational chart

Initials	Name
Senior Managers Function (SMF)	
AJC	Andrew Cutler
AJF	Anthony Firmin
DLL	Dave Lamb
DMW	Dan Wilkinson
HDS	Helen Slattery
IL	Irene Lan
LM	Louis Martel
MRAH	Mike Hall
REH	Richard Heppell
XNCV	Xavier Villers
Certification Function (CF)	
ADR	Andrew Reynolds
BFM	Bertrand Mohr
BRB	Ben Bridges
DD	Deneys Dyter
DH	Dale Hammond
EFH	Ella Hagell
FN	Frederic Nicomette
HW	Hazel Webb
DJR	John Ridgway
JLAB	Jonathan Bott
JOF	John O'Flaherty
MI	Mitsuhiko Ida
ML	Mary Lobb
PJS	Phillippa Smith
SC	Sonia Cheng
SCW	Simon Williams
SDK	Simon King
TJF	Tim Fuller
Notified NEDs (non-SMF)	
CM	Casper Munch
DFS	Dimitri Saracakis
EOLV	Egied Verbeeck
JWFW	James Warwick
MHR	Maximilian Rothkopf
RLS	Richard Sadler

Boards of Britannia

SMF Directors	AJF (Chair), IL, LM, XNCV, AJC & MRAH
SMF Attendees	DMW & REH
Non-SMF NED	CM, DFS, EOLV, JWFW, MHR, RLS*
Reg. Resp.	**(F), (I) & (T)**

Nomination Sub-Committee

SMF	IL (Chair), AJF, AJC & MRAH
Non-SMF	DFS
Reg. Resp.	

Remuneration Group

SMF	LM(Chair) , AJF, XNCV
Non-SMF	JWFW
Reg. Resp.	**(M)**

Investment Group

SMF	AJF (Chair), AJC, MRAH
Non-SMF	DFS, JWFW, MHR
Reg. Resp.	

Risk & Audit Group

SMF	XNCV (Chair), AJF
Non-SMF	CM, EOLV, RLS*
Reg. Resp.	**(J) &(N)**

Risk & Compliance Function

SMF	DMW
CF	PJS, ML (Sing), SC (HK)
Reg. Resp.	**(C) & (T-2)**

Actuarial Function

SMF	DLL
CF	-
Reg. Resp.	-

Finance Function

SMF	REH
CF	DD
Reg. Resp.	**(D), (O) & (Q)**

Internal Audit

SMF	HDS
CF	
Reg. Resp.	-

Operations

SMF	AJC
CF	BRB (Info. Tech), HW (Human Resources) , JLC (Head of Facilities)
Reg. Resp.	**(A), (B), (B-1), (G), (H), (U) & (X)**

Claims Function

SMF	MRAH (as Deputy CEO)
CF	DH & JLAB
Reg. Resp.	-

Underwriting Function

SMF	MRAH (inc. climate change)
CF	ADR, SCW & SDK
Reg. Resp.	-

Regional Hubs

SMF	MRAH (as Deputy CEO)
CF	TJF (HK), JOF (Singapore), MI (Japan)

CAA regulated roles

DA	EFH
Key Function	BFM (Risk), FN* (Internal Audit), DLL (Actuarial), DMW (Compliance)

Appointed Representative

SMF	XNCV
CF	DJR

Appendix C: Solvency II quantitative reporting templates

- The Britannia Steam Ship Insurance Association Europe – Group
- The Britannia Steam Ship Insurance Association Europe – Solo
- The Britannia Steam Ship Insurance Association Limited – Solo

The Britannia Steam Ship Insurance Association Europe

Solvency and Financial Condition Report

Disclosures

20 February

2022

(Monetary amounts in USD thousands)

General information

Participating undertaking name	The Britannia Steam Ship Insurance Association Europe
Group identification code	222100SG9GALSL8L5R29
Type of code of group	LEI
Country of the group supervisor	LU
Language of reporting	en
Reporting reference date	20 February 2022
Currency used for reporting	USD
Accounting standards	Local GAAP
Method of Calculation of the group SCR	Standard formula
Method of group solvency calculation	Method 1 is used exclusively
Matching adjustment	No use of matching adjustment
Volatility adjustment	No use of volatility adjustment
Transitional measure on the risk-free interest rate	No use of transitional measure on the risk-free interest rate
Transitional measure on technical provisions	No use of transitional measure on technical provisions

List of reported templates

S.02.01.02 - Balance sheet
S.05.01.02 - Premiums, claims and expenses by line of business
S.05.02.01 - Premiums, claims and expenses by country
S.23.01.22 - Own Funds
S.25.01.22 - Solvency Capital Requirement - for groups on Standard Formula
S.32.01.22 - Undertakings in the scope of the group

S.02.01.02

Balance sheet

		Solvency II value
	Assets	C0010
R0030	Intangible assets	
R0040	Deferred tax assets	
R0050	Pension benefit surplus	
R0060	Property, plant & equipment held for own use	0
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	757,878
R0080	*Property (other than for own use)*	0
R0090	*Holdings in related undertakings, including participations*	0
R0100	*Equities*	140,000
R0110	*Equities - listed*	139,945
R0120	*Equities - unlisted*	54
R0130	*Bonds*	195,999
R0140	*Government Bonds*	195,999
R0150	*Corporate Bonds*	0
R0160	*Structured notes*	0
R0170	*Collateralised securities*	0
R0180	*Collective Investments Undertakings*	421,792
R0190	*Derivatives*	0
R0200	*Deposits other than cash equivalents*	87
R0210	*Other investments*	0
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	0
R0240	*Loans on policies*	0
R0250	*Loans and mortgages to individuals*	
R0260	*Other loans and mortgages*	
R0270	Reinsurance recoverables from:	340,809
R0280	*Non-life and health similar to non-life*	340,809
R0290	*Non-life excluding health*	340,809
R0300	*Health similar to non-life*	
R0310	*Life and health similar to life, excluding index-linked and unit-linked*	0
R0320	*Health similar to life*	
R0330	*Life excluding health and index-linked and unit-linked*	
R0340	*Life index-linked and unit-linked*	
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	12,081
R0370	Reinsurance receivables	85,610
R0380	Receivables (trade, not insurance)	15,007
R0390	Own shares (held directly)	
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	123,327
R0420	Any other assets, not elsewhere shown	1,391
R0500	**Total assets**	1,336,103

S.02.01.02

Balance sheet

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions - non-life	896,791
R0520	*Technical provisions - non-life (excluding health)*	896,791
R0530	*TP calculated as a whole*	
R0540	*Best Estimate*	802,166
R0550	*Risk margin*	94,625
R0560	*Technical provisions - health (similar to non-life)*	0
R0570	*TP calculated as a whole*	
R0580	*Best Estimate*	
R0590	*Risk margin*	
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	*Technical provisions - health (similar to life)*	0
R0620	*TP calculated as a whole*	
R0630	*Best Estimate*	
R0640	*Risk margin*	
R0650	*Technical provisions - life (excluding health and index-linked and unit-linked)*	0
R0660	*TP calculated as a whole*	
R0670	*Best Estimate*	
R0680	*Risk margin*	
R0690	Technical provisions - index-linked and unit-linked	0
R0700	*TP calculated as a whole*	
R0710	*Best Estimate*	
R0720	*Risk margin*	
R0740	Contingent liabilities	
R0750	Provisions other than technical provisions	
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	
R0780	Deferred tax liabilities	
R0790	Derivatives	44
R0800	Debts owed to credit institutions	
R0810	Financial liabilities other than debts owed to credit institutions	
R0820	Insurance & intermediaries payables	50,397
R0830	Reinsurance payables	
R0840	Payables (trade, not insurance)	608
R0850	Subordinated liabilities	0
R0860	*Subordinated liabilities not in BOF*	
R0870	*Subordinated liabilities in BOF*	0
R0880	Any other liabilities, not elsewhere shown	
R0900	**Total liabilities**	947,839
R1000	**Excess of assets over liabilities**	388,264

S.05.01.02

Premiums, claims and expenses by line of business

Non-life

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of business for: accepted non-proportional reinsurance				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Misc. financial loss	Health	Casualty	Marine, aviation and transport	Property	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
	Premiums written																	
R0110	Gross - Direct Business						216,931											216,931
R0120	Gross - Proportional reinsurance accepted																	0
R0130	Gross - Non-proportional reinsurance accepted																	0
R0140	Reinsurers' share						72,700											72,700
R0200	Net						144,231											144,231
	Premiums earned																	
R0210	Gross - Direct Business						216,931											216,931
R0220	Gross - Proportional reinsurance accepted																	0
R0230	Gross - Non-proportional reinsurance accepted																	0
R0240	Reinsurers' share						72,700											72,700
R0300	Net						144,231											144,231
	Claims incurred																	
R0310	Gross - Direct Business						58,764											58,764
R0320	Gross - Proportional reinsurance accepted																	0
R0330	Gross - Non-proportional reinsurance accepted																	0
R0340	Reinsurers' share						-51,249											-51,249
R0400	Net						110,013											110,013
	Changes in other technical provisions																	
R0410	Gross - Direct Business																	0
R0420	Gross - Proportional reinsurance accepted																	0
R0430	Gross - Non-proportional reinsurance accepted																	0
R0440	Reinsurers' share																	0
R0500	Net						0											0
R0550	**Expenses incurred**						73,506											73,506
R1200	**Other expenses**																	
R1300	**Total expenses**																	73,506

S.05.02.01

Premiums, claims and expenses by country

Non-life

		C0010	C0020	C0030	C0040	C0050	C0060	C0070
		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations			Top 5 countries (by amount of gross premiums written) - non-life obligations		Total Top 5 and home country
R0010			SG	HK	JP			
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	Gross - Direct Business	168,789	14,586	6,134	27,422			216,931
R0120	Gross - Proportional reinsurance accepted							0
R0130	Gross - Non-proportional reinsurance accepted							0
R0140	Reinsurers' share	33,094	11,722	4,618	23,267			72,700
R0200	Net	135,695	2,864	1,517	4,155			144,231
	Premiums earned							
R0210	Gross - Direct Business	168,789	14,586	6,134	27,422			216,931
R0220	Gross - Proportional reinsurance accepted							0
R0230	Gross - Non-proportional reinsurance accepted							0
R0240	Reinsurers' share	33,094	11,722	4,618	23,267			72,700
R0300	Net	135,695	2,864	1,517	4,155			144,231
	Claims incurred							
R0310	Gross - Direct Business	33,657	16,148	6,645	2,314			58,764
R0320	Gross - Proportional reinsurance accepted							0
R0330	Gross - Non-proportional reinsurance accepted							0
R0340	Reinsurers' share	-76,482	14,608	5,969	4,657			-51,249
R0400	Net	110,139	1,540	677	-2,343			110,013
	Changes in other technical provisions							
R0410	Gross - Direct Business							0
R0420	Gross - Proportional reinsurance accepted							0
R0430	Gross - Non-proportional reinsurance accepted							0
R0440	Reinsurers' share							0
R0500	Net	0	0	0	0			0
R0550	**Expenses incurred**	62,607	4,056	2,280	4,563			73,506
R1200	**Other expenses**							
R1300	**Total expenses**							73,506

S.23.01.22

Own Funds

	Basic own funds before deduction for participations in other financial sector	Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
R0010	Ordinary share capital (gross of own shares)	0	0		0	
R0020	*Non-available called but not paid in ordinary share capital at group level*	0				
R0030	Share premium account related to ordinary share capital	0	0		0	
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	0	0		0	
R0050	Subordinated mutual member accounts	0		0	0	0
R0060	*Non-available subordinated mutual member accounts at group level*	0				
R0070	Surplus funds	0	0			
R0080	*Non-available surplus funds at group level*	0	0			
R0090	Preference shares	0		0	0	0
R0100	*Non-available preference shares at group level*	0				
R0110	Share premium account related to preference shares	0		0	0	0
R0120	*Non-available share premium account related to preference shares at group level*	0				
R0130	Reconciliation reserve	388,264	388,264			
R0140	Subordinated liabilities	0		0	0	0
R0150	*Non-available subordinated liabilities at group level*	0				
R0160	An amount equal to the value of net deferred tax assets	0				0
R0170	*The amount equal to the value of net deferred tax assets not available at the group level*	0				0
R0180	Other items approved by supervisory authority as basic own funds not specified above	0	0	0	0	0
R0190	*Non available own funds related to other own funds items approved by supervisory authority*	0				
R0200	Minority interests (if not reported as part of a specific own fund item)	0				
R0210	*Non-available minority interests at group level*	0				
R0220	**Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds**					
R0230	**Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities**	0				
R0240	*whereof deducted according to art 228 of the Directive 2009/138/EC*	0				
R0250	Deductions for participations where there is non-availability of information (Article 229)	0				
R0260	Deduction for participations included by using D&A when a combination of methods is used	0				
R0270	**Total of non-available own fund items**	0	0	0	0	0
R0280	**Total deductions**	0	0	0	0	0
R0290	**Total basic own funds after deductions**	388,264	388,264	0	0	0
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	0				
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0				
R0320	Unpaid and uncalled preference shares callable on demand	0				
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0				
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0				
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0				
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	135,000			135,000	
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0				
R0380	Non available ancillary own funds at group level	0				
R0390	Other ancillary own funds	0				
R0400	**Total ancillary own funds**	135,000			135,000	0
	Own funds of other financial sectors					
R0410	Credit Institutions, investment firms, financial institutions, alternative investment fund managers, UCITS management companies	0				
R0420	Institutions for occupational retirement provision	0				
R0430	Non regulated entities carrying out financial activities	0				
R0440	**Total own funds of other financial sectors**	0	0	0	0	0

S.23.01.22
Own Funds

		Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
	Basic own funds before deduction for participations in other financial sector	C0010	C0020	C0030	C0040	C0050
	Own funds when using the D&A, exclusively or in combination of method 1					
R0450	Own funds aggregated when using the D&A and combination of method	0				
R0460	Own funds aggregated when using the D&A and combination of method net of IGT	0				
R0520	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)	523,264	388,264	0	135,000	0
R0530	Total available own funds to meet the minimum consolidated group SCR	388,264	388,264	0	0	
R0560	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)	523,264	388,264	0	135,000	0
R0570	Total eligible own funds to meet the minimum consolidated group SCR (group)	388,264	388,264	0	0	
R0610	**Minimum consolidated Group SCR**	69,746				
R0650	**Ratio of Eligible own funds to Minimum Consolidated Group SCR**	556.68%				
R0660	**Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)**	523,264	388,264	0	135,000	0
R0680	**Group SCR**	278,985				
R0690	**Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A**	187.56%				

	Reconcilliation reserve	C0060
R0700	Excess of assets over liabilities	388,264
R0710	Own shares (held directly and indirectly)	
R0720	Forseeable dividends, distributions and charges	
R0730	Other basic own fund items	0
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	
R0750	Other non available own funds	
R0760	**Reconciliation reserve**	388,264
	Expected profits	
R0770	Expected profits included in future premiums (EPIFP) - Life business	
R0780	Expected profits included in future premiums (EPIFP) - Non- life business	
R0790	**Total Expected profits included in future premiums (EPIFP)**	0

S.25.01.22

Solvency Capital Requirement - for groups on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
R0010	Market risk	137,244		
R0020	Counterparty default risk	30,740		
R0030	Life underwriting risk	0		
R0040	Health underwriting risk	0		
R0050	Non-life underwriting risk	163,772		
R0060	Diversification	-76,836		
R0070	Intangible asset risk	0		
R0100	**Basic Solvency Capital Requirement**	254,920		

USP Key

For life underwriting risk:
1 - Increase in the amount of annuity benefits
9 - None

For health underwriting risk:
1 - Increase in the amount of annuity benefits
2 - Standard deviation for NSLT health premium risk
3 - Standard deviation for NSLT health gross premium risk
4 - Adjustment factor for non-proportional reinsurance
5 - Standard deviation for NSLT health reserve risk
9 - None

For non-life underwriting risk:
4 - Adjustment factor for non-proportional reinsurance
6 - Standard deviation for non-life premium risk
7 - Standard deviation for non-life gross premium risk
8 - Standard deviation for non-life reserve risk
9 - None

	Calculation of Solvency Capital Requirement	C0100
R0130	Operational risk	24,065
R0140	Loss-absorbing capacity of technical provisions	0
R0150	Loss-absorbing capacity of deferred taxes	0
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	0
R0200	**Solvency Capital Requirement excluding capital add-on**	278,985
R0210	Capital add-ons already set	0
R0220	**Solvency capital requirement for undertakings under consolidated method**	278,985
	Other information on SCR	
R0400	Capital requirement for duration-based equity risk sub-module	0
R0410	Total amount of Notional Solvency Capital Requirements for remaining part	0
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds	0
R0430	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	0
R0440	Diversification effects due to RFF nSCR aggregation for article 304	0
R0470	Minimum consolidated group solvency capital requirement	69,746
	Information on other entities	
R0500	Capital requirement for other financial sectors (Non-insurance capital requirements)	0
R0510	*Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies*	0
R0520	*Institutions for occupational retirement provisions*	0
R0530	*Capital requirement for non- regulated entities carrying out financial activities*	0
R0540	Capital requirement for non-controlled participation requirements	0
R0550	Capital requirement for residual undertakings	0
	Overall SCR	
R0560	SCR for undertakings included via D&A	0
R0570	**Solvency capital requirement**	278,985

S.32.01.22

Undertakings in the scope of the group

Row	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
	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
1	GB	2138008W3W8AI6C92J10	LEI	The Britannia Steam Ship Insurance Association Limited	Non life insurance undertaking	Insurance company limited by guarantee	Mutual	Prudential Regulation Authority
2	BM	R4BRPLIC21EOWRHFY964	LEI	Universal Shipowners Marine Insurance Association Limited	Reinsurance undertaking	Reinsurance company limited by shares	Non-mutual	Bermuda Monetary Authority
3	LU	222100SG9GALSL8L5R29	LEI	The Britannia Steam Ship Insurance Association Europe	Non life insurance undertaking	Insurance company limited by guarantee	Mutual	Commissariat aux Assurances
4	BM	549300RLX1HXJUXV0R14	LEI	Hydra Insurance Company Limited - Britannia Cell	Reinsurance undertaking	Reinsurance company limited by shares	Non-mutual	Bermuda Monetary Authority

S.32.01.22

Undertakings in the scope of the group

Row	Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Criteria of influence: % capital share	Criteria of influence: % used for the establishment of consolidated accounts	Criteria of influence: % voting rights	Criteria of influence: Other criteria	Criteria of influence: Level of influence	Criteria of influence: Proportional share used for group solvency calculation	Inclusion in the scope of Group supervision: YES/NO	Inclusion in the scope of Group supervision: Date of decision if art. 214 is applied	Group solvency calculation: Method used and under method 1, treatment of the undertaking
Row	C0010	C0020	C0030	C0040	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
1	GB	2138008W3W8AI6C92J10	LEI	The Britannia Steam Ship Insurance Association Limited		100.00%	75.00%	None	Dominant	100.00%	Included in the scope		Method 1: Full consolidation
2	BM	R4BRPLIC21EOWRHFY964	LEI	Universal Shipowners Marine Insurance Association Limited	100.00%	100.00%	100.00%	None	Dominant	100.00%	Included in the scope		Method 1: Full consolidation
3	LU	222100SG9GALSL8L5R29	LEI	The Britannia Steam Ship Insurance Association Europe		100.00%	75.00%	None	Dominant	100.00%	Included in the scope		Method 1: Full consolidation
4	BM	549300RLX1HXJUXV0R14	LEI	Hydra Insurance Company Limited - Britannia Cell	100.00%	100.00%	100.00%	None	Dominant	100.00%	Included in the scope		Method 1: Full consolidation

The Britannia Steam Ship Insurance Association Europe

Solvency and Financial Condition Report

Disclosures

20 February

2022

(Monetary amounts in USD thousands)

General information

Undertaking name	The Britannia Steam Ship Insurance Association Europe
Undertaking identification code	222100SG9GALSL8L5R29
Type of code of undertaking	LEI
Type of undertaking	Non-life undertakings
Country of authorisation	LU
Language of reporting	en
Reporting reference date	20 February 2022
Currency used for reporting	USD
Accounting standards	Local GAAP
Method of Calculation of the SCR	Standard formula
Matching adjustment	No use of matching adjustment
Volatility adjustment	No use of volatility adjustment
Transitional measure on the risk-free interest rate	No use of transitional measure on the risk-free interest rate
Transitional measure on technical provisions	No use of transitional measure on technical provisions

List of reported templates

S.02.01.02 - Balance sheet
S.05.01.02 - Premiums, claims and expenses by line of business
S.05.02.01 - Premiums, claims and expenses by country
S.17.01.02 - Non-Life Technical Provisions
S.19.01.21 - Non-Life insurance claims
S.23.01.01 - Own Funds
S.25.01.21 - Solvency Capital Requirement - for undertakings on Standard Formula
S.28.01.01 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

S.02.01.02

Balance sheet

		Solvency II value
	Assets	C0010
R0030	Intangible assets	
R0040	Deferred tax assets	
R0050	Pension benefit surplus	
R0060	Property, plant & equipment held for own use	0
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	353,596
R0080	*Property (other than for own use)*	0
R0090	*Holdings in related undertakings, including participations*	287,616
R0100	*Equities*	12
R0110	*Equities - listed*	12
R0120	*Equities - unlisted*	
R0130	*Bonds*	60,232
R0140	*Government Bonds*	60,232
R0150	*Corporate Bonds*	0
R0160	*Structured notes*	0
R0170	*Collateralised securities*	0
R0180	*Collective Investments Undertakings*	5,736
R0190	*Derivatives*	
R0200	*Deposits other than cash equivalents*	0
R0210	*Other investments*	0
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	0
R0240	*Loans on policies*	0
R0250	*Loans and mortgages to individuals*	
R0260	*Other loans and mortgages*	
R0270	Reinsurance recoverables from:	726,564
R0280	*Non-life and health similar to non-life*	726,564
R0290	*Non-life excluding health*	726,564
R0300	*Health similar to non-life*	0
R0310	*Life and health similar to life, excluding index-linked and unit-linked*	0
R0320	*Health similar to life*	
R0330	*Life excluding health and index-linked and unit-linked*	
R0340	*Life index-linked and unit-linked*	
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	27,088
R0370	Reinsurance receivables	84,642
R0380	Receivables (trade, not insurance)	
R0390	Own shares (held directly)	
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	113,470
R0420	Any other assets, not elsewhere shown	1,179
R0500	**Total assets**	1,306,540

S.02.01.02

Balance sheet

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions - non-life	825,006
R0520	*Technical provisions - non-life (excluding health)*	825,006
R0530	*TP calculated as a whole*	0
R0540	*Best Estimate*	797,387
R0550	*Risk margin*	27,619
R0560	*Technical provisions - health (similar to non-life)*	0
R0570	*TP calculated as a whole*	0
R0580	*Best Estimate*	0
R0590	*Risk margin*	0
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	*Technical provisions - health (similar to life)*	0
R0620	*TP calculated as a whole*	
R0630	*Best Estimate*	
R0640	*Risk margin*	
R0650	*Technical provisions - life (excluding health and index-linked and unit-linked)*	0
R0660	*TP calculated as a whole*	
R0670	*Best Estimate*	
R0680	*Risk margin*	
R0690	Technical provisions - index-linked and unit-linked	0
R0700	*TP calculated as a whole*	
R0710	*Best Estimate*	
R0720	*Risk margin*	
R0740	Contingent liabilities	
R0750	Provisions other than technical provisions	
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	
R0780	Deferred tax liabilities	
R0790	Derivatives	
R0800	Debts owed to credit institutions	
R0810	Financial liabilities other than debts owed to credit institutions	
R0820	Insurance & intermediaries payables	50,399
R0830	Reinsurance payables	111,965
R0840	Payables (trade, not insurance)	0
R0850	Subordinated liabilities	0
R0860	*Subordinated liabilities not in BOF*	
R0870	*Subordinated liabilities in BOF*	0
R0880	Any other liabilities, not elsewhere shown	
R0900	**Total liabilities**	987,370
R1000	**Excess of assets over liabilities**	319,170

S.05.01.02

Premiums, claims and expenses by line of business

Non-life

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of business for: accepted non-proportional reinsurance				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Misc. financial loss	Health	Casualty	Marine, aviation and transport	Property	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
	Premiums written																	
R0110	Gross - Direct Business						189,509											189,509
R0120	Gross - Proportional reinsurance accepted																	0
R0130	Gross - Non-proportional reinsurance accepted																	0
R0140	Reinsurers' share						159,588											159,588
R0200	Net						29,921											29,921
	Premiums earned																	
R0210	Gross - Direct Business						189,509											189,509
R0220	Gross - Proportional reinsurance accepted																	0
R0230	Gross - Non-proportional reinsurance accepted																	0
R0240	Reinsurers' share						159,588											159,588
R0300	Net						29,921											29,921
	Claims incurred																	
R0310	Gross - Direct Business						189,532											189,532
R0320	Gross - Proportional reinsurance accepted																	0
R0330	Gross - Non-proportional reinsurance accepted																	0
R0340	Reinsurers' share						160,133											160,133
R0400	Net						29,399											29,399
	Changes in other technical provisions																	
R0410	Gross - Direct Business																	0
R0420	Gross - Proportional reinsurance accepted																	0
R0430	Gross - Non-proportional reinsurance accepted																	0
R0440	Reinsurers' share																	0
R0500	Net						0											0
R0550	**Expenses incurred**						33,904											33,904
R1200	**Other expenses**																	
R1300	**Total expenses**																	33,904

S.05.02.01

Premiums, claims and expenses by country

Non-life

		C0010	C0020	C0030	C0040	C0050	C0060	C0070
		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations			Top 5 countries (by amount of gross premiums written) - non-life obligations		Total Top 5 and home country
R0010			SG	HK				
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	Gross - Direct Business	168,789	14,586	6,134				189,509
R0120	Gross - Proportional reinsurance accepted							0
R0130	Gross - Non-proportional reinsurance accepted							0
R0140	Reinsurers' share	143,248	11,722	4,618				159,588
R0200	Net	25,541	2,864	1,517				29,921
	Premiums earned							
R0210	Gross - Direct Business	168,789	14,586	6,134				189,509
R0220	Gross - Proportional reinsurance accepted							0
R0230	Gross - Non-proportional reinsurance accepted							0
R0240	Reinsurers' share	143,248	11,722	4,618				159,588
R0300	Net	25,541	2,864	1,517				29,921
	Claims incurred							
R0310	Gross - Direct Business	166,739	16,148	6,645				189,532
R0320	Gross - Proportional reinsurance accepted							0
R0330	Gross - Non-proportional reinsurance accepted							0
R0340	Reinsurers' share	139,556	14,608	5,969				160,133
R0400	Net	27,183	1,540	677				29,399
	Changes in other technical provisions							
R0410	Gross - Direct Business							0
R0420	Gross - Proportional reinsurance accepted							0
R0430	Gross - Non-proportional reinsurance accepted							0
R0440	Reinsurers' share							0
R0500	Net	0	0	0				0
R0550	**Expenses incurred**	27,568	4,056	2,280				33,904
R1200	**Other expenses**							
R1300	**Total expenses**							33,904

S.17.01.02

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
R0010	**Technical provisions calculated as a whole**						0											0
R0050	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole																	0
	Technical provisions calculated as a sum of BE and RM																	
	Best estimate																	
	Premium provisions																	
R0060	Gross						69,439											69,439
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default						41,226											41,226
R0150	**Net Best Estimate of Premium Provisions**						28,213											28,213
	Claims provisions																	
R0160	Gross						727,948											727,948
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default						685,338											685,338
R0250	**Net Best Estimate of Claims Provisions**						42,610											42,610
R0260	**Total best estimate - gross**						797,387											797,387
R0270	**Total best estimate - net**						70,823											70,823
R0280	**Risk margin**						27,619											27,619
	Amount of the transitional on Technical Provisions																	
R0290	Technical Provisions calculated as a whole																	0
R0300	Best estimate																	0
R0310	Risk margin																	0
R0320	**Technical provisions - total**						825,006											825,006
R0330	**Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total**						726,564											726,564
R0340	**Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total**						98,442											98,442

S.19.01.21

Non-Life insurance claims

Total Non-life business

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

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

	Year	C0010 0	C0020 1	C0030 2	C0040 3	C0050 4	C0060 5	C0070 6	C0080 7	C0090 8	C0100 9	C0110 10 & +	C0170 In Current year	C0180 Sum of years (cumulative)
R0100	Prior											4,548	4,548	4,548
R0160	2013	55,752	100,661	38,491	29,825	15,811	4,380	4,262	26,607	2,696	942		942	279,427
R0170	2014	46,940	50,133	30,033	29,981	13,002	5,663	12,047	7,847	2,175			2,175	197,820
R0180	2015	52,065	35,009	24,796	6,354	7,000	-1,587	2,849	10,892				10,892	137,379
R0190	2016	75,034	150,290	121,047	27,407	17,240	11,821	6,230					6,230	409,068
R0200	2017	21,853	23,422	22,726	-1,028	5,217	5,706						5,706	77,895
R0210	2018	28,889	35,049	20,733	8,382	10,875							10,875	103,928
R0220	2019	35,362	55,932	31,215	52,746								52,746	175,255
R0230	2020	24,749	41,531	48,512									48,512	114,793
R0240	2021	77,159	50,182										50,182	127,341
R0250	2022	33,067											33,067	33,067
R0260												Total	225,875	1,660,521

Gross Undiscounted Best Estimate Claims Provisions
(absolute amount)

	Year	C0200 0	C0210 1	C0220 2	C0230 3	C0240 4	C0250 5	C0260 6	C0270 7	C0280 8	C0290 9	C0300 10 & +	C0360 Year end (discounted data)
R0100	Prior											138,627	132,153
R0160	2013	0	0	0	0	0	0	24,018	15,117	14,033	-3,945		-3,639
R0170	2014	0	0	0	0	0	22,902	12,642	11,143	32,108			30,950
R0180	2015	0	0	0	0	48,560	39,059	47,638	40,938				39,168
R0190	2016	0	0	0	77,385	64,457	52,519	118,464					114,683
R0200	2017	0	0	75,777	87,489	85,937	11,923						11,476
R0210	2018	0	264,004	225,854	199,229	30,943							29,553
R0220	2019	55,040	82,716	43,953	67,521								64,595
R0230	2020	119,358	74,111	63,375									60,567
R0240	2021	179,328	132,486										125,754
R0250	2022	128,770											122,690
R0260												Total	727,948

S.23.01.01

Own Funds

	Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35	Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
R0010	Ordinary share capital (gross of own shares)	0	0		0	
R0030	Share premium account related to ordinary share capital	0	0		0	
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	0	0		0	
R0050	Subordinated mutual member accounts	0		0	0	0
R0070	Surplus funds	0	0			
R0090	Preference shares	0		0	0	0
R0110	Share premium account related to preference shares	0		0	0	0
R0130	Reconciliation reserve	319,170	319,170			
R0140	Subordinated liabilities	0		0	0	0
R0160	An amount equal to the value of net deferred tax assets	0				0
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above	0	0	0	0	0
R0220	**Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds**	0				
R0230	**Deductions for participations in financial and credit institutions**	0	0	0	0	
R0290	**Total basic own funds after deductions**	319,170	319,170	0	0	0
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	0				
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0				
R0320	Unpaid and uncalled preference shares callable on demand	0				
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0				
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0				
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0				
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	66,858			66,858	
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0				
R0390	Other ancillary own funds	0				
R0400	**Total ancillary own funds**	66,858			66,858	0
	Available and eligible own funds					
R0500	Total available own funds to meet the SCR	386,028	319,170	0	66,858	0
R0510	Total available own funds to meet the MCR	319,170	319,170	0	0	
R0540	Total eligible own funds to meet the SCR	386,028	319,170	0	66,858	0
R0550	Total eligible own funds to meet the MCR	319,170	319,170	0	0	
R0580	**SCR**	133,716				
R0600	**MCR**	33,429				
R0620	**Ratio of Eligible own funds to SCR**	288.69%				
R0640	**Ratio of Eligible own funds to MCR**	954.77%				

	Reconcilliation reserve	C0060
R0700	Excess of assets over liabilities	319,170
R0710	Own shares (held directly and indirectly)	0
R0720	Foreseeable dividends, distributions and charges	
R0730	Other basic own fund items	0
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	
R0760	**Reconciliation reserve**	319,170
	Expected profits	
R0770	Expected profits included in future premiums (EPIFP) - Life business	
R0780	Expected profits included in future premiums (EPIFP) - Non- life business	
R0790	**Total Expected profits included in future premiums (EPIFP)**	0

S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
R0010	Market risk	83,117		
R0020	Counterparty default risk	35,856		
R0030	Life underwriting risk	0		
R0040	Health underwriting risk	0		
R0050	Non-life underwriting risk	23,492		
R0060	Diversification	-32,671		
R0070	Intangible asset risk	0		
R0100	**Basic Solvency Capital Requirement**	109,794		

USP Key

For life underwriting risk:
1 - Increase in the amount of annuity benefits
9 - None

For health underwriting risk:
1 - Increase in the amount of annuity benefits
2 - Standard deviation for NSLT health premium risk
3 - Standard deviation for NSLT health gross premium risk
4 - Adjustment factor for non-proportional reinsurance
5 - Standard deviation for NSLT health reserve risk
9 - None

For non-life underwriting risk:
4 - Adjustment factor for non-proportional reinsurance
6 - Standard deviation for non-life premium risk
7 - Standard deviation for non-life gross premium risk
8 - Standard deviation for non-life reserve risk
9 - None

	Calculation of Solvency Capital Requirement	C0100
R0130	Operational risk	23,922
R0140	Loss-absorbing capacity of technical provisions	0
R0150	Loss-absorbing capacity of deferred taxes	
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	0
R0200	**Solvency Capital Requirement excluding capital add-on**	133,716
R0210	Capital add-ons already set	0
R0220	**Solvency capital requirement**	133,716
	Other information on SCR	
R0400	Capital requirement for duration-based equity risk sub-module	0
R0410	Total amount of Notional Solvency Capital Requirements for remaining part	0
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds	0
R0430	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	0
R0440	Diversification effects due to RFF nSCR aggregation for article 304	0

	Approach to tax rate	C0109
R0590	Approach based on average tax rate	Not applicable

	Calculation of loss absorbing capacity of deferred taxes	LAC DT
		C0130
R0640	LAC DT	
R0650	LAC DT justified by reversion of deferred tax liabilities	0
R0660	LAC DT justified by reference to probable future taxable economic profit	0
R0670	LAC DT justified by carry back, current year	0
R0680	LAC DT justified by carry back, future years	0
R0690	Maximum LAC DT	0

S.28.01.01

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

	Linear formula component for non-life insurance and reinsurance obligations	C0010
R0010	MCR_{NL} Result	11,484

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
R0020	Medical expense insurance and proportional reinsurance	0	
R0030	Income protection insurance and proportional reinsurance	0	
R0040	Workers' compensation insurance and proportional reinsurance	0	
R0050	Motor vehicle liability insurance and proportional reinsurance	0	
R0060	Other motor insurance and proportional reinsurance	0	
R0070	Marine, aviation and transport insurance and proportional reinsurance	70,823	29,921
R0080	Fire and other damage to property insurance and proportional reinsurance	0	
R0090	General liability insurance and proportional reinsurance	0	
R0100	Credit and suretyship insurance and proportional reinsurance	0	
R0110	Legal expenses insurance and proportional reinsurance	0	
R0120	Assistance and proportional reinsurance	0	
R0130	Miscellaneous financial loss insurance and proportional reinsurance	0	
R0140	Non-proportional health reinsurance	0	
R0150	Non-proportional casualty reinsurance	0	
R0160	Non-proportional marine, aviation and transport reinsurance	0	
R0170	Non-proportional property reinsurance	0	

	Linear formula component for life insurance and reinsurance obligations	C0040
R0200	MCR_L Result	0

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

	Overall MCR calculation	C0070
R0300	Linear MCR	11,484
R0310	SCR	133,716
R0320	MCR cap	60,172
R0330	MCR floor	33,429
R0340	Combined MCR	33,429
R0350	Absolute floor of the MCR	2,911
R0400	**Minimum Capital Requirement**	33,429

The Britannia Steam Ship Insurance Association Limited

Solvency and Financial Condition Report

Disclosures

20 February

2022

(Monetary amounts in USD thousands)

General information

Undertaking name	The Britannia Steam Ship Insurance Association Limited
Undertaking identification code	2138008W3W8AI6C92J10
Type of code of undertaking	LEI
Type of undertaking	Non-life undertakings
Country of authorisation	GB
Language of reporting	en
Reporting reference date	20 February 2022
Currency used for reporting	USD
Accounting standards	Local GAAP
Method of Calculation of the SCR	Standard formula
Matching adjustment	No use of matching adjustment
Volatility adjustment	No use of volatility adjustment
Transitional measure on the risk-free interest rate	No use of transitional measure on the risk-free interest rate
Transitional measure on technical provisions	No use of transitional measure on technical provisions

List of reported templates

S.02.01.02 - Balance sheet
S.05.01.02 - Premiums, claims and expenses by line of business
S.05.02.01 - Premiums, claims and expenses by country
S.17.01.02 - Non-Life Technical Provisions
S.19.01.21 - Non-Life insurance claims
S.23.01.01 - Own Funds
S.25.01.21 - Solvency Capital Requirement - for undertakings on Standard Formula
S.28.01.01 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

S.02.01.02

Balance sheet

		Solvency II value
	Assets	C0010
R0030	Intangible assets	0
R0040	Deferred tax assets	0
R0050	Pension benefit surplus	0
R0060	Property, plant & equipment held for own use	0
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	0
R0080	*Property (other than for own use)*	0
R0090	*Holdings in related undertakings, including participations*	0
R0100	*Equities*	0
R0110	*Equities - listed*	0
R0120	*Equities - unlisted*	0
R0130	*Bonds*	0
R0140	*Government Bonds*	0
R0150	*Corporate Bonds*	0
R0160	*Structured notes*	0
R0170	*Collateralised securities*	0
R0180	*Collective Investments Undertakings*	0
R0190	*Derivatives*	0
R0200	*Deposits other than cash equivalents*	0
R0210	*Other investments*	0
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	0
R0240	*Loans on policies*	0
R0250	*Loans and mortgages to individuals*	0
R0260	*Other loans and mortgages*	0
R0270	Reinsurance recoverables from:	0
R0280	*Non-life and health similar to non-life*	0
R0290	*Non-life excluding health*	0
R0300	*Health similar to non-life*	0
R0310	*Life and health similar to life, excluding index-linked and unit-linked*	0
R0320	*Health similar to life*	
R0330	*Life excluding health and index-linked and unit-linked*	
R0340	*Life index-linked and unit-linked*	
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	0
R0370	Reinsurance receivables	0
R0380	Receivables (trade, not insurance)	0
R0390	Own shares (held directly)	0
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	0
R0420	Any other assets, not elsewhere shown	0
R0500	**Total assets**	0

S.02.01.02

Balance sheet

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions - non-life	0
R0520	*Technical provisions - non-life (excluding health)*	0
R0530	*TP calculated as a whole*	0
R0540	*Best Estimate*	0
R0550	*Risk margin*	0
R0560	*Technical provisions - health (similar to non-life)*	0
R0570	*TP calculated as a whole*	0
R0580	*Best Estimate*	0
R0590	*Risk margin*	0
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	*Technical provisions - health (similar to life)*	0
R0620	*TP calculated as a whole*	
R0630	*Best Estimate*	
R0640	*Risk margin*	
R0650	*Technical provisions - life (excluding health and index-linked and unit-linked)*	0
R0660	*TP calculated as a whole*	
R0670	*Best Estimate*	
R0680	*Risk margin*	
R0690	Technical provisions - index-linked and unit-linked	0
R0700	*TP calculated as a whole*	
R0710	*Best Estimate*	
R0720	*Risk margin*	
R0740	Contingent liabilities	0
R0750	Provisions other than technical provisions	0
R0760	Pension benefit obligations	0
R0770	Deposits from reinsurers	0
R0780	Deferred tax liabilities	0
R0790	Derivatives	0
R0800	Debts owed to credit institutions	0
R0810	Financial liabilities other than debts owed to credit institutions	0
R0820	Insurance & intermediaries payables	0
R0830	Reinsurance payables	0
R0840	Payables (trade, not insurance)	0
R0850	Subordinated liabilities	0
R0860	*Subordinated liabilities not in BOF*	0
R0870	*Subordinated liabilities in BOF*	0
R0880	Any other liabilities, not elsewhere shown	0
R0900	**Total liabilities**	0
R1000	**Excess of assets over liabilities**	0

S.05.01.02

Premiums, claims and expenses by line of business

Non-life

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of business for: accepted non-proportional reinsurance				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Misc. financial loss	Health	Casualty	Marine, aviation and transport	Property	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
	Premiums written																	
R0110	Gross - Direct Business						27,422											27,422
R0120	Gross - Proportional reinsurance accepted																	0
R0130	Gross - Non-proportional reinsurance accepted																	0
R0140	Reinsurers' share						23,267											23,267
R0200	Net						4,155											4,155
	Premiums earned																	
R0210	Gross - Direct Business						27,422											27,422
R0220	Gross - Proportional reinsurance accepted																	0
R0230	Gross - Non-proportional reinsurance accepted																	0
R0240	Reinsurers' share						23,267											23,267
R0300	Net						4,155											4,155
	Claims incurred																	
R0310	Gross - Direct Business						2,314											2,314
R0320	Gross - Proportional reinsurance accepted																	0
R0330	Gross - Non-proportional reinsurance accepted																	0
R0340	Reinsurers' share						4,657											4,657
R0400	Net						-2,343											-2,343
	Changes in other technical provisions																	
R0410	Gross - Direct Business																	0
R0420	Gross - Proportional reinsurance accepted																	0
R0430	Gross - Non-proportional reinsurance accepted																	0
R0440	Reinsurers' share																	0
R0500	Net						0											0
R0550	**Expenses incurred**						4,563											4,563
R1200	**Other expenses**																	
R1300	**Total expenses**																	4,563

S.05.02.01

Premiums, claims and expenses by country

Non-life

		C0010	C0020	C0030	C0040	C0050	C0060	C0070
		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations			Top 5 countries (by amount of gross premiums written) - non-life obligations		Total Top 5 and home country
R0010			JP					
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	Gross - Direct Business		27,422					27,422
R0120	Gross - Proportional reinsurance accepted							0
R0130	Gross - Non-proportional reinsurance accepted							0
R0140	Reinsurers' share		23,267					23,267
R0200	Net	0	4,155					4,155
	Premiums earned							
R0210	Gross - Direct Business		27,422					27,422
R0220	Gross - Proportional reinsurance accepted							0
R0230	Gross - Non-proportional reinsurance accepted							0
R0240	Reinsurers' share		23,267					23,267
R0300	Net	0	4,155					4,155
	Claims incurred							
R0310	Gross - Direct Business		2,314					2,314
R0320	Gross - Proportional reinsurance accepted							0
R0330	Gross - Non-proportional reinsurance accepted							0
R0340	Reinsurers' share		4,657					4,657
R0400	Net	0	-2,343					-2,343
	Changes in other technical provisions							
R0410	Gross - Direct Business							0
R0420	Gross - Proportional reinsurance accepted							0
R0430	Gross - Non-proportional reinsurance accepted							0
R0440	Reinsurers' share							0
R0500	Net	0	0					0
R0550	**Expenses incurred**		4,563					4,563
R1200	**Other expenses**							
R1300	**Total expenses**							4,563

S.17.01.02

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
R0010	**Technical provisions calculated as a whole**						0											0
R0050	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole						0											0
	Technical provisions calculated as a sum of BE and RM																	
	Best estimate																	
	Premium provisions																	
R0060	Gross						0											0
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default						0											0
R0150	**Net Best Estimate of Premium Provisions**						0											0
	Claims provisions																	
R0160	Gross						0											0
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default						0											0
R0250	**Net Best Estimate of Claims Provisions**						0											0
R0260	**Total best estimate - gross**						0											0
R0270	**Total best estimate - net**						0											0
R0280	**Risk margin**						0											0
	Amount of the transitional on Technical Provisions																	
R0290	Technical Provisions calculated as a whole																	0
R0300	Best estimate																	0
R0310	Risk margin																	0
R0320	**Technical provisions - total**						0											0
R0330	**Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total**						0											0
R0340	**Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total**						0											0

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Non-Life insurance claims

Total Non-life business

Z0020 Accident year / underwriting year: Underwriting Year

Gross Claims Paid (non-cumulative)

(absolute amount)

		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
	Year	Development year											In Current year	Sum of years (cumulative)
		0	1	2	3	4	5	6	7	8	9	10 & +		
R0100	Prior											0	0	0
R0160	2013	0	0	0	0	0	0	0	0	0	0		0	0
R0170	2014	0	0	0	0	0	0	0	0	0			0	0
R0180	2015	0	0	0	0	0	0	0	0				0	0
R0190	2016	0	0	0	0	0	0	0					0	0
R0200	2017	0	0	0	0	0	0						0	0
R0210	2018	0	0	0	0	0							0	0
R0220	2019	0	0	0	0								0	0
R0230	2020	0	0	0									0	0
R0240	2021	0	0										0	0
R0250	2022	0											0	0
R0260												Total	0	0

Gross Undiscounted Best Estimate Claims Provisions

(absolute amount)

		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
	Year	Development year											Year end (discounted data)
		0	1	2	3	4	5	6	7	8	9	10 & +	
R0100	Prior											0	0
R0160	2013	0	0	0	0	0	0	0	0	0	0		0
R0170	2014	0	0	0	0	0	0	0	0	0			0
R0180	2015	0	0	0	0	0	0	0	0				0
R0190	2016	0	0	0	0	0	0	0					0
R0200	2017	0	0	0	0	0	0						0
R0210	2018	0	0	0	0	0							0
R0220	2019	0	0	0	0								0
R0230	2020	0	0	0									0
R0240	2021	0	0										0
R0250	2022	0											0
R0260												Total	0

S.23.01.01

Own Funds

	Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35	Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
R0010	Ordinary share capital (gross of own shares)	0	0		0	
R0030	Share premium account related to ordinary share capital	0	0		0	
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	0	0		0	
R0050	Subordinated mutual member accounts	0		0	0	0
R0070	Surplus funds	0	0			
R0090	Preference shares	0		0	0	0
R0110	Share premium account related to preference shares	0		0	0	0
R0130	Reconciliation reserve	0	0			
R0140	Subordinated liabilities	0		0	0	0
R0160	An amount equal to the value of net deferred tax assets	0				0
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above	0	0	0	0	0
R0220	**Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds**	0				
R0230	**Deductions for participations in financial and credit institutions**	0				
R0290	**Total basic own funds after deductions**	0	0	0	0	0
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	0				
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0				
R0320	Unpaid and uncalled preference shares callable on demand	0				
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0				
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0				
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0				
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0				
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0				
R0390	Other ancillary own funds	0				
R0400	**Total ancillary own funds**	0			0	0
	Available and eligible own funds					
R0500	Total available own funds to meet the SCR	0	0	0	0	0
R0510	Total available own funds to meet the MCR	0	0	0	0	
R0540	Total eligible own funds to meet the SCR	0	0	0	0	0
R0550	Total eligible own funds to meet the MCR	0	0	0	0	
R0580	**SCR**	0				
R0600	**MCR**	2,911				
R0620	**Ratio of Eligible own funds to SCR**	0.00%				
R0640	**Ratio of Eligible own funds to MCR**	0.00%				

	Reconcilliation reserve	C0060
R0700	Excess of assets over liabilities	0
R0710	Own shares (held directly and indirectly)	0
R0720	Foreseeable dividends, distributions and charges	
R0730	Other basic own fund items	0
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	
R0760	**Reconciliation reserve**	0
	Expected profits	
R0770	Expected profits included in future premiums (EPIFP) - Life business	0
R0780	Expected profits included in future premiums (EPIFP) - Non- life business	0
R0790	**Total Expected profits included in future premiums (EPIFP)**	0

S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
R0010	Market risk	0		
R0020	Counterparty default risk	0		
R0030	Life underwriting risk	0		
R0040	Health underwriting risk	0		
R0050	Non-life underwriting risk	0		
R0060	Diversification	0		
R0070	Intangible asset risk	0		
R0100	**Basic Solvency Capital Requirement**	0		

USP Key

For life underwriting risk:
1 - Increase in the amount of annuity benefits
9 - None

For health underwriting risk:
1 - Increase in the amount of annuity benefits
2 - Standard deviation for NSLT health premium risk
3 - Standard deviation for NSLT health gross premium risk
4 - Adjustment factor for non-proportional reinsurance
5 - Standard deviation for NSLT health reserve risk
9 - None

For non-life underwriting risk:
4 - Adjustment factor for non-proportional reinsurance
6 - Standard deviation for non-life premium risk
7 - Standard deviation for non-life gross premium risk
8 - Standard deviation for non-life reserve risk
9 - None

	Calculation of Solvency Capital Requirement	C0100
R0130	Operational risk	0
R0140	Loss-absorbing capacity of technical provisions	0
R0150	Loss-absorbing capacity of deferred taxes	
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	0
R0200	**Solvency Capital Requirement excluding capital add-on**	0
R0210	Capital add-ons already set	0
R0220	**Solvency capital requirement**	0
	Other information on SCR	
R0400	Capital requirement for duration-based equity risk sub-module	0
R0410	Total amount of Notional Solvency Capital Requirements for remaining part	0
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds	0
R0430	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	0
R0440	Diversification effects due to RFF nSCR aggregation for article 304	0

	Approach to tax rate	C0109
R0590	Approach based on average tax rate	0

	Calculation of loss absorbing capacity of deferred taxes	LAC DT
		C0130
R0640	LAC DT	
R0650	LAC DT justified by reversion of deferred tax liabilities	0
R0660	LAC DT justified by reference to probable future taxable economic profit	0
R0670	LAC DT justified by carry back, current year	0
R0680	LAC DT justified by carry back, future years	0
R0690	Maximum LAC DT	0

S.28.01.01

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

Linear formula component for non-life insurance and reinsurance obligations

		C0010
R0010	MCR_{NL} Result	0

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
R0020	Medical expense insurance and proportional reinsurance	0	
R0030	Income protection insurance and proportional reinsurance	0	
R0040	Workers' compensation insurance and proportional reinsurance	0	
R0050	Motor vehicle liability insurance and proportional reinsurance	0	
R0060	Other motor insurance and proportional reinsurance	0	
R0070	Marine, aviation and transport insurance and proportional reinsurance	0	0
R0080	Fire and other damage to property insurance and proportional reinsurance	0	
R0090	General liability insurance and proportional reinsurance	0	
R0100	Credit and suretyship insurance and proportional reinsurance	0	
R0110	Legal expenses insurance and proportional reinsurance	0	
R0120	Assistance and proportional reinsurance	0	
R0130	Miscellaneous financial loss insurance and proportional reinsurance	0	
R0140	Non-proportional health reinsurance	0	
R0150	Non-proportional casualty reinsurance	0	
R0160	Non-proportional marine, aviation and transport reinsurance	0	
R0170	Non-proportional property reinsurance	0	

Linear formula component for life insurance and reinsurance obligations

		C0040
R0200	MCR_{L} Result	0

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

Overall MCR calculation

		C0070
R0300	Linear MCR	0
R0310	SCR	0
R0320	MCR cap	0
R0330	MCR floor	0
R0340	Combined MCR	0
R0350	Absolute floor of the MCR	2,911
R0400	**Minimum Capital Requirement**	2,911