RSA Insurance Group Limited

Solvency and Financial Condition Report (SFCR) 31 December 2024

Contents

Introduction

RSA Insurance Group Limited (referred to in this report as "the Company" or "RSAIG") is a limited company incorporated and domiciled in England and Wales and, through its subsidiaries (together referred to in this report as "the Group" or "RSA"), provides commercial lines insurance, specialist commercial lines insurance, personal property insurance and pet insurance, operating in the United Kingdom (UK), Ireland, and Continental Europe.

This document sets out the solvency and financial condition of the Group as at 31 December 2024, as required by Solvency UK (SUK) regulations.

RSA Insurance Group Limited

RSAIG is a wholly owned subsidiary of 2283485 Alberta Limited, a Canadian limited company, and ultimately owned by Intact Financial Corporation (IFC), a public company incorporated in Canada.

The Group sections of the 2024 Solvency and Financial Condition Report (SFCR) represent the consolidated position of RSAIG and its subsidiaries. Figures in all sections of the report for the Group therefore represent the consolidated position of the Group's parent company, RSAIG, and all subsidiaries held at 31 December 2024.

This report sets out aspects of the Group's business performance, system of governance, risk profile, valuation methods used for solvency purposes and its capital management practices, as prescribed by the SUK regulatory framework. Where information that is required to be reported by SUK is not applicable to the Group, the report contains the heading, with a note to explain the rationale for its exclusion.

For further details of abbreviations and terms used in this report, see Appendix 7.

Subsidiaries

This Group SFCR also covers information on the solvency and financial condition of the Group's three UK regulated insurance and reinsurance subsidiaries that are themselves subject to SUK. This information is set out in Appendices 2, 3 and 4 of this report.

The three UK subsidiaries are:

- Royal & Sun Alliance Insurance Limited (RSAI)
- Royal & Sun Alliance Reinsurance Limited (RSA Re)
- The Marine Insurance Company Limited (MIC)

RSAI, RSA Re and MIC are legal entities meeting all relevant regulatory and governance requirements and their individual risk profile and capital requirements are monitored to ensure ongoing regulatory compliance. However, the Group does not manage each entity as an individual business and does not set individual business strategies. In light of this, it is important for the reader to understand that the focus of the Group SFCR is the activities of the Group as a whole.

As at 31 December 2024 the Group has two non-UK insurance subsidiaries that are subject to the Solvency II (SII) regulatory framework that applies within the European Union and these companies publish their own SFCRs according to that regime:

- RSA Insurance Ireland DAC
- RSA Luxembourg S.A.

Transitional and long-term guarantee measures

The Group does not apply any transitional arrangements as referred to in Rule 4.1 of the Transitional Measures Part of the PRA Rulebook applicable to SUK firms

The only long-term guarantee measure that is applied is the volatility adjustment as defined in the PRA Rulebook. Further information relating to this measure is shown in section D.2.4 of this report.

As a general insurance business, during the year the Group has not placed any reliance on the matching adjustment as defined in the PRA Rulebook. Consequently, there will be no information regarding this measure in this report.

Summary

The principal activity of the Group is the transaction of insurance and related financial services predominantly in the UK, Ireland, and Continental Europe.

Business and performance

Underwriting result

Total Group underwriting profit was £291m (2023: £77m).

The Group entered into an agreement to acquire the NIG and Farmweb commercial lines broker business of Direct Line Insurance Group on 6 September 2023 (the DLG acquisition), increasing its market share in the domestic commercial lines market. The operational transfer was completed on 1 May 2024. The transfer of policy renewals started during June 2024 and new business written by the Group started in July 2024. As a result, commercial lines in the UK are now offered through the RSA, NIG and Farmweb brands via brokers and delegated brokers. RSA is also a specialist insurer in the London Market distributing through brokers under the RSA brand.

In 2023, the Group made the decision to exit the UK Personal lines market (Motor, Home and Pet), including the announcement of the sale of its direct Home and Pet operations to Admiral Group plc (Admiral), which closed on 31 March 2024, and its decision to transfer the Home and Pet partnerships to other parties or to allow them to expire over time.

The Group also provides reinsurance to other companies within the IFC group and has quota share arrangements with Unifund Assurance Company (Unifund) and Belair Insurance Company (Belair) under which insurance risk for a proportion of the business of those companies is transferred to the Group. The Belair arrangement was entered into on 1 January 2024.

For details of the Group's business and performance, including Underwriting and Investment performance, see Section A.

System of Governance

RSA's System of Governance falls under the umbrella of the IFC group governance framework and promotes the safety and soundness of RSA for the benefit of its ultimate shareholder IFC, customers, employees and other stakeholders. This is achieved through a robust governance structure designed to deliver a well-managed business with effective decision making, good procedures and strong controls. The components of the System of Governance result in a clear allocation and appropriate segregation of responsibilities and the effective transmission of information internally and externally. Details about this and changes during the year are provided in Section B.

Risk profile

RSA's risk management and control frameworks were created to ensure that risks across the Group are identified, measured and managed before they adversely impact on customers or the business. See Section B.3.1 for further details of the Group's risk management system.

The Group is exposed to the following main categories of risk:

- Financial risk, including capital, market and credit, and liquidity risk
- Insurance risk, including catastrophe and underwriting risk
- Operational risk, including customer risk

The Group quantifies its exposure to different types of risk as part of its Solvency Capital Requirement (SCR) calculation, details of which are provided in reporting template IR.25.04 in Appendix 8.

The current geopolitical environment increases uncertainty in financial markets with a possible resurgence of trade tariffs and inflation, including upward pressure on oil prices and the potential for global supply-chain disruptions. With the recent changes in the U.S. Government, the threat of protectionism increases the risk of tariffs, stagflation and turbulence in the financial markets. Supply-chain inflation is likely to increase which would reduce insurance service results. Recessionary conditions could also lead to lower overall demand for insurance products negatively impacting insurance revenue.

Management will continue to monitor the impact of geopolitical risk on its use of judgements, estimates, and assumptions.

See Section C for further details regarding the Group's risk profile.

Valuation for solvency purposes

Section D sets out details regarding the basis of preparation and assumptions used in the valuation of assets, technical provisions and other liabilities for SUK, as well as a description of the differences between these and International Financial Reporting Standards (IFRS).

At 31 December 2024, the Group's excess of assets over liabilities on an SUK basis was £1,886m.

Recognition and valuation bases have been used and estimation approaches have been applied consistently during the period.

Capital management

Capital Position

Solvency UK position	**Requirement (SCR) (unaudited) £m**	**Eligible Own Funds £m**	**Surplus (unaudited) £m**	**Coverage (unaudited) %**
31 December 2024	**1,215**	**2,144**	**929**	**176%**
31 December 2023	1,285	2,118	833	165%

Capital activity

RSA operates a programme of continuous development in relation to the internal model. Regulatory approval was received for a minor model change in 2024 to implement the brokered commercial lines business acquired from DLG acquired into the formal modelling framework.

Effective 1 January 2024, the Group entered into a 40% quota share reinsurance arrangement with Belair Insurance Company Inc. (Belair), also a member of the IFC Group. Under the terms of the arrangement, the Group pays a reinsurance commission rate of 24.5% (25% from 1 January 2025) to cover new written premiums for all lines of business.

In July 2024, the Group redeemed its £125m preferred shares in full. Total consideration paid of £155m was funded via an equity injection from the Group's parent company and therefore had a negligible impact on regulatory solvency. At the same time, the Group cancelled its entire share premium account, transferring the amount to retained earnings.

In addition, the Group paid ordinary interim dividends of £82.5m and £100m in July 2024 and November 2024 respectively to 2283485 Alberta Limited.

Effective 1 January 2025, the Group entered into a commutation and release agreement and terminated the retrospective quota share agreement with Unifund Assurance Company (Unifund), an insurance company based in Canada that is also a subsidiary of IFC, for an approximate amount of £115m. Under the terms of this agreement, Unifund was ceding 60% of its obligations (net of reinsurance) with effective dates prior to 1 January 2022 to the Group.

A. Business and Performance

In this section

A.1 Business

A.1.1 Company name & legal form

RSAIG is a private limited company incorporated in England and Wales. RSAIG is ultimately owned by IFC, a public company incorporated in Canada. RSAIG together with its subsidiaries make up the Group which is covered by this SFCR.

A.1.2 Supervisory authority

The Prudential Regulatory Authority (PRA) is the authority responsible for prudential supervision of the Group. The contact details of the PRA are as follows:

Prudential Regulation Authority
20 Moorgate
London
EC2R 6DA

Telephone: 020 3461 4444

Website: https://www.bankofengland.co.uk/prudential-regulation

A.1.3 External auditor

The external auditor of the Group is:

Ernst & Young LLP
1 More London Place
London
SE1 2AF

Telephone: 020 7951 2000

A.1.4 Holders of qualifying holdings

RSAIG's sole shareholder is 2283485 Alberta Limited, a company incorporated in Alberta, Canada.

2283485 Alberta Limited is wholly owned by Intact Ventures Inc, a company incorporated in Canada.

Intact Ventures Inc is wholly owned by Intact Financial Corporation, a company incorporated in Canada and listed on the Toronto Stock Exchange.

Refer to section A.1.7 for the simplified Group structure.

A.1.5 Position within the Group legal structure

RSAIG is the parent company of the Group and is ultimately owned by IFC.

A.1.5.1 Group structure

Please see the following sections of this report:

- Section A.1.7 for the simplified Group Structure
- Appendix 1 for a list of all branches
- Appendix 8, reporting template IR.32.01.22 (Undertakings in the scope of the group) for further details of each subsidiary and associate

Refer to Appendix A of RSAIG's 2024 Consolidated financial statements for a list of all subsidiaries and associates.

Refer to note 30.4 of IFC's Consolidated financial statements for significant operating entities which share common ownership with the Group.

See Section B for details of the Group's governance structure.

Organisational structure

The Group operates in the UK, Ireland and Continental Europe. Each region is managed by a member of the UK and International (known as UK&I) Operating Committee who is directly accountable to the UK&I Chief Executive Officer (CEO) and the Board of RSAIG.

The UK is the Group's country of domicile and one of its principal markets.

A.1.6 Material related undertakings

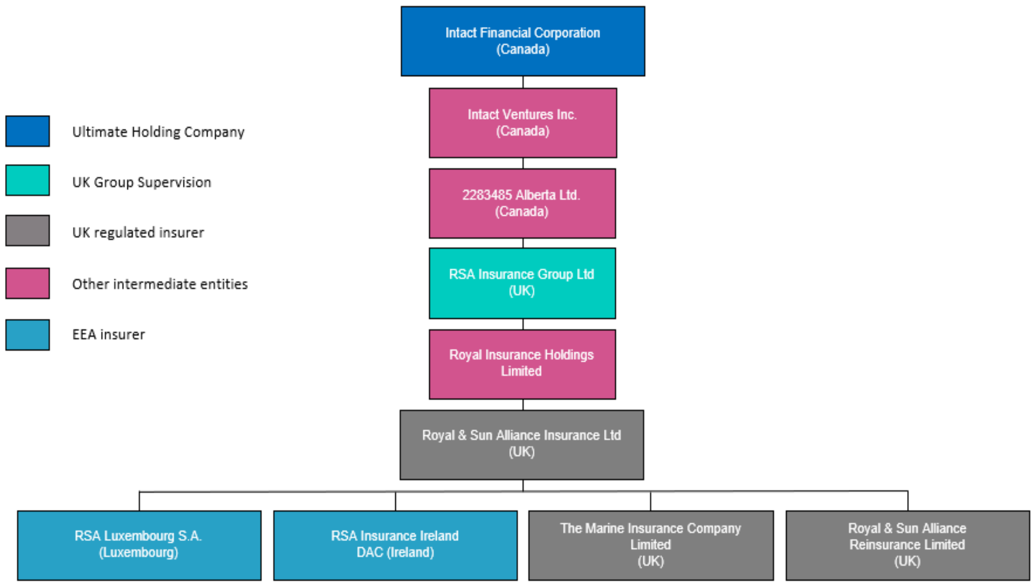
See Appendix A of RSAIG's 2024 Consolidated financial statements for a list of all subsidiaries and associates of the Group.

Refer to Note 30.4 of Intact Financial Corporation's Consolidated financial statements for significant operating entities which share common ownership with the Group.

Material related undertakings and branches of the Group are listed below –all companies are limited by shares:

Country	Name
Guernsey	Insurance Corporation of the Channel Islands Limited
Ireland	RSA Insurance Ireland DAC
Isle of Man	Tower Insurance Company Limited
Luxembourg	RSA Luxembourg S.A. (material branches: Spain, France, Netherlands, Belgium)
United Kingdom	Royal & Sun Alliance Insurance Limited
United Kingdom	Royal & Sun Alliance Reinsurance Limited
United Kingdom	Royal Insurance Holdings Limited
United Kingdom	Royal International Insurance Holdings Limited
United Kingdom	RSA Insurance Ireland Designated Activity Company UK Branch
United Kingdom	Royal Insurance (U.K.) Limited
United Kingdom	Sun Alliance Insurance Overseas Limited
United Kingdom	Sun Alliance Mortgage Company Limited
United Kingdom	The Globe Insurance Company Limited
United Kingdom	The London Assurance
United Kingdom	The Marine Insurance Company Limited

A.1.7 Simplified Group structure



A.1.8 Business lines and geographical areas

The Group's material lines of business and material geographical areas where it has carried out business during the year are detailed in the table below:

Geographic regions
UK
International (comprising Ireland and Europe)
Line of business – non-life
Miscellaneous financial loss
Motor vehicle liability
Other motor
Marine, aviation and transport
Fire and other damage to property
General liability

A.1.9 Significant events

RSA entered into an agreement to acquire the NIG and Farmweb commercial lines broker business of Direct Line Insurance Group on 6 September 2023, increasing its market share in the domestic commercial lines market. The operational transfer was completed on 1 May 2024. The transfer of policy renewals started during June 2024 and new business written by the Group started in July 2024. As a result, commercial lines in the UK are now offered through the RSA, NIG and Farmweb brands via brokers and delegated brokers. RSA is also a specialist insurer in the London Market distributing through brokers under the RSA brand.

The DLG acquisition was structured through several agreements including a business transfer agreement related to new business franchise and certain operations, renewal rights, data, brands, employees, contractors, third party contracts, and premises. The business transfer agreement resulted in a business combination on 26 October 2023 and the operational transfer was completed on 1 May 2024. The transfer of policy renewals started during June 2024 and new business written by the Group started in July 2024.

In 2023, the Group made the decision to exit the UK Personal lines market (Motor, Home and Pet), including the announcement of the sale of its direct Home and Pet operations to Admiral Group plc (Admiral), which closed on 31 March 2024 for an initial cash consideration and gain on disposal of £85m.

On 12 June 2024, the Group's Preferred Shareholders were invited to tender their preference shares, and following the shareholders' approval on 16 July 2024 at a General Meeting, all 125,000,000 preferred shares in issue were cancelled for total cash consideration of £155m. This transaction is part of the Group's on-going process of optimising its capital structure.

On 16 July 2024 at a General Meeting of shareholders, a resolution was passed to implement a reduction of capital in the Company by cancelling its entire share premium account, resulting in the creation of distributable reserves.

A.1.10 Group operations & transactions within the Group

See Section D. for information on the method and scope of group consolidation.

Other significant intra-group transactions occurring between entities in the Group include:

Dividends

Dividends are paid by various Group companies to their respective parents as part of normal Group treasury management and capital optimisation.

During the year, dividends of £329m were received from a subsidiary company, Royal Insurance Holdings Limited.

Please refer to note 6.3 of RSAIG's Parent company financial statements for further details.

Intercompany loans

A number of statutory entities within the Group have entered into intercompany loan agreements as part of the Group's cash management strategy or for other general corporate purposes.

Derivatives

RSAI continued to enter into derivative transactions with RSA Luxembourg S.A. during the year, for the purpose of reducing foreign exchange risk within RSA Luxembourg S.A

Reinsurance excess of loss and quota share treaties

RSAI has continued to provide capital support to RSA Insurance Ireland DAC via an Adverse Development Cover (ADC) for reserves existing up to the end of 2014 and a Quota Share for 2015 business onwards. The Adverse Development Cover has an attachment point of €400m and a limit of €325m for a premium of €250m.

RSAI has an 80% quota share agreement with RSA Luxembourg S.A. for reserves existing up to end-2018 and for 2019 business onwards. This agreement covers all classes of business.

Expense reimbursement

RSAI reimbursed RSA Accident Repairs Limited £35m for motor claim expenses incurred during the year ended 31 December 2024.

Guarantees

RSAI has issued guarantees in favour of RSAIG in respect of the following:

- The US $9m 8.95% subordinated guaranteed bonds due 15 October 2029; and
- The issue of £120m 5.125% fixed rate reset guaranteed subordinated notes due 2045. There is an option to repay the notes on specific dates from 10 October 2025.

On 13 November 2023 RSAI provided an unlimited parental guarantee to RSA Re to cover its liabilities arising from its Global Network activity.

On 14 July 2024 RSAI provided an unlimited parental company guarantee in favour of RSA Luxembourg S.A, in respect of certain, specific books of business.

A.2 Underwriting performance

The underwriting result for the period by material SUK lines of business is shown below and is calculated on the same basis as the RSAIG underwriting result as shown in the Alternative Performance Measures section of its Consolidated financial statements. Refer to the Jargon Buster section of RSAIG's Consolidated financial statements for further details.

Geographical analysis of the underwriting result is included in note 27 of RSAIG's Consolidated financial statements.

	Net Written Premium		**Underwriting Result**	
	2024	2023	**2024**	2023
	£m	£m	**£m**	£m
Non-life				
Fire and other damage to property	1,775	1,673	139	-
Motor vehicle liability	754	409	(42)	(32)
Other motor	430	224	33	(31)
Marine, aviation and transport	218	252	65	51
General liability	520	495	82	104
Miscellaneous financial loss	283	282	11	-
Total material lines of business	**3,980**	**3,335**	**288**	**92**
Non-material	7	12	13	(5)
Total non-Life	**3,987**	**3,347**	**301**	**87**
Total life/annuities	-	-	(10)	(10)
Total	**3,987**	**3,347**	**291**	**77**

The SUK line of business view takes the RSAIG underwriting result but splits it along regulatory risk lines. Consequently, the commercial and personal distinction is lost as these channels are combined, whilst some other lines are disaggregated further as different types of risk may be included within one product.

Total life/annuities refers to PPOs, shown separately under SUK risk lines.

Household and commercial property are combined to form fire and other damage to property. During 2024, large losses and weather losses were lower than during 2023, with weather experience being more aligned to long term trends. This resulted in a favourable underwriting result compared to 2023, during which several major loss events occurred.

Personal and commercial motor are combined and then split into motor vehicle liability and other motor (property damage). 2024 included a full year of DLG's brokered commercial lines business following the DLG acquisition, with this being included under a quota share arrangement for most of the year. The integration of these policies onto the Group's systems at renewal, which started in June 2024 and built over the remainder of the year, helped to improve performance.

UK and Europe marine is the key contributor to the marine, aviation and transport line. Improvement in the result reflects favourable prior year claims development across most lines of business. Underlying performance excluding these movements remains in line with 2023.

General liability is largely from the Group's commercial liability portfolio and some elements of the commercial property portfolio. The 2024 result includes lower favourable prior year claims development than experienced in 2023, offset by lower large losses and weather losses.

A.3 Investment performance

A.3.1 Income and expenses by class

A summary of the gross investment income, net realised and net unrealised gains/(losses) included in the consolidated income statement is given below:

Years ended 31 December	**2024** **£m**	2023 £m
Interest income calculated using the effective interest method:		
Debt securities classified as FVTOCI	**111**	64
Loans and cash and cash equivalents at amortised cost	**28**	25
Interest or similar income on securities classified or designated as FVTPL	**93**	82
Interest income	**232**	171
Dividend income on FVTPL equity securities	**11**	11
Investment property rental income	**17**	12
Investment income	**260**	194

A summary of the investment management expenses by asset class is given below:

	2024 **£m**	2023 £m
Investment property	**(1)**	(1)
Equity securities	**(1)**	-
Debt securities	**(6)**	(7)
Loans and receivables	**(1)**	(1)
Total investment management expenses	**(9)**	(9)

A.3.2 Gains and losses recognised in equity

Unrealised gains and losses recognised in other comprehensive income for available for sale assets are as follows:

	2024			2023		
	Fixed income	**Equity and property**	**Total**	Fixed income	Equity and property	Total
For the years ended 31 December	**£m**	**£m**	**£m**	£m	£m	£m
Net gains (losses) from:						
Financial instruments:						
Classified as FVTOCI	**5**	**-**	**5**	92	-	92
Classified or designated as FVTPL	**(33)**	**2**	**(31)**	56	7	63
	(28)	**2**	**(26)**	148	7	155
Derivatives[1]	**-**	**4**	**4**	-	-	-
Investment property	**-**	**3**	**3**	-	(9)	(9)
Net foreign currency gains (losses)	**(94)**	**-**	**(94)**	(47)	1	(46)
ECL expense[2]	**(1)**	**-**	**(1)**	(1)	-	(1)
	(123)	**9**	**(114)**	100	(1)	99
Recognised in:						
Profit (loss)	**(128)**	**9**	**(119)**	8	(1)	7
OCI	**5**	**-**	**5**	92	-	92
Total gains (losses) on investment portfolio	**(123)**	**9**	**(114)**	100	(1)	99

[1] Excluding foreign currency contracts, which are recognised in net foreign currency gains (losses) on investments. Derivatives are mandatorily measured at FVTPL, except when part of a documented hedging arrangement.

[2] ECL expense is not significant due to the high credit quality of the investment portfolio.

A.3.3 Investments in securitisation

The Group invests in securitised investments, whereby the credit risk associated with an exposure, or pool of exposures, is tranched and the payments associated with this investment are dependent on the performance of the exposure, or pool of exposures, and the subordination of tranches determines the distribution of losses during the ongoing life of the investment. These investments are created and managed by external specialist investment managers. The use of these products allows the Group to broaden the diversification of its investment portfolio in a cost-efficient manner.

The Group's exposure to securitised investments at 31 December 2024 is summarised in the table below:

		Exposure	
		2024	2023
Class of investments	**Nature of the underlying investments of the vehicle**	**£m**	£m
Collateralised Debt Obligations	Structured debt security backed by bonds	**207**	235

A.4 Performance of other activities

A.4.1 Other material income & expenses

For details of other material income and expenses, see notes 21-23 and 33 of the RSAIG consolidated financial statements.

A.4.2 Operating and finance leasing arrangements

The Group acts as lessee and lessor in a number of lease arrangements across each of its core regions. All leases have been entered in to by RSAIG or its subsidiaries.

For further details of the Group’s leasing arrangements, see note 31 of RSAIG’s 2024 Consolidated financial statements.

A.5 Any other information

Nothing to report.

B. System of Governance

In this section

Purpose of RSA's System of Governance

RSA's System of Governance falls under the umbrella of the IFC group governance framework and promotes the safety and soundness of RSA for the benefit of its ultimate shareholder IFC, customers, employees and other stakeholders. This is achieved through a robust governance structure designed to deliver a well-managed business with effective decision making, good procedures and strong controls. The components of the System of Governance result in a clear allocation and appropriate segregation of responsibilities and the effective transmission of information internally and externally.

B.1 General information on the System of Governance

B.1.1 Board structure

RSA's business is overseen by a single Board of Directors. A minimum of fifty percent of the Board are independent Non-Executive Directors. The Chair meets regularly with the other Non-Executive Directors individually and collectively without the Executive Directors being present.

The Board may exercise all the powers of the relevant company subject to the Memorandum and Articles of Association, relevant laws, and any directions as may be given by shareholder resolution. The directors may delegate any of their powers or discretions to committees except for matters specifically reserved for the whole Board. The schedules of matters reserved for the shareholder and for the Board as a whole are reviewed annually and held by Company Secretariat.

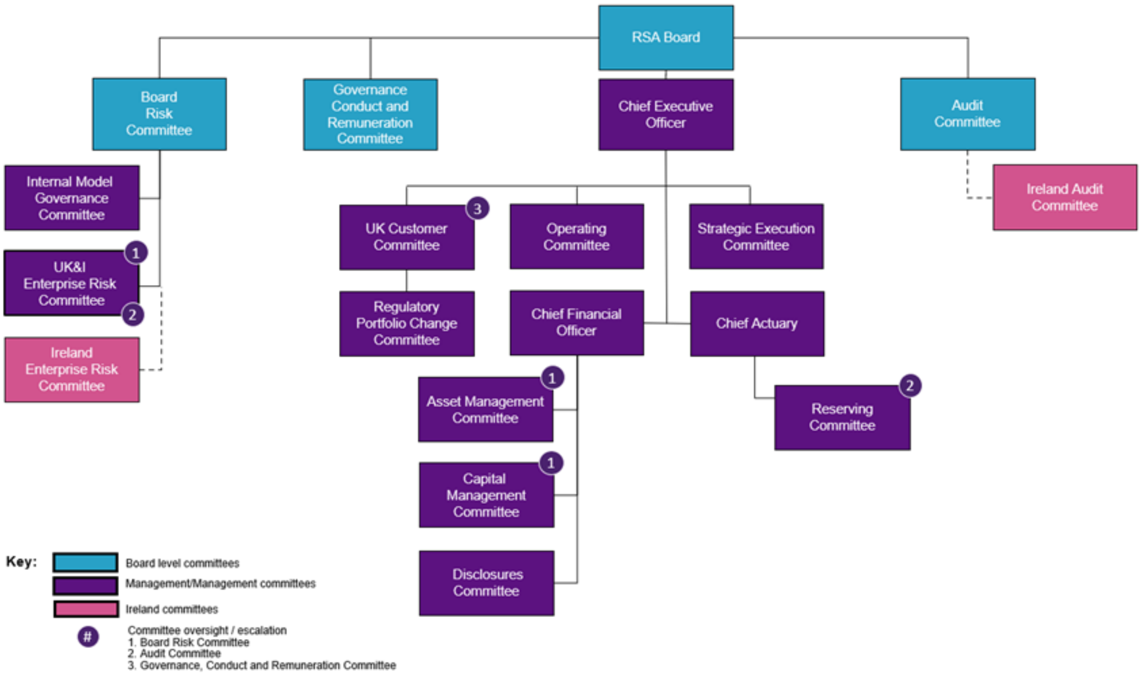
The Board promotes high standards of corporate governance and conduct throughout RSA. It also plays a key role in relation to culture, aligning culture with IFC's purpose, values and strategy and aligning policies and practices with IFC's values. RSA's senior leaders are responsible for embedding culture throughout RSA and then escalating any cultural 'red flags'. The Chair is responsible for ensuring a formal and rigorous evaluation of Board effectiveness is undertaken on an annual basis.

The Board is accountable to RSA's ultimate shareholder IFC, for the creation and delivery of sustainable performance and the creation of long-term shareholder value, while having regard to RSA's other stakeholders. The Board believes that open and collaborative dialogue and interaction with all of its stakeholders is in the best interests of the Group and helps RSA to make a positive contribution to society. The Board meets frequently and is responsible for organising and directing the affairs of RSA in a manner that will promote the success of RSA and is consistent with good corporate governance practice, ensuring that in carrying out their duties, the companies meet legal and regulatory requirements. RSA's website can be found at www.rsainsurance.co.uk. The website hosts copies of the RSAIG Consolidated financial statements and other publicly available information.

Board Directors have access to the services and advice of the UK&I General Counsel and Company Secretary and in addition may take independent professional advice at the expense of the company in furtherance of their duties.

The Board sets annual objectives for the RSA businesses in line with the current IFC and RSA strategy and monitors the achievement of RSA's objectives through regular reports which include updates from the UK&I Operating Committee, the UK&I CEO and the UK&I Chief Financial Officer (CFO) on all material business matters.

The RSA Board committees, RSA's management committees and regional entity committees and the relationships between them, are shown below:

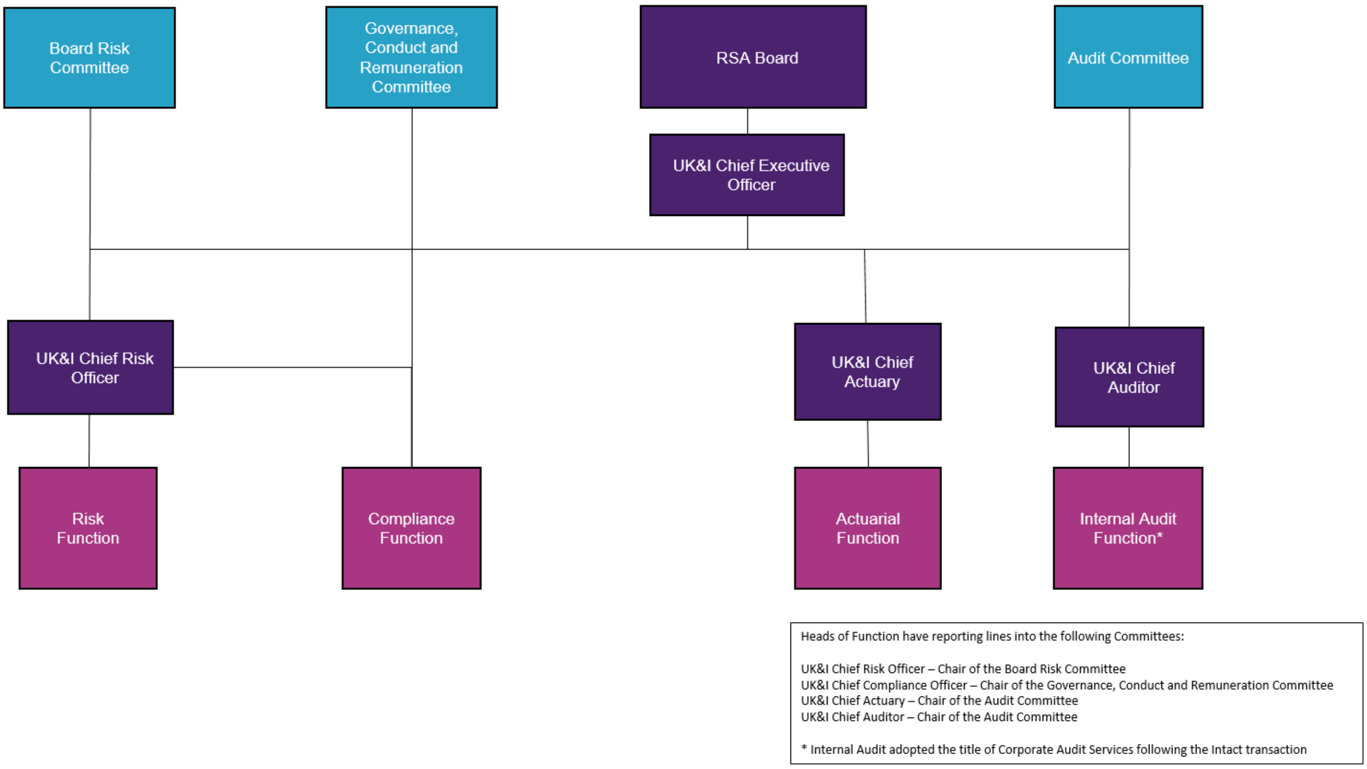


The role and responsibilities of each Board level committee can be found in section B.1.2 of this SFCR.

B.1.2 Independent Key Functions

The diagram below of the RSA Management structure shows the senior management and the day-to-day reporting lines of those functions which the Board has determined to be Independent Key Functions: Risk, Compliance, Actuarial and Internal Audit.

The Boards of RSAI and RSAIG are referred to collectively as the “RSA Board”.



The Audit Committee is responsible for assisting RSA’s Board of Directors in discharging its responsibilities in relation to:

- Coordination and oversight of the integrity of the financial statements for the RSA companies.
- Oversight and challenge of the effectiveness of the systems of internal control for RSA; and
- Oversight of the effectiveness and objectivity of the internal and external auditors.

Each year, the Audit Committee shall have at least one meeting (or part thereof) with the external auditor, the UK&I Chief Actuary and the UK&I Chief Auditor without any employed executives who are members of the Board or management being present.

The Board Risk Committee (BRC) supports the Board in ensuring the key risks to RSA companies are identified and understood, effectively managed within risk appetite with regard to the views and interests of its stakeholders and are appropriately reflected in the Internal Model. The following specific responsibilities have been delegated to the BRC to assist the Board in discharging its responsibilities:

- Advising the Board on risk management matters, including solvency needs.
- Overseeing and advising the Board on RSA’s risk management arrangements.

- Monitoring the emerging and principal material risks facing RSA, ensuring appropriate arrangements are in place to identify, manage and mitigate risks effectively, and that appropriate levels of capital are held in relation to these risks.
- Recommending RSA's risk appetite.
- Approval of the Risk Management Plan.
- Reviewing the outputs of the ORSA, the Internal Model - making recommendations to the Board on capital adequacy and the ORSA Report.
- Reviewing the investment strategy framework and investment portfolio disposition and performance to ensure these remain within risk appetite and consistent with the Company's investment strategy.
- Oversight of the Risk function.

Each year, the BRC shall have at least one meeting (or part thereof) with the UK&I Chief Risk Officer (CRO) in the absence of other members of executive management. In addition, the UK&I CRO shall be offered direct access to the BRC Committee Chair and the Chair of the Board.

The Governance, Conduct and Remuneration Committee (GCR) is responsible for assisting the Board in discharging its responsibilities in relation to oversight of the:

- Governance and the conduct framework of the companies.
- Compliance function and the compliance framework of the companies.
- Review and monitoring of the application of the Group's Conduct Framework and the performance of its conduct agenda, including how good outcomes are delivered for its customers.
- Environmental, Social and Governance Framework priorities and disclosures.
- Remuneration principles, policy and practices, including determination of the remuneration of the Chair of the Board, the Executive Directors and other senior executives.

Each year, the GCR shall have at least one meeting (or part thereof) with the UK&I CRO, the UK&I Chief Compliance Officer (CCO) and the UK&I Chief Operations Officer (COO) in the absence of other members of executive management. In addition, the UK&I CRO, the UK&I CCO and the UK&I COO shall be offered direct access to the Committee Chair and the Chair of the Board.

Each year, at the request of the Chair of the Board or the respective Committee Chairs, the Committees may hold a joint meeting with the BRC, the Audit Committee and/or the GCR.

Board committees operate on behalf of the Group and RSAI and this is made clear within their Terms of Reference.

Those working in the Key Governance Functions in the UK/EEA entities are subject to the provisions of the Fit & Proper Governance Document as described in Section B.2 below.

B.1.3 Changes in System of Governance

Two new management committees were added to the Group governance structure during the year: UK Customer Committee and Regulatory Portfolio Change Committee.

B.1.4 Principles of remuneration policy

The Group ensures that it has appropriate remuneration arrangements through the adoption of a remuneration policy. This policy outlines the Group's overall approach to remuneration, and also the governance framework for making remuneration decisions.

The policy is designed to support the business strategy by appropriately rewarding performance and promoting sound and effective risk management, compliance with external regulatory requirements and alignment to the long-term interests of the Group and its shareholders.

The policy establishes over-arching principles and standards to guide local remuneration decision-making, which is aligned to local market norms and regulations. These principles are based around alignment to long-term Company success, pay-for-performance and risk alignment. A total reward approach is used to support talent attraction and retention, such that the reward framework includes both fixed remuneration elements (reflecting an employee's professional experience and responsibility, and can include elements such as base salary, benefits and pension), and variable remuneration elements (which can be awarded to eligible employees, reflecting performance).

The policy establishes specific remuneration provisions for jobholders whose professional activities have a material impact on the risk profile, or who have accountability for Key Governance Functions. These provisions are intended to promote effective risk management and include:

- The balancing of fixed and variable remuneration to enable a fully flexible approach to incentives (including the possibility of paying no variable remuneration).
- The design of incentive plans to encourage performance within the Group's risk appetite, including the consideration of material risk factors in incentive award decisions, the operation of deferral and malus adjustments and the operation of clawback provisions for Executive Directors, and customised arrangements for those accountable for Key Governance Functions to preserve the independence of their roles.
- Arrangements to avoid reward for failure in termination payments, and to exclude personal hedging strategy usage.

Governance measures aimed at avoiding conflicts of interest are incorporated.

The policy is reviewed regularly, to ensure that it complies with the principles of good risk management and reward governance, taking into account regulatory requirements and the nature of the business.

B.1.5 Variable remuneration performance criteria

Incentive plans encourage performance in line with the business strategy and within the Group's risk appetite, and take into account material risk factors and the Group's ability to maintain an adequate capital base.

Incentive plan performance measures:

- Reflect the Group's priority to create shareholder value through sustained growth and profitability, based on its risk profiles. Measures can include for example, profit, underwriting performance, capital, strategic and shareholder value measures, and personal objectives.
- Are quantified on an adjusted basis where appropriate, aligned to the basis on which the operating plans are set and which is the primary basis on which the Group is managed, to provide an undistorted view of business performance and avoid the creation of adverse incentives.

For jobholders whose professional activities have a material impact on the Group's risk profile, a number of mechanisms are included to ensure remuneration does not encourage excessive risk taking:

- Total performance-related variable remuneration is based on a combination of the assessment of the performance of the individual, the Group business unit concerned and the overall result of IFC.
- Targets take account of the Group's operating plan which is set with reference to the risk appetite with input from the Risk function.
- Incentive award funding is subject to risk adjustment for exposure to current and future risks, taking into account the Group's risk profile and cost of capital. An adjustment can take place prior to the payment of Annual Bonus awards, and prior to the vesting of long-term incentive award cycles.
- Individual performance assessments take account of financial and non-financial criteria, and are based on consideration of what is delivered and also how goals are achieved.
- A portion of variable remuneration is subject to deferral to ensure it is aligned with longer-term risk management. The percentage that is deferred, the type of deferred award(s) and the length of the deferral period are determined by taking into account regulatory requirements, the level of the jobholder and the business context.

The Group has provisions to apply malus adjustments and clawback. The GCR has the ability to reduce or forfeit awards that have yet to be paid or vest in the case of shares, to delay the payment or vesting date, or to amend another form of award or benefit which has yet to be received.

For cash bonuses and long-term incentive awards, the GCR may also recover sums already paid to Executive Directors if it considers it appropriate to do so. This can be applied during a two-year period after receipt (in the case of cash bonuses) or, in the case of long-term incentives, delivery.

Variable remuneration arrangements for those accountable for Key Governance Functions are designed to be independent from the performance of the operational units and areas under their control.

In addition to its short, and long-term, incentive plans, the Group operates all-employee share plans (Sharesave and Sharebuild) in a number of countries. Participation is voluntary and available to all qualifying employees. Sharesave is a HM Revenue & Customs (HMRC) tax-advantaged Save as You Earn scheme (in the UK) under which options are not subject to performance conditions, but service conditions apply. Sharebuild is a HMRC tax-advantaged Share Incentive Plan (in the UK). Shares are not subject to performance conditions, but the Matching Shares are subject to service conditions.

B.1.6 Supplementary pensions/early retirement

No supplementary pensions are operated by the Group for the members of the administrative, management or supervisory body and other key function holders. All employees in the UK have the opportunity to participate in the Group's defined contribution pension plan, or receive a cash allowance in lieu of pension, or receive a combination thereof. The Group's UK defined benefit pension plans are closed to all new entrants, but some employees, including one Executive Director, have historic benefits built up. IFC operates a registered defined benefits plan and supplementary executive retirement plan for Executives based in Canada. This does not apply to members of the Group Board who do not have historic defined benefit pension benefits but does apply where employees, including Executive Directors, have historic benefits or are contracted to IFC on assignment as Executive Directors of the Group.

B.1.7 Shareholder and key management transactions

Shareholder transactions

During the year, the Group received capital injections of £154m from 2283485 Alberta Limited (2023 £1,084m). This capital injection was used to fund the cancellation of the Group's preferred shares. Refer to note 29 of the RSAIG Consolidated financial statements for further information on all related party transactions.

RSAIG paid the following dividends to 2283485 Alberta Limited:

i. An ordinary dividend of £82m on 19 July;
ii. An ordinary dividend of £100m on 24 November.

Key management personnel transactions

For further information, refer to notes 29.3 and 34 of the RSAIG Consolidated 2024 financial statements for detail of transactions carried out with key management during the year ended 31 December 2024.

B.2 Fit and proper requirements

B.2.1 Specific fit & proper requirements

The Fitness and Propriety governance document and certain Human Resources policies provide a framework across RSA's UK/EEA operations for assessment of fitness and propriety of all employees with additional requirements for both new and on-going appointees in the Key Governance Functions, Executive Management, and for directors. The UK Compliance team works with the regional and country Compliance teams (where applicable) to ensure the consistent implementation of this governance document across RSA.

In addition to the Solvency UK requirements, in the UK, the Senior Managers and Certification Regime (SMCR) implements a requirement for regulator pre-approval of persons appointed to Senior Manager positions in firms and a Certification Regime that covers Significant Harm Functions (defined as functions performed by employees who are not Senior Managers but who could pose a risk of significant harm to the regulated firm or its customers). In broad terms, Certified Persons are those individuals who through the conduct of their activities could conceivably do harm either to the firm, its customers or the wider market. These individuals are "certified", in the sense that the firm itself (rather than the PRA or the Financial Conduct Authority (FCA)) certifies their "fitness and propriety" annually and on an on-going basis. The Certification Regime reinforces the onus on firms to ensure that their staff are fit and proper.

B.2.2 Assessment process

The Fitness and Propriety Governance Document outlines the minimum requirements to assess and ensure fitness and propriety, including the governance over roles and responsibilities, to ensure compliance. Responsibility for complying with local regulatory rules and requirements rests with the Board of each relevant legal entity within RSA.

Fit requirements

The assessment of whether someone is fit must also include an assessment of the person's professional and formal qualifications, knowledge and relevant experience within the insurance sector, other financial sectors or other businesses and shall take into account the respective duties allocated to that person, and, where appropriate, the insurance, financial, accounting, actuarial and management skills of the person.

This must include an assessment of the person's:

- Honesty, integrity and reputation
- Competence and capability
- Financial soundness

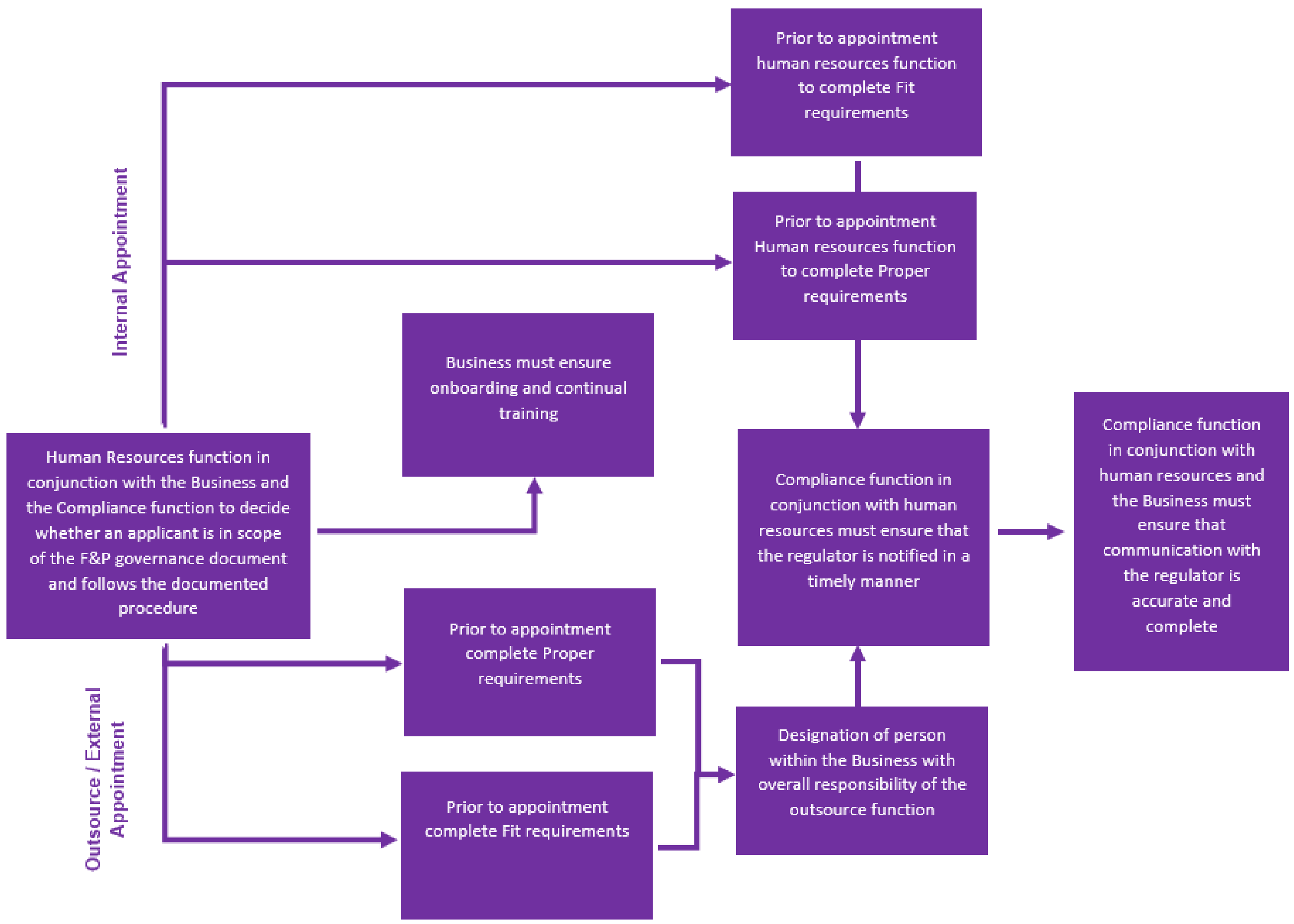
Proper requirements

When assessing whether a person is ‘proper’, the following is considered:

- Relevant criminal offences, including any offence under the laws governing banking, financial, securities, or insurance activity.
- Laws on money laundering, market manipulation, and insider dealing.
- Criminal offences under legislation relating to companies, bankruptcy, insolvency and consumer protection.

The following diagram outlines the process for determining fitness and propriety for new appointments. The Fitness and Propriety governance document also requires continued assessment of both fitness and propriety post appointment.

Where the business outsources a Key Governance Function, it designates a suitable person within the business to have overall responsibility for that function. The designated individual who is responsible for the outsourced Key Governance Function must meet the fit and proper requirements and possess sufficient knowledge and experience regarding the outsourced Key Governance Function to be able to challenge the performance and results of the service provider.

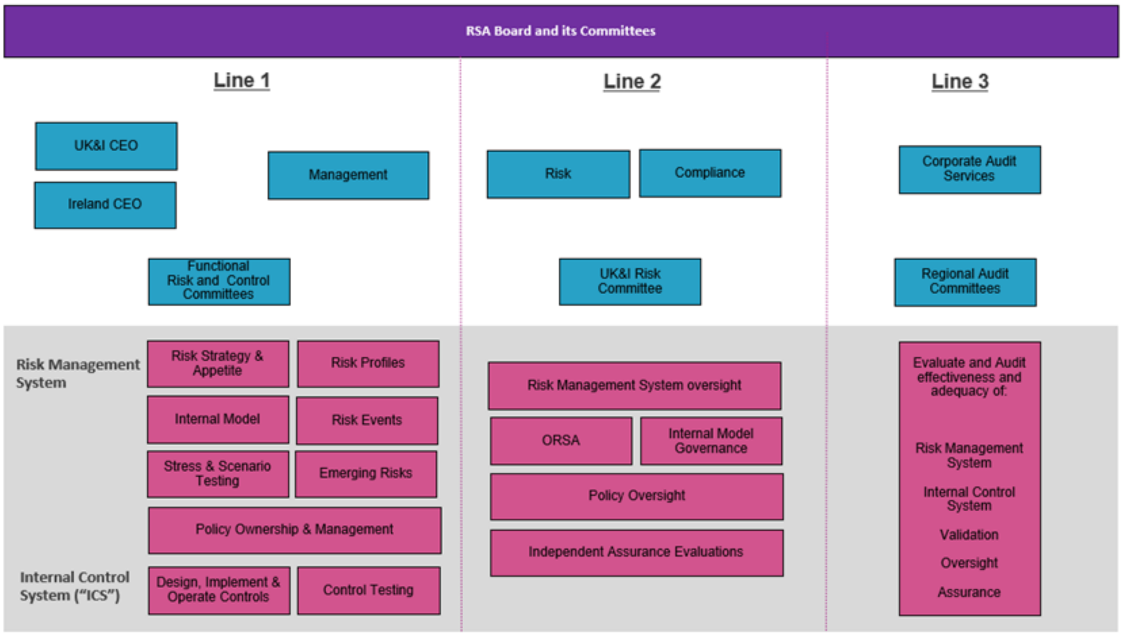


B.3 Risk management system including the Own Risk and Solvency Assessment (ORSA)

B.3.1 Description of the Enterprise Risk Framework

The three lines of defence

The Risk Management System is underpinned by the three lines of defence model and governed by the RSA UK&I Risk Management and Internal Controls policy, which sets out the principles to support effective risk and control management practices. The three lines of defence model is shown below.



Risk appetite and strategy

Risk appetite refers to the level of risk that the Group is willing to pursue, retain or take in achieving strategic objectives and business priorities. Risk appetite is expressed using qualitative statements and supporting Key Risk Indicators (KRIs) with operating targets and risk tolerances.

The Board is responsible for setting the business strategy, which is informed by risk appetite. The Board approves the risk appetite and KRIs annually for each of the Group's principal risks (e.g. Capital Risk, Market Risk, Operational Risk, etc.) on the recommendation of the BRC. The business also defines statements and KRIs for secondary risks (e.g. Systems Risk, Information Risk, Third Party Risk, etc.).

Board level risk appetite statements and KRIs are reported to the BRC quarterly. Business level KRIs are reported to functional risk and control committees (or equivalent) on a quarterly basis, with KRIs that exceed tolerance escalated to the BRC.

Risk management cycle

The risk management cycle describes the processes, procedures and toolkits used to identify, assess, respond, monitor and report on risk impacting the Business. This cycle ensures that the Group understands key risks to our business objectives, that these are managed appropriately, and any material residual risks are appropriately escalated and managed in line with risk appetite.

Risk identification (new and emerging risks)

Risk identification is the process of understanding and capturing any material threats or opportunities that could have a significant impact on the achievement of business objectives. Risk can be identified from various sources using a range of techniques. Sources may include internal and external insights, senior management functions, stress and scenario testing, risk incidents, risk appetite reporting, and controls testing. Every member of the organisation should be continually evaluating the risks to their business area with formal governance required at a functional, regional, and legal entity level.

Emerging risks are defined as newly developing or changing risks which are difficult to quantify, and which may have a major impact on the organisation. Emerging risks may be economic, financial, environmental, technological, political, social, or legal/regulatory in nature. Emerging risks are identified and assessed through several forums throughout the business. Outputs from these forums are consolidated, analysed, and reported at the UK&I Enterprise Risk Committee (ERC) and BRC.

Risk assessment

Once all material risks have been identified, including climate-related risks, the business captures relevant information in a risk register and assesses the residual and target risk exposures using an impact and likelihood matrix. The residual risk exposure (i.e., after considering effectiveness of controls and risk mitigations at a point in time) is used when reporting at functional, regional and legal entity level.

Material risks are periodically reviewed for consideration in the internal model to measure and understand the risks RSA is facing. The outputs of the internal and external models and the stress and scenario testing process also informs the risk assessment process.

Response, monitoring and reporting risk

All material risks are assessed and monitored. For risks that are outside of target risk exposure, a risk response is required. The response may be to either mitigate (i.e., take action to reduce the potential likelihood and/or impact) or monitor (e.g. using metrics, etc.). Risk mitigation may involve the enhancement of existing controls or the design and implementation of new controls.

Risk owners must agree the risk response and due date, and track action plans through to completion. Progress against plans is reported at least quarterly.

Risk reporting at an aggregate regional level is presented to the ERC and BRC to demonstrate that the business is managing risk and that the risk management activities support our executives in meeting their responsibilities.

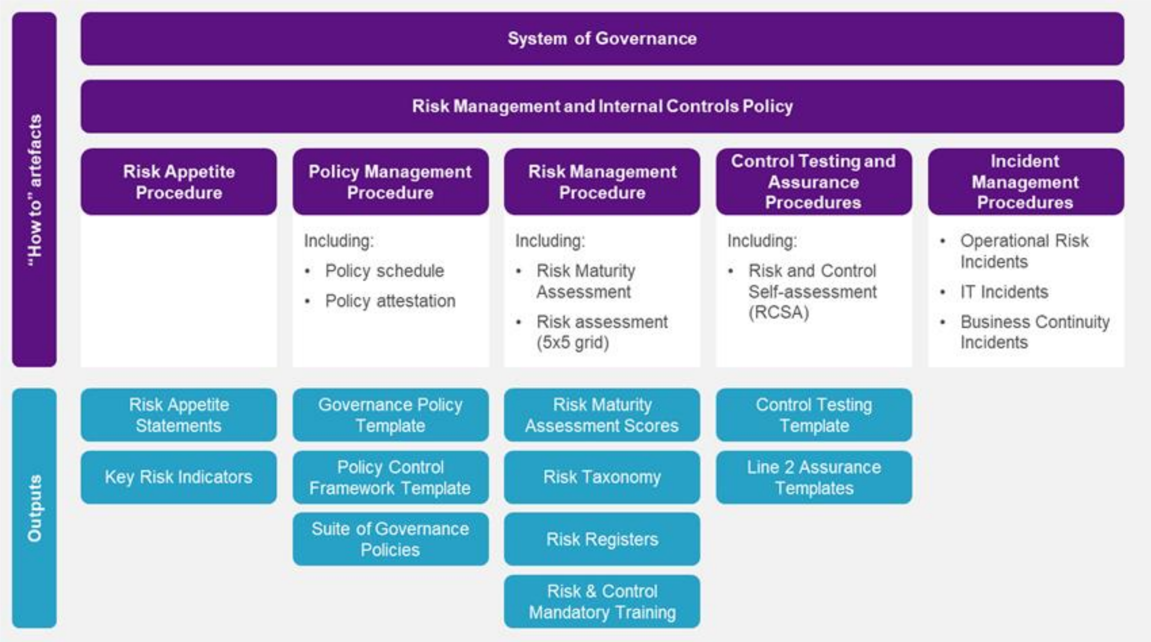
Outputs of the Internal Model are used by the BRC as an integral part of its decision making on wider business matters ranging from the setting of risk appetite to allocation of capital and key strategic decisions, such as acquisitions and divestments.

B.3.2 Implementation and integration

The Group has established a consistent approach to the implementation of the System of Governance through the design of the Risk Management and Internal Control Systems. These ensure effective management and monitoring of the risks that the Group is exposed to, protecting our business, clients, employees, and stakeholders, while delivering on our promises to our shareholders.

Our risk management practices focus on mitigating risks that could materially impair our financial position or adversely impact customers and disclosing these risks in a full and complete manner. The system exists to support the identification, assessment, management, recording and reporting and monitoring of risk. The Risk Management and Internal Control Systems rely upon control frameworks including the Financial Control Framework and Compliance Framework and is central to all business decisions.

The Risk Management and Internal Control System is represented below:



B.3.2.1 RSA Internal Model governance & validation

The Group has approval from the PRA to use its Internal Model to calculate the Group Solvency capital requirement (SCR). This approval also applies to the UK insurance entities – RSAI, MIC and RSA Re.

Outputs of the Internal Model are used as an integral part of RSA decision making on matters such as setting the risk appetite, assessing risk exposures and mitigations, as well as allocating capital to individual lines of business and in key strategic decisions such as disposals.

The model has a governance and assurance framework which oversees how the model is run, updated and results reported.

The structure of the Group Internal Model governance framework is shown in the following table:

Responsibility	Body/Function	Activity
Held accountable but delegates Internal Model oversight responsibility to the BRC	Board	Monitors BRC activity and receives sufficient information to oversee the model and understand the output
Ensures the Internal Model has appropriate design, operation, risk coverage and compliance	BRC	Reviews and challenges Internal Model Governance Committee (IMGC) and planned model development activity, including through regular reporting of validation, Internal Model changes, results of model runs and associated sensitivities, as well as monitors the ongoing appropriateness of the Internal Model
Ensures operation within regulatory requirements and co-ordinates internal and regulatory economic capital processes	IMGC	Receives and challenges results of the Internal Model runs, identifies the need for and assesses changes to the Internal Model including updates to calibrations and structure. Reviews validation findings and actions model improvement including enhancing uses of the model
Undertakes programme of independent validation and reports results to BRC (with debate at IMGC)	Risk Function (Assurance Provider)	Performs validation activity, identifies and monitors issues including closure. Reviews and challenges the methodologies, calibrations and outputs of the model including estimated capital positions and forecasts

The IMGC is responsible for providing overall direction and governance of the Internal Model in addition to acting as the coordinating body for the internal and regulatory economic capital process. It regularly provides updates to the BRC.

The IMGC ensures that the Group's model change policy is adhered to and remains compliant with regulation, that Data Quality and Assurance processes are in place, and that independent model validation is performed. The IMGC provides this oversight for all entities approved to use the Internal Model.

B.3.2.2 Internal model governance changes in the year

There were no material changes to the Internal Model governance during the reporting period.

B.3.2.3 Internal model validation

Rule 14.1 of the SCR-Internal Models Part of the PRA Rulebook applicable to Solvency UK firms requires firms to establish independent validation processes to ensure that the Internal Model is properly designed, developed, tested, documented, implemented and used appropriately.

Validation is a regular process, the primary goal of which is to provide the Board with assurance that:

- The Internal Model is fit for purpose.
- The Internal Model achieves its objectives as defined by the business.

Validation assesses the key assumptions and outputs of the model and involves several tools and activities such as Stress and Scenario Testing, Back-Testing and Benchmarking.

There is segregation of roles and responsibilities between the model validation team and the capital modelling team which develops and operates the model. Model validation is a Line 2 function reporting to the CRO whilst capital modelling is a Line 1 function reporting to the UK&I CFO.

Results and findings from the validation activities are reported to the IMGC, and at least annually in the form of a validation report to the BRC and ultimate relevant legal entity Board.

B.3.3 ORSA

B.3.3.1 ORSA process

The ORSA process is a continuous process that takes input throughout the year, to assess how the risks of the business change over time and the consequential impact on the solvency needs and strategy of the business. During the year, the Board and BRC consider a range of activities, and a final report is presented to the BRC and the Board at an appropriate time each year. This summarises papers and associated decisions taken during the period and highlights key areas of action needed over the forthcoming year.

B.3.3.2 ORSA review and approval

Papers are presented to the RSAIG and UK/EEA insurance entity Boards throughout the year dealing with individual elements of the ORSA.

The ORSA report is presented annually to management, the BRC and the relevant Board.

B.3.3.3 Own solvency needs

As part of the ORSA process, the Group looks at the capital it needs using various bases including:

- Solvency UK SCR
- Economic Requirement (including looking at risk to ultimate)

Using these measures, it is then able to assess in aggregate its Own Solvency needs and corresponding capital available. The Internal Model is used for the calculation of the SCR and internal economic measures and is calibrated based upon the risk exposures of the Group.

In addition, when setting the risk appetite, various levels of buffer to cover potential operating shocks are allowed for. Finally, as part of the Operational Plan and ORSA processes, the capital position of the Group is projected over the period of the operating plan to ensure that the Group will have sufficient capital to meet its needs.

B.3.4 Group consistency

The Group operates under a common framework through which risk management and control is embedded. Each business within the Group is required to follow consistent processes, using a common language, to identify, measure, manage, monitor and report its risks, in line with a consistent and comprehensive set of policies.

Policies set out risk management principles and internal controls. Each policy is assigned a Managing Owner with responsibility for ensuring that the policy is embedded across the business.

Policies are linked to risk appetite and address the Group's material risk categories, namely:

- Insurance Risk
- Financial Risk including Market Risk, Credit Risk and Liquidity Risk
- Operational Risk (including Customer Risk)

Policies guide organisational practices to manage key risk areas within appetite. They are all required to be implemented, adopted locally or, by exception, localised, by all businesses and formally adopted by all the Group's UK/EEA insurance entity Boards.

B.3.5 Use of single Group ORSA

Having received approval from the PRA, a single ORSA report is produced for the Group and its UK regulated entities.

B.4 Internal control system

B.4.1 Description of the internal control system

The Group has put in place an effective internal control system which contains administrative and accounting procedures, an internal control framework, with appropriate testing, assurance and reporting arrangements at all levels of the Group, a delegated authority framework, and a compliance framework. The internal control system is underpinned by the three lines of defence model, refer to section B.3.1 for further details.

The internal control system comprises three key elements:

- **Internal control framework** - whereby policies establish standard controls, which are implemented and operated by the business; supplemented by objective Line 1 testing and independent Line 2 assurance processes. The internal control framework includes financial controllership which is subject to assurance through the Financial Control Framework and its Independent Quality Assurance process.
- **Delegated authority framework** - whereby authority is cascaded down from the Board to the business.
- **Compliance framework** - sets out the standard control processes to minimise and/or prevent the risk of material loss, reputational damage or liability arising from the failure to comply with regulatory requirements. Ultimate responsibility for compliance with the relevant rules and regulations rests with the Board, the executive and the senior management in each business. Advice, challenge, interpretation and assurance are provided to these bodies by the Compliance function.

Internal control framework

The internal control framework is designed to identify and mitigate, rather than eliminate, the potential risk of failure to achieve business objectives and can only provide reasonable, and not absolute, assurance against material financial misstatement or loss.

Group policies cover material risk types to which the Group is exposed and set out both risk management principles and internal controls, for business activities, including delegated activities. This allows the Group to achieve its objectives including effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations.

Policies set out expected Line 1 control testing activities (design and operating effectiveness) with controls captured in control libraries. Control testing plans (including risk and control self-assessment) are risk-based, with testing results reviewed and challenged by Line 2 on a sample basis.

Progress and findings of control testing and assurance activity are reviewed by functional risk and control Committees (or equivalent), which have been established with similar terms of reference. Key issues identified in the committee meetings are escalated to local entity boards or audit committees. Relevant trends and risks will also be notified to the BRC as appropriate.

Delegated authority framework

The delegated authority framework specifies how and what executive authority is delegated from the Board to the UK&I CEO, and onwards to senior management within RSA. The UK&I CEO and Operating Committee (OpCo) members receive an executive licence setting out their specific limits of authority in terms of entering into financial, underwriting, claims and other business commitments. Each OpCo member is responsible for ensuring that their subsequent delegations are made in a controlled and diligent manner following the same principles of this framework.

Effective management of delegated authority enables the business to:

- Ensure that decisions are being made effectively and efficiently throughout the organisation.
- Ensure that all employees execute their responsibilities within a clearly defined set of limits and subject to specified terms and conditions appropriate to their role, competence, experience and technical capability.
- Ensure that the risks associated with managing and delegating authorities are mitigated through the use of appropriate preventative and detective controls and remain within risk appetite; and
- Ensure compliance with relevant regulatory and statutory requirements.

The delegated authority framework is consistently applied across RSA's businesses. Individuals must operate and/or authorise within limits delegated by the UK&I CEO, their direct reports and/or governing bodies. The powers of the Board, and the extent to which these powers may be delegated or must be retained, are set out in detail in the Matters Reserved for the Board or Terms of Reference for the Board committees.

Compliance framework

The Compliance framework consists of the: Compliance Mandate, Compliance Governance Document and Compliance Plans Ultimate responsibility for compliance with the relevant rules and regulations rests with the Board, the Executive and the senior management in each business. Advice, challenge, interpretation and assurance are provided to these bodies by the Compliance function.

The framework is owned by the Compliance function. It helps safeguard RSA, its customers, reputation and assets by promoting: the identification of risks, and understanding and compliance with all applicable conduct and regulatory requirements. It does this through relevant policies, frameworks, effective communications, guidance and horizon scanning so supporting the business to promote a compliant culture throughout the organisation.

The framework has been developed to deliver assurance over RSA's compliance with regulatory requirements to both internal and external stakeholders.

Each business is responsible for implementing controls to comply with all applicable regulatory requirements and ensuring these controls remain effective with ultimate responsibility resting with the local board, executive and senior management.

B.4.2. Compliance function

The Compliance function, led by the UK&I CCO, is comprised of the UK&I Compliance teams. Each region and country is required to have a Compliance team, as set out in the Compliance Governance Document.

The Compliance function provides support, challenge and guidance across RSA operations to promote the delivery of good customer outcomes and ensure that regulatory risks are identified, managed and mitigated to within appetite by the business.

In respect of RSA-wide activities, the Group Compliance team provides leadership, oversight, challenge and support to the Country Compliance teams. The UK&I Compliance teams conduct regulatory risk-based assurance reviews to assess the design and operational effectiveness of business controls. The Compliance function reports quarterly to the Governance, Conduct and Remuneration Committee with an assessment of how the RSA businesses and functions are meeting those requirements.

The Compliance function establishes, implements and maintains an annual Compliance Plan for RSA setting out the compliance work to be undertaken in the upcoming year. The Group Compliance Plans are presented annually to the Governance, Conduct and Remuneration Committee for approval. The Plans for the regional and country Compliance teams are presented annually to their applicable governance forums. Updates on progress and material changes are provided to the Governance, Conduct and Remuneration Committee.

The Group Compliance function leads and develops the relationship with the UK PRA and FCA to achieve a mutually beneficial relationship with the regulators for RSA and the UK legal entities. It supports the organisation in dealings with regulators in an open and co-operative manner and keeping them fully and promptly informed of all matters they may reasonably expect to have disclosed to them. The Group Compliance function also manages the relationship with other regulators such as the Information Commissioner's Office, Office of Trade Sanctions Implementation and Office of Financial Sanctions Implementation.

B.5 Internal audit function

B.5.1 Implementation

The primary purpose of the Corporate Audit Services (CAS) function is "to keep the company safe and improving". Specifically, it helps the Board and Operational Committeeto protect the assets, reputation and sustainability of the Group business.

CAS does this by assessing whether all significant risks are identified and appropriately reported by management and the second line of defence to the Board and Operating Committee; assessing whether they are adequately controlled, and by challenging Management to improve the effectiveness of governance, risk management and internal controls.

CAS is an independent and objective function reporting to the UK&I Board through the Audit Committee. The UK&I Chief Auditor is a member of the UK&I Operational Committee and has a primary reporting line to the Chair of the Audit Commitee, with a secondary line to the UK&I CEO.

CAS's scope of activities is unrestricted and its audit universe extends to all legal entities, joint-ventures and other business partnerships, outsourcing and reinsurance arrangements. Its scope includes first line control validation, second line control assurance and the System of Governance as set out under SUK. Whilst it is not the role of CAS to second guess any decisions made by the Board and its Committees, its scope does include information presented to the Board and its Committees.

On a semi-annual basis the UK&I Chief Auditor submits a six-monthly rolling risk based audit plan (i.e. detailed plan for the upcoming six months, together with an outlook for the subsequent six months), including emerging and systemic risks to the Audit Committee for review and approval. The six-monthly rolling audit plan is developed based on CAS's independent risk assessment and a prioritisation of the audit universe, considering inputs from Executives, Senior Management and the Audit Committee, and CAS's assessment of key risk measurement criteria including financial, regulatory, strategic and fraud risks that could impact the organisation.

CAS coverage of the audit universe should be based on the principle of a five year cycle, whereby the level of risk will continue to determine the audit frequency, during which it shall aim to cover very high risks every 1-2 years, high risks every 2-3 years and medium risks every 3-5 years. Low risk areas are covered as needed. Any very high and high risk areas not covered within the desired timeframe is transparently reported to the Audit Committee.The UK&I Chief Auditor reviews and adjust the plan, as necessary, in response to changes in the business, risks, operations, programmes, systems, and controls. Any material changes to the CAS plan is communicated through quarterly reporting to the Audit Committee for approval. CAS may conduct audit engagements which are not included in the audit plan, these may be carried out without notice.

In addition to the six-monthly rolling audit plan that is reviewed and approved by the Audit Committee, the UK&I Chief Auditor ensures that the function has a multi-year outlook in line with the business's strategic and operational plan.

The UK&I Chief Auditor ensures that CAS has the appropriate budget and resources and that CAS collectively has the skills and capabilities to effectively deliver on its purpose and mandate. This includes consideration of trends and emerging issues that could impact the organisation. Where appropriate, independent internal or external co-sourced resources may be engaged to supplement the core team and deliver all or part of an audit engagement.

Annually, the UK&I Chief Auditor provides the Audit Committee with an assessment of the skills and capabilities required to conduct the work needed, and whether the budget is sufficient to allow the function to recruit and retain staff with the expertise and experience necessary to provide effective challenge throughout the business and to Executive Management. The Audit Committee is responsible for approval of CAS's plan and budget, and reviews and confirms annually that CAS is staffed appropriately and operating effectively.

CAS operates an ongoing Quality Assurance programme that is outsourced to an external provided. Annually, the external provider reports a summary of the Quality Assurance results to the Audit Committee. Further, CAS performs an annual assessment of compliance with professional standards of which the results are reported to the Audit Committee. The function is governed by an Internal Audit Charter which sets out the function's role, mandate and authority, and includes independence and objectivity criteria.

B.5.2 Independence and objectivity

CAS must be independent from management at all times in order to be effective in delivering on its purpose and mandate. Internal auditors shall have no operational responsibility or authority over any business activities, day-to-day risk management or control activities.

Internal auditors are expected to remain independent and objective in all assignments and do nothing that might prejudice or be perceived as prejudicing independence and objectivity. Impairments to independence and objectivity may include, but are not limited to:

- Auditing business areas for which an individual previously worked, was seconded to, or was previously responsible for (auditors must refrain for a period of at least 12 months); and
- Auditing an area where an individual has a close relationship with one of its staff (e.g. partner, family member).

Independence and objectivity may also be impaired if an individual is approached about, or receives, an offer of employment from an area that they will be, or are, auditing. To prevent undue influence, the Chief Auditor must be advised of any approach and has the option to defer the offer for up to six months following completion of the audit.

If independence or objectivity is impaired in fact or appearance, the details of the impairment must be disclosed immediately to the Chief Auditor, who will determine whether the Audit Committee will need to be informed.

Audit activity will remain free from interference by any element in the organisation, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of a necessary independent and objective mindset.

The Chief Auditor reports, at least annually, to the Audit Committee on the independence of the Function and its staff. This is supported by a formal assessment of independence and objectivity for long serving staff, together with an independence self-certification signed by all members of CAS. The Chief Auditor will disclose any interference and its implications to the Board via the Audit Committee.

Where the tenure of the Chief Auditor exceeds seven years, the Audit Committee will discuss the Chair of the Audit Committee's assessment of the Chief Auditor's independence and objectivity. Thereafter the Audit Committee will consider the Chief Auditor's independence and objectivity annually.

B.6 Actuarial function

The Actuarial Function coordinates the calculation of technical provisions. It provides assurance that the approach to setting technical provisions uses appropriate homogenous risk groupings, methods, models, and assumptions and it assesses the appropriateness, completeness and accuracy of the underlying data and ensures that any limitations of data used have been appropriately dealt with. It applies methodologies and procedures to assess the sufficiency of the SUK technical provisions in order to provide an opinion on the reliability and adequacy of technical provision estimates. The Actuarial Function assesses the sources and degree of uncertainty associated with the technical provision estimates and carries out sensitivity analysis to understand how key areas of judgement could impact estimates. It informs on areas where experience has been different to expectation and how this has influenced methods, models and assumptions. The Actuarial Function also provides an opinion on the underwriting policy and the adequacy of reinsurance arrangements. The Actuarial Function cooperates closely with the Risk Management Function on issues such as oversight of our Internal Model, and contributes to the effective implementation of the risk management system.

Independence of the Actuarial Function is achieved by business unit actuarial teams and their Head of Reserving retaining 1st line responsibility for calculation of technical provisions. The line 1 work and recommendations are reviewed by the Head of the Actuarial Function, as required at regional level for separate legal entities within RSAIG and at consolidated RSAIG level. The business units and the entity level Actuarial Functions, where required, confirm that appropriate data, assumptions and methodologies have been used in preparing their estimates, and that all controls and governance have been successfully completed, in line with RSAIG reserving policy. The RSAIG Actuarial Function consolidates the business unit results into the total Group position and carries out an independent review of the regional provision calculations in a 2nd line capacity in order to fulfil its oversight responsibilities.

The UK&I Chief Actuary leads the RSAIG Actuarial Function and has independent access to the Audit Committee. On an annual basis, the Group Actuarial Function agrees its areas of focus for the coming year with the Audit Committee. It produces Actuarial Function Reports summarising the key conclusions of the Actuarial Function’s work along with recommendations on how any identified areas for improvement should be remedied. These Actuarial Function reports are presented to the Audit Committee and/or the BRC. The RSAIG Actuarial Function also provides quarterly interim updates on SUK technical provisions to the Audit Committee.

B.7 Outsourcing

B.7.1 Policy and key activities

The Group's approach to outsourcing (including the definition of outsourcing) is based on a central framework with local adoption and responsibility. The framework is set out in the Group's Third Party Risk and Outsourcing Policy (which also covers intra-group outsourcing), which is adopted by the RSA local entity boards and rolled out locally. Additional Group policies place further controls on specific types of outsourced contract such as the Underwriting Policy and the Claims Policy which covers external underwriting and claims delegated authorities. The Group Procurement Policy sets out the complimentary commercial requirements and approach to contracting when engaging both Outsourcing and non-Outsourcing relationships

The Third Party Contracts and Risk Policy provides a Group wide definition of Outsourcing and Material Outsourcing (also referred to as critical and important) activities and functions to ensure consistency of approach as well as defining critical non-outsourcing relationships to ensure appropriate treatment and management in line with regulatory obligations. The policy sets out the provisions to be followed in relation to all outsourcing, and critical non-outsourcing relationships, with additional controls being imposed on material outsourcing. It additionally specifies the operational responsibility and establishes the provisions to be taken into consideration in supplier agreements.

The framework also establishes the necessary responsibilities, maintaining a proper separation of activity, so as to ensure correct local service control through Local Supply Chain Processes and maintenance of oversight within the Group.

Service providers of activities designated as outsourcing or critical non-outsourcing are generally located in the same legal jurisdiction as the relevant local RSA entity (although many services are physically provided from overseas locations such as India).

The service types outsourced (in whole or in part) in one or more regions include:

- IT Infrastructure services
- IT Application development/maintenance
- Loss adjusting
- Print and fulfilment
- Claims handling
- HR/Payroll
- Claims legal services
- Finance billing
- Fund management, custody and investment accounting

B.7.2 Intra-Group outsourcing arrangements

During the year, the Group entered into outsourcing contracts and distribution arrangements with third parties in the normal course of its business and is reliant upon those third parties being willing and able to perform their obligations in accordance with the terms and conditions of the contracts.

RSA local entities also enter into outsourcing agreements with other members of the Group in relation to the efficient provision of services across the Group. Regardless of whether an internal or third party outsourcing arrangement has been entered into, ultimate responsibility for the outsourced activity and regulatory compliance lies with the local entity board.

Specific material intra-group arrangements include the provision of certain investment services (such as valuation) and other back-office services such as, but not limited to, finance, IT and risk management, to other subsidiaries.

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B.8 Any other information

B.8.1 Adequacy of system of governance

The adequacy of the System of Governance is formally considered by the Board annually. This process considers both changes and recommendations made during the year (including through Internal Audit, Risk and Compliance reporting) and any recommendations by the other corporate departments based on their observations or regulatory change. Should it be deemed necessary, changes can also occur outside of this formal review. The Group's System of Governance is effective and fit for purpose taking into account the nature, scale and complexity of the risks inherent in its business.

B.8.2 Any other material information

Nothing to report.

C. Risk Profile

In this section

The Group is exposed to the following main categories of risk:

- Insurance risk
- Market risk
- Credit risk
- Liquidity risk
- Operational risk

The first five categories are described in sections C.1 to C.5 respectively. Insurance risk includes Catastrophe Risk and Reserving Risk, and these are all described under the prescribed heading “C.1 Insurance Risk”.

The Group quantifies its exposure to different types of risk as part of its SCR calculation. See reporting template IR.25.04 in Appendix 8 for a breakdown of how much each type of risk contributes to the SCR.

C.1 Insurance risk

C.1.1 Introduction

Underwriting, claims and reinsurance risks

The Group manages these risks through its underwriting strategy, reinsurance arrangements and proactive claims handling.

The Group risk appetite statement sets the high-level appetite for insurance risk.

Additionally, the Group has a number of centrally managed forums to examine Group underwriting and claims issues, review and agree underwriting direction, promote collaboration and sharing of best practice and set policy, frameworks and directives where appropriate.

The underwriting strategy aims to ensure that the underwritten risks are well diversified in terms of type and amount of risk, industry and geography.

The UK&I Chief Underwriting Officer sets the Underwriting line of business risk appetite and strategy, which is cascaded to line of business portfolio leaders for defined portfolios, implemented through portfolio strategy statements. Individual risks are written within the parameters of the portfolio strategy, risk appetite and underwriting licence authority.

Specific to the Group risk appetite, the underwriting and claims policies define the controls implemented to manage the Group's limited appetite for:

- 'Special High Risks', including long-term policies, full insurance delegated authority arrangements and lines of business where RSA lacks appropriate specialist expertise and Reinsurance support e.g. Aviation and Space.
- Writing business in ‘High Risk Countries’ so designated due to sanctions or presenting an unacceptable level of operational risk. The High Risk Country Committee periodically reviews and communicates ‘High Risk Countries’.

Reserve risk

The Group establishes technical provisions for claims to account for the anticipated ultimate cost of all claims and relevant expenses for claims that have already occurred. The Group establishes technical provisions for both reported and unreported claims. Technical provisions estimates are based on known facts and on interpretation of circumstances including the Group’s experience with similar cases and historical claims payment trends. The Group also considers the development of claims payment trends, levels of unpaid claims, judicial decisions, legislation changes, economic conditions, geopolitical uncertainty, changes in the business and the claims environment, and any other relevant information.

C.1.2 Measures used to assess risk

Underwriting and claims risk

The Group’s underwriting and claims strategy and risk appetite are reviewed, challenged and approved by the Board annually.

Key risk indicators assess risk against the Board risk appetite and these are reported at the quarterly Enterprise and Board Risk Committees. The secondary underwriting risk indicators were refreshed in 2024 and are now embedded in regular reporting material to the Enterprise and Board Risk Committees. Claims risk indicators include assessment of financial controls, technical claims handling quality, case reserving, counter fraud performance and external delegated authority.

Underwriting operates a quarterly Risk and Control Committee which oversees the operational effectiveness of controls and plans to reduce key risks. Material risks and issues are escalated to the Enterprise Risk Committee and Board Risk Committee.

Stress and Scenario testing and risk profiling are undertaken and are reported through the Enterprise and Board Risk Committees too.

Accumulations for locational static exposures are modelled using the GAIA Exposure Data Management system to identify 'Per Risk' and Catastrophe risk concentrations and to inform scenario modelling and reinsurance purchase. The Accumulation Management Steering Group (AMSG) has formal oversight of accumulation exposure management and sets requirements for identifying and controlling 'Per Risk' and Catastrophe risk concentrations.

The effectiveness of pricing tools and process is measured through the Pricing Capability Assessment Questionnaire operated by the Group to benchmark the capability against defined measures. The Pricing Capability Assessment Questionnaire defined measures include an assessment of the pricing components i.e. use of historical claims frequencies and severity averages, adjusted for inflation and modelled catastrophes trended forward to recognise anticipated changes in claims patterns and allowance in the pricing procedures for acquisition expenses, administration expenses, investment income, the cost of reinsurance, and for a profit loading that adequately covers the cost of capital.

Underwriting and Claims Validation Reviews are held periodically to test the effectiveness of the processes and controls in the risk management frameworks. Where gaps are identified, appropriate action is taken to either remediate, monitor or risk accept based on the materiality. Oversight is provided by the Risk and Control Committees with escalation to the Enterprise and Board Risk Committees depending on materiality.

Reserve risk

The Group has a Reserving Committee covering all claims liabilities within the Group's perimeter. This committee is chaired by the UK&I Chief Actuary and consists of the UK&I CEO, the UK&I CFO, UK&I CUO, the UK&I CRO, the UK&I COO and the Managing Directors for key operating segments. The Intact Group Chief Risk & Actuarial Officer is also invited to attend the meetings of the committee. A similar committee has been established in each of the Group's primary operating segments. The Reserving Committee monitors the decisions and judgements made by the business units as to the level of technical provisions. The Reserving Committee recommends the level of technical provisions to be held to the Board via the Audit Committee.

The Covid-19 pandemic and its consequent impacts on areas such as frequency, mix of claim, supply chain issues and the pace at which information emerges on cases both internally and externally mean the recent environment of heightened uncertainty continues. Additionally, increased uncertainty arises from geopolitical instability and current elevated levels of claims inflation add to the distortion in our experience, data and trends. The impacts will take time to settle down, stabilise and become clear. The distortions noted make robust projection of the ultimate cost of claims more difficult than normal and increased use of judgement is required. While these uncertainties affect all business units and legal entities, the impact varies and will evolve over time as experience matures.

In forming its collective judgement, the Committee considers the following information:

- The actuarial indication of ultimate losses together with an assessment of risks and possible favourable or adverse developments that may not have been fully reflected in calculating these indications. These risks and developments: include: the possibility of future legislative change having a retrospective effect on open claims or changes in interpretation or regulatory application of existing legislation; changes in claims settlement practice or procedures and supply chain delays potentially leading to future claims payment patterns differing from historical experience; the possibility of new types of claim arising either from changes in business mix, or, such as disease claims emerging from historical business; general uncertainty in the claims environment and emerging claims trends; the emergence of latent exposures; the outcome of litigation on claims received; failure to recover reinsurance as the Group expects and unanticipated changes in claims inflation.
- How previous actuarial indications have developed as claims experience has evolved.
- The views of internal peer reviewers of the reserves and of other parties including actuaries, legal counsel, risk directors, underwriters and claims managers.

- The outcome from independent assurance reviews performed by both external actuarial consultants and the IFC Group Actuarial Function to assess the reasonableness of regional actuarial indication estimates.
- There is uncertainty in the future economic environment and changes such as ongoing inflationary pressure on claims and expenses and evolving geopolitical instability, could have an impact on ultimate claims costs. This is a key uncertainty that is monitored by the RSA Reserving Committee with sensitivity testing to monitor, assess and understand potential impacts should the risks manifest.

There have been no other material changes to measures used during 2024.

C.1.3 Material risks

Material risks identified during the reporting period include:

- **Catastrophe Risk** - Covers the risk that a single event or series of events of major magnitude usually over a short period, leads to a significant increase in actual claims compared to total expected claims. Losses can arise from either natural perils, for example hurricane, windstorm, flood and earthquake, or from non-natural perils, for example fire/explosion.
- **Pricing Risk** - The risk that portfolio pricing strategies, monitoring and rating are insufficient to generate sufficient returns in key portfolios to maintain profitability and pay claims.
- **Reserving Risk** - The risk that case reserves are insufficient, untimely or inaccurate leading to unforeseen adverse development, or that claims handling practices have changed and give rise to different future development to that expected. The risk that more claims are reported in future than anticipated, or that settlements cost more than we expect and claims severity increases. The risk that legislative changes have a retrospective effect on claim settlements. The risk that new types of claims arise, such as disease claims from historic business and the emergence of latent exposures.
- **Underwriting Risk Selection** - Covers the risk that claims arising on exposures after the valuation date are higher (or lower) than assumed in the pricing other than due to catastrophes. This can arise as the result of bad experience, third party interventions, ineffective portfolio management, poor pricing, poor risk selection or failure to underwrite effectively.
- **Claims Management Risk** - Financial losses through ineffective claims management processes or performance.

We continue to run our Underwriting Emerging Risk Forum with Underwriting, Claims and Risk representation, which identifies and monitors emerging risks and feeds our proactive stress and scenario programme to ensure exposures remain within risk appetite. Output feeds into the hierarchy of Risk Committees up to the Board Risk Committee.

C.1.4 Application of the prudent person principle

The prudent person principle is not applicable to underwriting risk.

C.1.5 Material risk concentrations

The Group's peak Natural Catastrophe zone is Northern European windstorm, where the Group purchases reinsurance to protect against losses of up to a limit[1] of £1.8bn (2024: £2.1bn). The 2025 programme ground up limit reduction is driven by the reduction in exposure from UK personal lines as the portfolio continues to run-off.

Large individual risks, for example city shopping centres, are closely monitored via the risk management system. These are protected both by the Global Property Risk treaty and, in a multiple loss scenario, by the Global Catastrophe treaty.

[1] The coverage limit reduces to £1,650m on 1 July 2025.

C.1.6 Risk mitigation

The Group operates a comprehensive risk management system and policy management framework. This system includes policies which govern key activities such as Underwriting, Claims, Reinsurance and the assessment of insurance risks. The policies introduce a system of mandatory controls frameworks which stipulate a system of minimum requirements and standard controls, and key risk indicators which are used to measure the effectiveness of these controls in mitigating risk. Each quarter, management are required to report on the operation and effectiveness of these controls to governance committees. Key risks are escalated to functional Risk Committees and to the BRC. Controls which are not considered effective are subject to remedial action and risk oversight.

The Underwriting and Claims governance and control framework spans a number of key activities, including (but not limited to):

- Delegation of Technical Authority (Internal and External) including Licensing and Referrals
- Portfolio Strategy, Performance and Risk Management
- Underwriting Product Development
- Pricing
- Accumulation and Exposure Management
- Multinational Risks
- Risk Control/Inspection
- Underwriting and Claims File Review/Validation
- Claims Management Processes
- Case Reserving

The management and mitigation of credit risk for reinsurance are described in Section C.3.6 Risk Mitigation.

In the ordinary course of business, the Group reinsures certain risks with external reinsurers to limit the maximum loss in the event of catastrophic events or other significant losses. The Group's objectives related to ceded reinsurance are primarily capital protection and are not intended to manage quarter to quarter volatility of results. These reinsurance arrangements mean that both the Group's net retention plus reinstatement premiums and co-participations are within agreed risk appetite metrics.

The placement of ceded reinsurance is mainly on an excess of loss basis (per event or per risk), but some proportional cessions are made for specific portfolios. Annually, the Group reviews and adjusts its reinsurance coverage to reflect current exposures and its capital base. The most material component of the Group's reinsurance programme is the catastrophe treaty, for which more detail is provided below.

The catastrophe reinsurance programme for RSA Group's business is provided on a combined basis with IFC's operations in Canada and the US. RSA's approach for setting limits is consistent with prior years. The following table summarises the net retention and coverage limits for multi-risk events and catastrophes. From a RSA Group perspective the retention/limit from an event in the US or Canada would be shared with the IFC Group domestic operations in the respective territory.

As of 1 January	2025	2024
UK & Europe located events (in million of GBP)		
Retention[1]	**150**	150
Coverage limits[2,3]	**1,800**	2,100
US located events (in million of CAD)		
Retention[1]	**150**	150
Coverage limits[2]	**1,300**	1,300
Canadian located events (in million of CAD)		
Retention[1]	**350**	250
Coverage limits[2]	**5,600**	5,400

[1] Excludes reinstatement premium, tax impacts and co-participations between the retention level and coverage limit.

[2] Represents the ground up limit before co-participations and retention level.

[3] The coverage limit reduces to £1,650m on 1 July 2025.

In addition to the above, we have placed a new global cover to protect against multiple catastrophe events during 2025. Losses to specified layers beneath our main catastrophe retentions, from all business segments, are added together across the year; the total of these losses is then protected above an aggregate deductible. The new coverage provides $250 million of limit.

C.1.7 Risk sensitivity

The Group performs sensitivity analysis alongside stress testing and scenario analysis in order to understand the impact of economic and non-economic volatile conditions that could have an impact on the Group's solvency and liquidity positions. See section C.7 for information and details on stress testing and sensitivity analysis for all categories of material risk.

C.2 Market risk

C.2.1 Introduction

The Group is exposed to market risk, which is the risk of potential losses from adverse movements in market prices including those of debt & fixed income instruments, public equity securities, property, exchange rates and derivatives as well as credit rating downgrade risk, credit spread risk, credit default risk and asset-liability matching risk.

C.2.2 Measures used to assess risk

The Group assesses its market risk exposures through a number of factors including exposure by asset class, credit rating of counterparties, asset liability mismatch due to divergence in duration and currency exposures, and concentration of exposures. In addition, stress and scenario analysis is undertaken to assess market risk exposures.

Exposures are controlled by the setting of investment limits and managing asset-liability matching in line with the Group's risk appetite.

The BRC, on behalf of the Board, is responsible for reviewing and approving the investment strategy for the Group's investment portfolios. It provides approval for all major changes of the Group's investment strategy. The Asset Management Committee (AMC) reviews and approves any substantive changes to the balance of the Group's investment funds within the strategy framework agreed by the BRC. In addition, asset liability matching both by currency and duration is monitored by the Capital Management Committee.

The Board sets the Group's risk appetite and approves investment risk limits to the AMC. To remain within the Group's risk appetite, AMC oversees appropriate limits for asset class exposures, single counterparty exposures, aggregate exposure to debt & fixed income securities by credit rating and portfolio duration. These limits aim to keep exposures within the Group's risk appetite while ensuring the portfolio is sufficiently diversified. Investment exposures relative to these limits are regularly monitored and reported.

The Group has made an allocation to private investments. Aggregate allocation to private investments is reviewed by the BRC and AMC. Allocation to new private investments are approved and monitored by AMC.

The Group credit rating methodology takes into account ratings from the major credit rating agencies as well as other risk analysis including that undertaken by external fund managers. The Credit Rating Review Committee (CRRC) is responsible for reviewing material credit exposures, private investments, and unrated investments, where assignment of an RSA internally approved rating may be appropriate.

A small number of the Group's property holdings are Group occupied and therefore are reported as property, plant & equipment held for own use in the SUK balance sheet. The Group's holdings of investment property are recorded separately, and these investments are held as part of an efficient portfolio management strategy.

Operational currency risk is managed within the Group's individual operations by broadly matching assets and liabilities by currency.

Structural currency risk is largely managed at a Group level through currency forward and swap contracts. In managing structural currency risk, the needs of the Group's subsidiaries to maintain net assets in local currencies to satisfy local regulatory solvency and internal risk based capital requirements, are taken into account. These assets should prove adequate to support local insurance activities, irrespective of exchange rate movements. Consequently, this may affect the value of the consolidated shareholders' equity expressed in sterling.

There have been no material changes to the measures used to assess risks during 2024.

C.2.3 Material risks

The Group is exposed to the following material market risks:

Interest rate risk

The fair value of the Group's portfolio of public debt & fixed income securities is inversely correlated to changes in market interest rates. Thus, if interest rates fall, the fair value of the portfolio would tend to rise and vice versa.

In assessing this risk, the Group will have reference to the interest rate exposures of its liabilities with risk being the difference between asset and liability exposures.

Equity price risk

The Group's portfolio of public equity securities is subject to equity risk arising from changes in market price. Thus, if the value of equities falls, so will the fair value of its portfolio and vice versa.

The Group maintains a high quality investment portfolio and regularly monitors developments in the performance of its assets.

Property price risk

The Group's portfolio of properties is subject to property price risk arising from changes in the market value of properties. Thus, if the value of property falls, so will the fair value of the portfolio and vice versa.

Credit Risk

The Group invests in debt & fixed income instruments issued by governments, government agencies and corporate counterparties. In addition, the Group also allocates limited investment to structured credit using securitised investments. The Group expects to receive incremental income through assuming credit rating downgrade risk, credit spread risk, and credit default risk. Credit risk appetite is controlled through the investment strategy and investment limits.

Currency risk

The Group operates in a number of countries. Accordingly, its net assets are subject to foreign exchange rate movements. The Group's primary foreign currency exposures are to the Euro, Canadian dollar and US dollar. If the value of sterling strengthens, then the value of non-sterling net assets will decline when translated into sterling and consolidated.

The Group is exposed to currency risk in two ways:

- **Operational currency risk** – by holding investments and other assets and by underwriting liabilities in currencies other than the currency of the primary environment in which the business units operate (non-functional currencies).
- **Structural currency risk** – by investing in overseas subsidiaries and operating an international insurance group.

C.2.4 Application of the prudent person principle

The Group applies an Investment Policy that sets out the requirements for the identification, measurement, monitoring and reporting of market risk, liquidity risk and credit risk arising from investments for the Group's investment portfolio. A set of key risk indicators in the form of an investment limits framework has been developed alongside the policy. The policy refers to this for investment risk management, liquidity risk management and reporting purposes.

In particular, the prudent person principle requires each operation and the Group to exercise prudence in relation to the investment portfolio and to ensure assets are appropriate to the nature and duration of its liabilities (assets and liabilities management). It must also be able to show that it has appropriate systems and controls to hold and manage any such investments.

The prudent person principle also requires a duty of care that must be applied for investments that are of a non-routine nature (i.e. allocation to private investments), or that are not admitted to trading on a regulated financial market or to complex products such as derivatives or securitised instruments. The Group follows a high credit quality, low risk investment strategy with limited exposure to higher volatility investment classes, such as public equities. Asset and liability duration is broadly matched, with limited flexibility for tactical asset management.

The Group's portfolio focus is on high quality debt & fixed income securities and cash, with measured exposure to private credit, public equities and property.

At 31 December 2024, the Group held 47% of its public debt & fixed income securities portfolio in:

- Government bonds and government guaranteed bonds
- AAA rated corporate or government agency bonds
- Treasury bills (T-bills)
- AAA rated money market funds
- Cash

Liquidity risk is therefore minimised, enabling cash to be available and transferred when required.

The credit quality of the public debt & fixed income securities portfolio for the Group is predominantly investment grade with circa 99% rated BBB- or higher.

C.2.5 Material risk concentrations

The Group's investment portfolio consists predominantly of high quality, investment grade, public debt & fixed income securities, that is well diversified by sector and geography, broadly reflecting the duration of its underlying insurance liabilities.

C.2.6 Risk mitigation

The Group supports the liabilities for its general insurance business with a low risk, high credit quality investment portfolio with exposure concentrated in public debt & fixed income securities and cash. Surplus assets are invested in public debt & fixed income securities, structured credit, public equities, private credit and property. Credit risk exposure is mitigated by the high quality nature of the public debt & fixed income securities portfolio with circa 99% investment grade and circa 54% rated AA- or above. Counterparty concentration risk is limited through limits placed on single counterparties. The Group ensures that it maintains sufficient liquidity for its needs by having a minimum exposure to highly liquid assets such as cash, T-Bills, Money Market Funds rated AAA, corporate bonds rated AAA and government & government guaranteed bonds.

Interest rate risk is limited through the Group maintaining a strong match of its public debt & fixed income securities portfolio duration relative to its liabilities with exposures being monitored by the Capital Management Committee. The Group maintains a limit of its asset duration being within two years of benchmarks which are established to provide a broad match to liabilties. Exposures are monitored by the Investments management team on a monthly basis and reported to the AMC on a quarterly basis.

The Group also mitigates its exposure to currency risk through partial hedging of its surplus within its principal subsidiaries through a combination of foreign exchange forward and swap contracts.

The Group may use derivative financial instruments for the purpose of reducing its exposure to adverse fluctuations in interest rates, foreign exchange rates, public equity prices and long-term inflation. The Group does not use derivatives to leverage its exposure to markets and does not hold or issue derivative financial instruments for speculative purposes. The use of derivatives is governed by the Group Investment Policy.

The Group invests in assets that are not regularly traded such as direct property, real estate debt, infrastructure debt, structured products and corporate loans. The management of these assets is primarily outsourced to third party fund managers. The investments management team review the exposures on a regular basis. These investments are reviewed by the AMC to ensure they remain within the Group's risk appetite.

The Group has a targeted and well diversified active investment management allocation to UK, European & North American public equities, primarily for the purpose of generating dividend income. The smaller allocation to North American public equities targets lower investment volatility to generate excess returns in the form of modest capital gains, with minimal exposure to overall equity market fluctuations (by taking long and short positions in individual stocks while maintaining an overall neutral position in each sector and the broader market).

The Group considers Economic, Social and Governance (ESG) factors in the management of its market and credit exposures. When reviewing or considering the appointment of investment managers, account is taken of their approach with respect to sustainable investing, including voting policies and engagement.

The Group considers factors impacting climate change in a Low Carbon Policy and has made a commitment not to invest in the following:

- Investments in standalone projects relating to energy exploration, extraction or production in the Arctic or Antarctic region.
- New investments in companies generating >30% of revenue from coal mining or power generation from thermal coal.
- New investments in companies generating >30% of revenue from production or transportation of oil sands and shales.

Refer to the Risk Management System in section B.3 for a description of how the Group manages and monitors market risk.

C.2.7 Risk sensitivity

See section C.7 for information on stress testing and sensitivity analysis for all categories of material risk.

C.3 Credit risk

C.3.1 Introduction

Credit risk is defined as the risk of loss resulting from a counterparty failing to fulfil its contractual obligations to the Group or failing to do so in a timely manner. The Group is exposed to credit risk in respect of its reinsurance contracts, insurance operations (where counterparties include brokers, policy holders and suppliers), and investments (where counterparties include government, government-sponsored and corporate counterparties).

C.3.2 Measures used to assess risk

Credit risk arises any time Group funds are extended, committed, invested or otherwise exposed through actual and/or implied contractual agreements with counterparties whether reflected on or off balance sheet.

The BRC is responsible for ensuring that the Board approved Group credit risk appetite is not exceeded. This is done through the setting and imposition of Group policies, procedures and limits.

In defining its appetite for counterparty credit risk, the Group looks at exposures at both an aggregate and business unit level distinguishing between credit risks incurred as a result of offsetting insurance risks or operating in the insurance market (e.g. reinsurance credit risk and risks to receiving premiums due from policyholders and intermediaries) and credit risks incurred for the purposes of generating a return (e.g. invested assets credit risk).

Limits are set at both a portfolio and counterparty level based on likelihood of default, derived from the rating of the counterparty, to ensure that the Group's overall credit profile and specific concentrations are managed and controlled within risk appetite.

Financial assets are graded according to company standards. Investment grade financial assets are classified within the range of AAA to BBB- ratings. AAA is the highest possible rating. For invested assets, restrictions are placed on each of the Group's investment managers as to the level of exposure to various rating categories. This includes limiting exposure to sub-investment grade (i.e. rated below BBB-) and unrated securities.

Local operations are responsible for assessing and monitoring the creditworthiness of their counterparties (e.g. policyholders, brokers, and third party suppliers). Exposure monitoring and reporting is embedded throughout the organisation with aggregate credit positions reported and monitored at Group level. Reinsurer counterparty credit risk is assessed and monitored at a Group level by the Intact Reinsurance Credit Committee.

The Group has continued to maintain a high quality investment portfolio and regularly monitors developments in the performance of its assets.

There have been no material changes to the measures used to assess risks during 2024.

C.3.3 Material risks

The Group is mainly exposed to the following types of credit risk:

- **Counterparty risk** - defined to be the risk that a counterparty fails to fulfil its contractual obligations and/or fails to do so in a timely manner. This includes all types of counterparties such as agents, brokers, reinsurers and other third parties.
- **Credit concentration risk** - defined to be an uneven distribution of exposure to counterparties, single-name or related entity credit concentration, and/or in industry and/or services sectors and/or geographical regions.

- **Credit downgrade risk** - defined to be a loss from a downgrade in an investment's credit rating, resulting in a lower assigned credit rating and reduction in the price/value of the investment.
- **Credit spread risk** - defined as the widening between corporate and government bond yields of the same maturity, resulting in a decline in the corporate bond price.

Each RSA business is required to establish appropriate processes in order to identify its outstanding debt and the aging of that debt.

Each RSA business is required to implement processes and procedures in order to collect its outstanding debt in a manner that is consistent with the credit terms provided.

In cases where collection is delayed or is not possible, each business is required to record a provision or write off the debt according to local and Group Financial Reporting Standards.

Within the Group, the management of credit risk is divided into three key areas, which are governed by separate policies:

- Reinsurance
- Investments
- Insurance Operations

The Group has continued to maintain a high quality investment portfolio and regularly monitors developments in the performance of its assets.

C.3.3.1 Reinsurance credit risk management

Reinsurance credit risk is defined as the credit risk arising from the purchase of reinsurance at Group and at local level. This includes treaty reinsurance, facultative reinsurance and our Global Network.

C.3.3.2 Invested assets credit risk, credit downgrade and credit spread risk

Invested asset credit risk arises in all debt & fixed income investments held by the Group.

Invested assets credit risk is defined as the non-performance of contractual payment obligations on invested assets, and adverse changes in credit worthiness of invested assets including exposures to issuers or counterparties for public debt & fixed income securities, private credit, cash on deposit and derivatives etc.

Credit downgrade risk and credit spread risk is as defined in section C.3.3.

C.3.3.3 Credit risk arising from insurance operations

Insurance operations credit risk is defined as credit risk arising from carrying out daily insurance business operations. This includes loss of principal or financial reward resulting from a counterparty's failure to pay or fulfil all or part of its contractual obligations. For example, if the Group trades with an insolvent broker there is a risk that the Group will not receive all the premiums due from that broker.

C.3.4 Application of the prudent person principle

See section C.2.4 for the application of the prudent person principle to credit risk arising from investments. The prudent person principle is not applicable to credit risk in relation to reinsurance and insurance operations.

C.3.5 Material risk concentrations

The Group is exposed to the following types of risk concentrations:

- Reinsurance counterparties
- Investment counterparties
- On balance sheet and off balance sheet guarantees

C.3.5.1 Reinsurance counterparties

The Intact Reinsurance Credit Committee oversees the management of credit risk arising from a reinsurer failing to settle its liability to the Group. The Group maintains a list of approved reinsurance counterparties. Other than in exceptional circumstances, the minimum Standard & Poor's (or comparable) credit rating to get onto the list is A-. Collateral is taken, where appropriate, to mitigate exposures to acceptable levels.

The Group's use of reinsurance is sufficiently diversified that it is not concentrated on a single reinsurer, or any single reinsurance contract. The Group monitors its aggregate exposures by reinsurer group; total exposure (as defined in the Reinsurance Risk Management Policy) is calculated as a percentage of Intact Financial Corporation's shareholders' equity; the maximum appetite for each Reinsurer is determined based on their financial credit rating. Stress tests are performed by reinsurer counterparty and the total exposure to a single reinsurer is estimated not to exceed £206m. In terms of recoverable asset, the Group's three largest active reinsurance groups are Berkshire Hathaway, Lloyd's of London and Swiss Re (2023: Berkshire Hathaway, Lloyd's of London and Fairfax Financial Holdings). At 31 December 2024, the total reinsurance asset recoverable from these groups does not exceed 5.5% of the Group's total financial assets. See note 9.2 of the RSAIG 2024 Consolidated financial statements for more details.

C.3.5.2. Investment credit risk

For material investment risks, see section C.2.5.

C.3.5.3 On balance sheet and off balance sheet guarantees

The following table summarises the investment-related collateral:

As at 31 December	**2024** **£m**	2023 £m
Collateral pledged	**1,425**	1,379
Collateral accepted	**244**	451

The Group has pledged financial assets from its balance sheet as collateral for liabilities or potential liabilities, mainly consisting of public debt & fixed income securities and cash and cash equivalents. The terms and conditions of the collateral pledged are market standard and are in relation to letter of credit facilities, reinsurance arrangements, securities borrowing and derivative transactions.

The Group has accepted collateral mainly consisting of public debt & fixed income securities and cash and cash equivalents. The terms and conditions of the collateral accepted are market standard and are in relation to securities lending and derivative transactions. The collateral cannot be sold or re-pledged externally by the Group unless the counterparty defaults on its financial obligations. The obligation to repay the cash is recognised in Other liabilities and the corresponding receivable is recognised in Other assets.

Cash collateral accepted, on balance sheet, is in relation to derivative transactions, with a value of £19m (31 December 2023: £33m).

Other collateral accepted, off balance sheet, is mainly related to securities lending, had a fair value of £225m (31 December 2023: £418m). The related collateral accepted represents approximately 104% of the fair value of security loaned (31 December 2023: 103%).

C.3.6 Risk mitigation

The Group employs the following mitigating techniques and monitoring procedures in order to manage the different types of Credit Risk.

C.3.6.1 Reinsurance credit risk management

Mitigation techniques

- **Reinsurance Credit Committee** - The Committee is responsible for the oversight of the Group's reinsurance counterparty credit risk, managing exposures as described in Section C.3.5.1.
- **Approved Reinsurance Counterparties** - Group Reinsurance assess and approve all reinsurance counterparties. Group Reinsurance maintain information on all reinsurance counterparties used across the Group.
- **Approved Reinsurance Counterparties meet Corporate Standards** - Due diligence is performed, Group Reinsurance monitor and maintain the Approved Reinsurance Counterparties list as part of an ongoing risk assessment of reinsurance counterparties. Where a reinsurance counterparty credit risk metric is approached or breached, risk response actions must be affected and reported to the Intact Reinsurance Credit Committee.
- **Appropriate Metrics** - Group Reinsurance establish metrics which are appropriate for quantifying reinsurance counterparty credit risk across the Group.

Business unit requirements:

- **Contract initiation** - Before entering into an outward reinsurance contract a business must ensure that it has followed all the requirements of the Reinsurance Risk Management Policy.
- **Exposure approval** - Businesses must seek approval for reinsurance exposures with counterparties outside the approved reinsurance counterparty list prior to binding by following the appeals process.
- **Risk Mitigation techniques** - Where risk mitigation techniques, such as the acceptance of collateral are used, they should be well understood by the business and appropriate processes and procedures must be established to operate the mitigant. The use of off balance sheet guarantees or Letters of Credit are approved on an individual basis.

Monitoring process

- **Credit Risk Profile** - Group Reinsurance review the reinsurance counterparty credit risk and monitor reinsurance counterparty exposure against maximum probable exposure limits.
- **Breaches** - Where a reinsurance counterparty credit risk metric is approached or breached, risk response actions are affected and reported to the Intact Reinsurance Credit Committee.
- **Ongoing information on counterparties** - Group Reinsurance must maintain information on all reinsurance counterparties used across the Group.

C.3.6.2 Investment credit risk

Mitigation techniques

See section C.2.6.

Monitoring process

- Investment exposure against investment limits delegated by the AMC and Group Investments are monitored by all operations, on at least a monthly basis.

- Separately, externally appointed fund managers, used by the operations, monitor and report compliance with investment guidelines stipulated within their Investment Management Agreements. These limits are set by the operations such that they are consistent with investment limits delegated to them by the AMC.
- In addition, the UK Investments management team reviews exposures against AMC investment limits for all operations, as well as the BRC limits for the Group, on a monthly basis and reports to the AMC.
- The Group credit rating methodology takes into account ratings from the major credit rating agencies as well as other risk analysis including that undertaken by external fund managers. The CRRC is responsible for reviewing material credit exposures as well as those that do not have any credit rating under the Group's standard rating methodology, where assignment of an RSA internally approved rating may be appropriate.

C.3.6.3 Insurance operations credit risk

Mitigation techniques

- **Receivables Committee** - All businesses must have a Receivables Committee (or equivalent) with responsibility for identifying, assessing, maintaining, monitoring and reporting on insurance operations credit risk exposures.
- **Operational Debt Reporting** - The Business is expected to undertake monthly reporting and review of receivables debt in line with Finance requirements.
- **Credit Risk Assessments** - All new Broker/Intermediary Agency applications must include a financial credit check/ rating confirming that they meet the minimum credit rating score and rating.
- **Continuous Monitoring** – All Broker/Agencies must be subject to continuous credit risk monitoring and action taken where ratings are deemed high risk.
- **Credit terms are set for each counterparty** - Each business must set credit terms according to the nature and credit standing of each counterparty. These criteria and the acceptable credit terms are documented in the Group Insurance Operation Credit Risk policy.
- **Financial Guarantees** – In the event of letters of credit or guarantees being used as collateral, minimum requirements will apply.

Monitoring process

All operations have to provide the following on a quarterly basis:

- Performance against set Key Risk & Key Performance Indicators.
- Breakdown of debtors including aged debt analysis (against prior year performance).
- Bad debt provision recommendations providing exposure and estimated recovery by counterparty classified into appropriate buckets, e.g. days past due.
- Material bad debt write offs.
- Credit risk rating scores by counterparty, counterparty groups or connected counterparties.

C.3.7 Risk sensitivity

See section C.7 for information on stress testing and sensitivity analysis for all categories of material risk.

C.4 Liquidity risk

C.4.1 Introduction

Liquidity risk refers to the risk of loss to the Group as a result of assets not being available in a form that can immediately be converted into cash or that conversion can only be achieved at excessive cost (whether through borrowing or overdraft arrangements for example), and therefore the consequence of not being able to pay its obligations when due.

C.4.2 Measures used to assess risk

The Group breaks down liquidity risk into three subcategories:

- **Funding liquidity risk** - the risk that the business may suffer from any or all of the following: being unable to liquidate assets, secure funding or contingency funding arrangements, those arrangements contain excessive or prohibitive clauses, and the withdrawal or curtailment of funding facilities.
- **Foreign currency liquidity risk** - the risk that actual or potential future outflows in a particular currency are unable to be met from likely available inflows in that currency or purchased in the foreign exchange market.
- **Intra-day liquidity risk** - the risk that liquidity requirements increase during the course of a business day due to delays in settlement proceeds being received or problems in the workings of banking or other settlement systems.

Suitable monitoring processes are in place to assess all of the above including:

- Creation and maintenance of short-term cash flow forecasts, including by non-functional currency.
- Regular dialogue with the Group's operational bankers in each territory.
- Use of a range of liquidity Key Performance Indicators to measure the proportion of assets and sources of liquidity that can be accessed within specified time periods, including overnight and 20 working days.

There have been no material changes to the measures used to assess risks during 2024.

C.4.3 Material risks

The Group considers that there are currently no material liquidity risks.

There have been no other material changes to the material risks during 2024.

C.4.4 Application of the prudent person principle

See section C.2.4 for information on the prudent person principle.

C.4.5 Material risk concentrations

The Group maintains a strong and liquid portfolio of cash and investment assets which are established by type and duration in order to provide a broad match against its liabilities. A minimum of 20% of Group investment portfolio can be liquidated within 20 days.

For more information see the liquidity risk table in Note 9.3 of the RSAIG 2024 Consolidated financial statements.

C.4.6 Risk mitigation

The Group manages risk by operating a high quality, low risk investment strategy which matches a relatively short liability duration.

Each operation adheres to an Investment Policy (for entities outside the UK, at least 20% of investment assets are to be held in cash, cash instruments, unencumbered AAA rated bonds and appropriate domestic government bonds) that ensures that adequate liquid resources are maintained at all times such that liabilities can be met as they fall due.

The Company produces a regular cash flow forecast to manage working capital requirements.

UK Treasury maintains a contingency funding plan that considers access to a range of funding options and sources under normal and stressed scenarios.

C.4.7 Risk sensitivity

See section C.7 for information on stress testing and sensitivity analysis for all categories of material risk.

The Group does not currently consider liquidity risk as a material risk. This is reviewed on a regular basis.

Notwithstanding this, a range of liquidity stress tests are carried out on a quarterly basis for all material insurance operations.

C.5 Operational risk

C.5.1 Introduction

Operational risk covers the risks of direct or indirect losses resulting from human factors, external events, and inadequate or failed internal processes and systems. Operational risks are inherent in RSA's operations and are typical of any large enterprise.

C.5.2 Measures used to assess risk

Operational risk exists in almost every aspect of business within RSA, and the effective management of operational risk plays a significant role in enabling the business to meet its objectives and to deliver good customer outcomes.

The Risk Management and Internal Control Policy sets out the requirements to identify, assess, manage, monitor and report risk. The Risk Management System sets out RSA's approach to minimising and/or preventing risk.

To support the identification and reporting of risks, the Group uses a Risk Taxonomy that is mutually exclusive and collectively exhaustive. The Risk Taxonomy for operational risk includes the following sub-categories:

- Internal Fraud
- External Fraud
- People
- Business Disruption
- Systems
- Information
- Physical Security and Safety
- Third Party
- Legal and Compliance
- Project and Change
- Business Process Deficiencies

The business is responsible for identifying and capturing risks in a risk register. Several sources may be used to support risk identification. These include:

- Internal and external insights
- Stress and scenario testing
- Risk incidents
- Risk appetite and key risk indicators
- Control testing
- Emerging risk assessments

Once risks have been identified the business must assess residual and target risk exposure:

- Residual Risk Exposure – Exposure based upon an analysis of the effectiveness of the controls in place at a point in time.
- Target Risk Exposure – Assumes that all the desired controls are in place and operating effectively.

Risks are assessed using a likelihood and impact scale to drive an overall risk intensity view. The likelihood scale is based on a 12-month time horizon. The impact scale considers financial, regulatory, operational, and customer matters.

The outputs of the risk assessment process and risk responses (i.e. action plans) are reviewed and challenged by the risk functions and at appropriate Risk Committees.

On an annual basis, the operational risk capital scenario assessments are compared to the operational risks included on the UK&I enterprise current (and emerging) risk profiles to check for consistency and completeness of the risks assessed and the assessments themselves.

C.5.3 Material risks

The material risks that the Group is exposed to are as follows:

Key risks and exposures	Key mitigants and controls
Operational Risk	
Operational risk This is the risk of direct or indirect losses resulting from human factors, external events, and inadequate or failed internal processes and systems. Operational risks are inherent in the Group's operations and are typical of any large enterprise.	• Operational risk and resilience processes and procedures are in place, including incident management. • Continued improvement to our operational resilience and third-party oversight capabilities, supported by simulation exercises which test the adequacy of our approach. • Control effectiveness is monitored through control testing and assurance activities. • System (including legacy technology) and information (including information security) risks remain a key focus, and we have made significant progress with risk reduction over the year.
Customer risk This is the risk that customers do not receive good outcomes and suffer harm because of products and services that are not fit-for purpose, offer poor value, are poorly explained or inadequately supported.	• The UK Operating Committee oversees key matters and decisions relating to good customer outcomes, supported by customer outcomes monitoring, which is reported to the Board periodically. • Adherence to key frameworks, such as product governance and delegated oversight, is monitored and subject to control testing and assurance activities. • Successful delivery of key regulatory requirements in a timely manner.

C.5.4 Application of the prudent person principle

The prudent person principle is not applicable to operational risk.

C.5.5 Material risk concentrations

Whilst there are many inter-dependencies between operational risks there are no material risk concentrations, in part a consequence of the regional businesses operating independently of each other.

C.5.6 Risk mitigation

The operational risk management strategy is achieved through the following:

- Risk Management and Internal Controls Policy
- Risk Appetite Procedure
- Governance Policy Management Procedure
- Risk Management Procedure
- Control Standards and Testing Approach
- Operational Incident Management Procedure

The Risk Management and Internal Controls Policy is supported by number of procedures and several regional policies that set out principles and expected controls. The effective operation of the controls, control testing and assurance outlined in policies helps to ensure that the Group operates within risk appetite.

For risks that are outside of target risk exposure, a risk response is required. The following two risk responses (treatments) are acceptable:

- **Risk mitigation** - taking action to reduce the potential impact or likelihood of a risk to target risk exposure, through the enhancement of existing controls or the design and implementation of new controls.
- **Risk monitoring** - where a risk is mitigated to target risk exposure or further risk mitigation is not possible, and no further action will be taken. The risk will be monitored to ensure sustained performance at this level of risk exposure.

Risk response action plans are reviewed and challenged at Risk Committees. Action plans must include an action owner and due date(s).

In functional risk and control committees (or equivalent), the members will:

- Consider the impact of internal and external factors on risk identification (new risks) and risk exposure (existing risks).
- Review key risk indicators that breach operating target or exceed tolerance to assess whether risk response is sufficient and appropriate.
- Consider the impact of control findings/issues and assurance reports on risk exposure.
- Assess risk incident trends (including operational losses and near misses) to identify any further actions needed.
- Monitor the status of action plans to identify risks to delivery and/or respond to issues.
- Consider the impact of any emerging risk reviews, scenario tests or other deep dives on risk identification and risk exposure.

C.5.7 Risk sensitivity

See section C.7 for information on stress testing and sensitivity analysis for all categories of material risk.

C.6 Other material risks

C.6.1 Other material risks faced

In addition to the risks covered above, the Group is exposed to risk arising from climate change.

Climate risk

RSA plays an important role in supporting the energy transition through industry collaboration, reducing our operations emissions, providing products and services that support low-greenhouse gas energy generation, and aligning our underwriting activities with our Climate Change and Low Carbon Policy.

RSA's stress tests are designed to help the business understand the potential financial consequences of complex risk events, including climate change-related extreme weather events, where impacts can be broad and far-reaching with a range of outcomes. Weather related stress tests cover litigation risk, susceptibility of clients to key weather events and impact under greenhouse gas (GHG) emission scenarios. The stress tests inform our underwriting and pricing strategy.

Analysis conducted in early 2024, broadened RSA's understanding of its exposure to various industries and associated climate change risk, allowing for geographical spread of exposure. In late 2024, an IFC-led Group wide climate change scenario analysis improved RSA's view of climate risk by assessing exposure to physical climate change based on current insurance exposures under climate change scenarios of low and high GHG emission warming paths as prescribed by the Intergovernmental Panel on Climate Change (IPCC).

Physical Climate change risk manifests as heightened global catastrophe risk and is a material part of RSA's risk profile, there are extensive reinsurance arrangements in place to manage and mitigate this risk. RSA monitors locations of its exposures and potential for accumulation in regions susceptible to weather events, enabling pricing of risks accordingly.

RSA has a proven ability to manage climate risks in our operations and continue to take actions to protect our business and our customers. Risk management strategies are in place to mitigate climate risk, reducing financial impact while capturing potential opportunities.

RSA's risk and operational teams regularly review the emerging risk landscape, which includes existing and emerging regulatory requirements related to climate change and ESG. Climate risk is then managed through our operational policies and standards, categorising mitigation into pricing and selection, including product innovation, monitoring supply chains, claims and investments.

RSA is committed to reducing GHG emissions and accelerate the transition to a low GHG and resilient future. Our net zero 2050 commitment applies across our business and is in alignment with the relevant principles of the Paris Agreement.

C.7 Any other information

The Group conducts stress and scenario testing quarterly, informed by the emerging risk assessments throughout the year and the annual ORSA, which assesses material risks to the business. The exercise is run by the Risk Function, with support from the wider business. During 2024, a range of stress tests and scenario analysis across Insurance, Finance and Operational risks were performed to evaluate potential impact on solvency and capital coverage. Specific stress tests including Polyfluoroalkyl substances (PFAS) 'Forever Chemicals', Solar Storms, Climate Change Litigation and Social Unrest were conducted in response to changes in the external risk environment. Deep dives on geo-political tensions and conflicts were conducted to evaluate the impacts posed by the current economic outlook. These tests confirmed that in such events RSA's capital buffers are expected to be sufficient.

Further scenario analyses were performed to understand the impact of a combination of Insurance and Market risks to support appropriate recovery planning.

In addition to the stress and scenario testing, reverse stress tests were undertaken to test the resilience of the business plan, and solvency and liquidity positions under adverse but plausible conditions. The reverse stress test supported the recovery planning and the going concern considerations for the Group.

Furthermore, the Group performs sensitivity analysis on its material risks to evaluate the impact of the economic and non-economic volatile conditions on the Group's solvency and liquidity positions. Sensitivity testing is used to assess the sensitivity of parameters and can be used to gain comfort on the appropriateness of the overall SCR.

D. Valuation for Solvency Purposes

In this section

This section sets out the basis of preparation and assumptions used in the valuation under SUK of the assets, technical provisions and other liabilities of the Group for each material class.

SUK requires assets and liabilities to be valued on a basis that reflects their fair value (economic valuation) with the exception that liabilities should not be adjusted to take account of changes in an insurer's own credit standing. Fair value reflects the amount that the Group would receive if an asset was sold, or would have to pay to settle a liability in an arm's length transaction between knowledgeable and willing parties.

The valuation of assets and liabilities for SUK begins with IFRS values (which has an equivalent definition of fair value) and adjusts for specific differences between SUK and IFRS. Where there are such differences between the SUK and IFRS bases of valuation, these are described in Sections D.1 – D.4. For assets and liabilities where valuation is carried out on the same basis under IFRS and SUK, a description of the basis of preparation can be found in the accounting policies section and notes to the RSAIG 2024 Consolidated financial statements.

Section D is subject to external audit, with the exception of the text and figures relating to Risk Margin. These are excluded from the scope of external audit as they are derived from the internal model used to calculate the Group's SCR which is also unaudited. See Appendix 6 for further details of the scope of the external audit.

Group SUK balance sheet

The table below shows the IFRS financial statements values, compared to the SUK balance sheet. Adjustments made between IFRS and SUK are classified into two categories:

- Reclassifications of the IFRS balance sheet into SUK categories. These are principally of two types: reclassification of financial instruments, and movement from line-by-line consolidation to adjusted equity method for certain subsidiaries. These adjustments are required for SUK presentation purposes only and do not result in valuation differences.
- Revaluation adjustments, where IFRS valuation techniques are not considered to be consistent with SUK requirements.

	Financial statements note	Financial statements value £m	Reclass-ification £m	SUK valuation adjustments £m	Solvency UK value £m	SFCR section
Goodwill and intangible assets	13	841	(21)	(820)	-	D.1.1.2
Deferred tax assets	24	275	-	-	275	D.1.1.4
Pension benefit surplus	26	25	-	-	25	D.1.1.5
Property, plant & equipment held for own use	14	105	-	(9)	96	D.1.1.6
Investments (other than assets held for index-linked and unit-linked contracts)		6,013	210	(21)	6,202	
Property (other than for own use)	6	317	-	-	317	D.1.1.7
Holdings in related undertakings, including participations		-	75	(21)	54	D.1.1.8
Equities	6	501	(47)	-	454	D.1.1.9
Bonds	6	5,162	(38)	-	5,124	D.1.1.9
Collective Investments Undertakings		-	124	-	124	D.1.1.9
Derivatives	7	33	-	-	33	D.1.1.9
Deposits other than cash equivalents		-	96	-	96	D.1.1.9
Loans and mortgages	6	283	3	(11)	275	D.1.1.9
Reinsurance recoverables	10	1,310	-	(220)	1,090	D.2
Insurance and intermediaries receivables		-	-	143	143	D.1.1.9
Reinsurance receivables		-	-	58	58	D.1.1.9
Receivables (trade, not insurance)		72	(29)	(4)	39	D.1.1.9
Cash and cash equivalents	6	221	(111)	-	110	D.1.1.9
Any other assets, not elsewhere shown		104	(56)	(33)	15	D.1.1.9
Total assets		9,249	(4)	(917)	8,328	
Technical provisions	10	5,848	-	(355)	5,493	D.2
Contingent liabilities		-	-	7	7	D.3.1.2
Provisions other than technical provisions	15	39	(1)	-	38	D.3.1.3
Pension benefit obligations	26	11	-	-	11	D.1.1.5
Deferred tax liabilities	24	2	-	1	3	D.1.1.4
Derivatives	7	14	-	-	14	D.3.1.1
Insurance & intermediaries payables		-	-	147	147	D.3.1.1
Reinsurance payables		-	-	25	25	D.3.1.1
Payables (trade, not insurance)		276	(1)	59	334	D.3.1.1, D.3.3
Subordinated liabilities	16	127	-	1	128	D.3.1.1
Any other liabilities, not elsewhere shown		165	(2)	78	241	D.3.1.1
Total liabilities		6,482	(4)	(37)	6,441	
Excess of assets over liabilities		2,767	-	(880)	1,887	

Method of consolidation

Method

The accounting consolidation method (Method 1), as defined by Rules 11.1A-11.1C of the Group Supervision Part of the PRA Rulebook applicable to Solvency UK firms, has been adopted in preparation of the Group SUK balance sheet.

The key differences between the SUK and IFRS consolidation approaches are:

- Investments in participations that are non-controlled insurance or reinsurance companies are consolidated using the adjusted equity method, after elimination of intra-group transactions. The valuation of the investment is calculated as the appropriate share of that participation's excess of assets over liabilities, using SUK valuation rules. The value of the investment is included in the “participations” line in the SUK balance sheet.

- Participations that are neither insurance or reinsurance companies nor insurance holding companies, are also valued using the adjusted equity method after elimination of intra-group transactions. If that is not possible, the equity method under IFRS (with any goodwill and inadmissible intangible assets valued at £nil) is adopted. This applies irrespective of whether the participation is in a net assets or net liability position.

All material transactions between entities in the scope of the Group (as per reporting template IR.32.01.22 in Appendix 8) have been eliminated on Group consolidation.

Scope

There are no material differences between the scope of the Group for Solvency UK purposes and that for accounting purposes.

D.1 Assets

D.1.1 Valuation of assets

The assets of the Group are valued in accordance with the Valuation Part of the PRA Rulebook applicable to SUK firms.

This section describes, for each material class of assets:

- The bases, methods and main assumptions used in valuing those assets for SUK purposes.
- Where relevant, details of estimation techniques, risks and uncertainties relating to those valuations.
- An explanation of any material differences in SUK valuations compared to IFRS.

There were no changes made to the recognition and valuation bases used, or to estimation approaches during the period.

D.1.1.1 Goodwill

Goodwill is valued at £nil under SUK. Goodwill reported under IFRS is therefore eliminated in the SUK balance sheet.

D.1.1.2 Intangible assets

Under SUK, intangible assets are ascribed a value only where they can be sold separately and there are demonstrable quoted prices in an active market for the same or similar assets. Where this is the case, the asset is valued in accordance with the SUK valuation hierarchy.

The Group's IFRS intangible assets are deemed not capable of being sold separately and do not have quoted prices on an active market (nor do such prices exist for similar assets). Intangible assets are therefore valued at £nil in the SUK balance sheet.

D.1.1.3 Deferred acquisition costs

Deferred acquisition costs (DAC) is not a recognised concept in the IFRS balance sheet and any deferred cost comprising the direct and indirect costs of obtaining and processing new insurance business is included within the valuation of the IFRS Insurance contracts assets/liabilities. In the Group's and UK solo entities' IFRS balance sheets, DAC is deducted from the Liability for Remaining Coverage (LFRC) provision. Any balances relating to DAC are fully eliminated in the SUK balance sheet and acquisition costs not incurred by the reporting date are included in the calculation of technical provisions.

D.1.1.4 Deferred tax assets and liabilities

The valuation method for deferred tax balances is the same under IFRS and SUK. Deferred tax is provided in full using the International Accounting Standard (IAS) 12 liability method on temporary differences arising between the tax bases of assets and liabilities and the carrying amounts on the SUK balance sheet. IFRS to SUK valuation adjustments are therefore considered in assessing the temporary differences upon which the deferred taxes are derived.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the related deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which unused tax losses and temporary differences can be utilised.

See Section D.1.2 for more information on deferred tax.

D.1.1.5 Pension benefit surplus and deficits

There are no valuation differences between IFRS and SUK for pension benefit surplus and deficits. Pension schemes are recognised and valued on the balance sheet in the same way under both IFRS and SUK, as the requirements of IAS 19 are considered to be consistent with those of SUK.

Estimation techniques, risks and uncertainties

Independent actuaries calculate the value of the defined benefit obligations for the larger schemes by applying the projected unit credit method. The future expected cash outflows (calculated based on assumptions that include inflation and mortality) are discounted to present value, using a discount rate determined at the end of each reporting period by reference to current market yields on high quality corporate bonds (AA rated) identified to match the currency and estimated term of the obligations.

The actuarial valuation involves making assumptions about discount rates, future salary increases, future inflation, the employees' age upon termination and retirement, mortality rates, future pension increases and disability incidence.

If actual experience differs from the assumptions used, the expected obligation could increase or decrease in future years. Due to the complexity of the valuation and its long-term nature, the defined benefit obligation is highly sensitive to changes in the assumptions. Assumptions are reviewed at each reporting date. As such, the IAS 19 valuation of the liability is highly sensitive to changes in bond rates. However, fluctuations in the liabilities are now largely offset by equal and offsetting impacts on the fair value of plan assets following the pension buy-ins. Further details regarding the pension buy-ins can be found in note 26 of the RSAIG Consolidated financial statements for the year ended 31 December 2024.

D.1.1.6 Property, plant and equipment

Property, plant and equipment is included in the SUK balance sheet at fair value, and comprises:

- Group occupied land and buildings
- Fixtures, fittings and equipment (including computer hardware)

Under IFRS reporting, Group occupied land and buildings are stated at fair value (calculated on a vacant possession basis by third party valuers; see Section D.1.1.7 for further details), and therefore no adjustment is made on the SUK balance sheet. For all other property and equipment, including lease assets recognised under IFRS 16, IFRS values (depreciated or amortised cost) are assumed to approximate fair value, except in specific instances where an adjustment is deemed necessary.

D.1.1.7 Property other than for own use

There are no valuation differences between IFRS and SUK in relation to investment property (comprising freehold and leasehold land and buildings), as these assets are recorded at fair value for IFRS and SUK.

Estimation techniques, risks and uncertainties

Investment property valuations are carried out in accordance with the latest edition of the Valuation Standards published by the Royal Institution of Chartered Surveyors (RICS), and are undertaken by independent RICS registered valuers. Valuations are based on the comparative method with reference to sales of other comparable buildings and take into account the nature, location and condition of the specific property together with factoring in the occupational lease terms and tenant covenant strength as appropriate. The valuations also include an income approach using discounted future cash flows, which uses unobservable inputs, such as discount rates, rental values, rental growth rates, vacancy rates and void or rent free periods expected after the end of each lease.

D.1.1.8 Participations and related undertakings (subsidiaries, associates and joint ventures)

A "participation" is an SUK term for a holding (direct or indirect) of at least 20% of the voting rights or capital of another undertaking, or where significant influence is effectively exercised over that undertaking, and therefore represents IFRS subsidiaries, associates and joint ventures.

Group balance sheet

In the Group balance sheet, the method of consolidation and valuation of participations is dependent on the type of entity and level of influence. See Section D. 'Method of Consolidation' for further details.

The "Holdings in related undertakings, including participations" balance held on the Group's balance sheet represents the Group's investments in associates, as well as participations that are not insurance companies. Under IFRS the accounting basis for this item is cost. Goodwill and intangible assets of participations that are not insurance companies are valued at £nil under SUK.

Solo entity balance sheets

This section applies to balance sheets prepared by the solo entities, included in Appendices 2, 3 and 4.

Investments in directly owned subsidiaries and associates are accounted for at cost under IFRS.

For SUK, investments in participations that are insurance companies and that do not have quoted market prices are valued using the adjusted equity method (calculated as the appropriate share of that participation's excess of assets over liabilities, using SUK valuation rules). The balance sheet of that participation is adjusted to SUK rules before the share of net assets in the investment is valued.

If the participation is not an insurance, or reinsurance, company, the same method is adopted. If this is not possible, the IFRS equity method (with any goodwill and inadmissible intangible assets valued at £nil) is adopted instead. This applies irrespective of whether the participation is in a net asset or net liability position.

D.1.1.9 Financial assets

Financial assets are valued at fair value for SUK. The methods and assumptions used by the Group in estimating the fair value of financial assets are shown below and except where specifically stated, there are no valuation differences between IFRS and SUK.

- Equity securities: fair values are based upon quoted market prices where available, or according to the three-level fair value hierarchy (see note 8 of the RSAIG 2024 Consolidated financial statements for further details).
- Bonds: fair values are based upon quoted market prices. Where market prices are not readily available, fair values are estimated using either values obtained from quoted market prices of comparable securities or estimated by discounting expected future cash flows using a current market rate applicable to the yield, credit quality and maturity of the investment. Under SUK, accrued interest is reclassified from other debtors to the relevant instruments.
- Collective investment schemes: quoted market prices are used where available. Where this is not possible, funds are valued using data from third party administrators or, in the case of loan funds, fund manager data. All funds are reviewed regularly for signs of underlying impairment. As such, it is considered that all IFRS values approximate to fair values, and no valuation adjustments are made under SUK.
- Derivatives: fair value is determined on a market basis by reference to underlying interest rate, foreign exchange rate, equity or commodity instruments or indices.

- Cash and deposits, and loans and mortgages: IFRS carrying amounts approximate to fair values, with the exception of direct loans. With respect to direct loans, the IFRS carrying amount equates to amortised cost. For SUK reporting, the valuation is the fair value calculated by the Fund Manager. For SUK reporting, except for cash in hand, accrued interest is added to the relevant instruments and balances, reclassified from other assets.

- Receivables and other assets: Premium debtors and recoveries falling due for payment after the balance sheet date are included within Insurance contract assets and liabilities under IFRS, and for these no change in presentation is required; however balances which are due at the balance sheet date are presented in the relevant SUK balance sheet line items; amounts outside contract boundaries are removed entirely. See Section D.2 for more details. For other receivables and other assets, IFRS carrying amounts approximate to fair values.

- Prepayments: prepaid expenses that are considered to have no future economic value are valued at £nil under SUK.

Reinsurance recoverables

The sub-categories in the SUK balance sheet of reinsurers' share of technical provisions mirror those of the gross balances and the same mapping of SUK lines of business are used. See Section D.2 for more details.

D.1.2 Analysis of deferred tax

An analysis of deferred tax on a SUK basis is detailed below:

	Asset £m	Liability £m
Deferred tax position at 31 December	**275**	**3**

The following table sets out the deferred tax assets and liabilities recognised by the Group, split by main categories:

	£m
Net unrealised losses on investments	52
Tax losses and unused tax credits	32
Other deferred tax reliefs	73
Technical provisions and DAC	(3)
Retirement benefit obligations	52
Capital allowances	69
General provisions, leases and other temporary differences	(3)
Net deferred tax position at 31 December	**272**

Tax rates

The table below provides a summary of the current tax and deferred tax rates for the year in respect of the largest jurisdictions in which the Group operates.

	Current tax	Deferred tax
	2024	2024
UK	**25.0%**	**25.0%**
Ireland	**12.5%**	**12.5%**

Tax assets and liabilities are recognised based on tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax asset recognition

Deferred tax assets (DTA) have been recognised on the basis that management consider it probable that future taxable profits will be available against which these deferred tax assets can be utilised. Key assumptions in the forecast are subject to sensitivity testing which, together with additional modelling and analysis, support management's judgement that the carrying value of deferred tax assets continues to be supportable. The recognition approach is consistent with that applied at 31 December 2023.

The majority of the deferred tax asset recognised based on future profits is in respect of the UK. The evidence for the future taxable profits is a five-year forecast based on the three-year operational plans prepared by the relevant businesses and a further two years of extrapolation, which are subject to internal review and challenge, including by the Board. An additional £11m of deferred tax assets was recognised during the period due to an increase in forecast taxable profits; £10m of which was in the UK with the balance in Ireland (£1m).

The UK forecast profits for DTA purposes are prudent and therefore assume no UK premium growth and no overseas premium growth post year 3 in the projection. The base forecasts also incorporate a contingency of £35m per annum (31 December 2023: £55m per annum). Whilst contingency has been built into the base forecasts for DTA purposes, the increase in recognised UK DTA due to future profits was based on a further stressed scenario which included a 1% deterioration in COR, a decline in return of investment income of 100 basis points and a number of other prudent expense assumptions. The UK DTA recognition will be reassessed in 2025 once the NIG integration journey is more advanced, the UK personal lines exits and run-offs are more progressed and continued improvement in UK profitability is demonstrated.

The value of the deferred tax asset is sensitive to assumptions in respect of forecast profits. Further stress and scenario tests are also run over the level of DTA supported by UK forecast profits to assess their impact on the recognised DTA. The impact is summarised below. These sensitivities are run on the base case scenario and their impact is already included in the scenario selected for DTA recognition. The relationship between the UK deferred tax asset and the sensitivities below is not always linear. Therefore, the cumulative impact on the deferred tax asset of combined sensitivities or longer extrapolations based on the table below will be indicative only.

As at 31 December	Change in Assumption	£m
Change in COR[1] across all 5 years	1% increase	**(23)**
	1% decrease	**21**
Forecast modelling period	1 year reduction	**(69)**
Change in bond yields	50 basis points increase	**(10)**
	50 basis points decrease	**10**

[1] Combined operating ratio (COR) is a measure of underwriting performance and is the ratio of underwriting costs expressed in relation to earned premiums.

Tax assets and liabilities are recognised based on tax rates that have been enacted or substantively enacted at the balance sheet date.

Unrecognised tax assets

At the end of the reporting period, the Group had the following unrecognised tax assets:

	Gross amount £m	Tax effect £m
Trading tax losses	**2,143**	**513**
Capital tax losses	**1,283**	**321**
Deductible temporary differences	**302**	**71**
Unrecognised tax assets as at 31 December	**3,728**	**905**

The Group's unrecognised trading losses are located in the UK, Ireland, France, and Luxembourg and represent losses which are not expected to be utilised within the 5 year forecast profit period. The Group's unrecognised deductible temporary differences are predominantly located in the UK. Unrecognised capital losses mainly relate to the UK (£1,284m), with the remainder in Ireland, and have not been recognised as it is not considered probable that they will be utilised in the future as most UK and Ireland capital gains are exempt from tax**.** £3m (31 December 2023: £2m) of the gross trading tax losses are attributable to Luxembourg and will expire in 2036.

In addition to the IFRS position, no deferred tax has been recognised in respect of £48m of gross Solvency UK adjustments (predominantly to technical provisions) as there are insufficient forecast taxable future profits against which to utilise the deductible temporary differences.

Procedure

The procedure for providing Solvency UK deferred tax figures for RSAIG utilises a walkthrough bridge from the figures reported on an IFRS basis in RSAIG's Report & Accounts. A tax analysis of valuation adjustments made to the statutory accounts balances is performed in arriving at the Solvency UK balance sheet. Where these valuation adjustments give rise to a new temporary difference under IAS 12, the recognition of a deferred tax asset or liability is considered in accordance with IFRS principles and SUK guidance, including an assessment of the availability of future profits in the case of a deferred tax asset.

D.1.3 Group and subsidiary valuation differences

There is no material difference between the bases, methods and main assumptions used at Group level for the valuation for SUK purposes of the Group's assets and those used by any of its subsidiaries for the valuation of its assets.

D.2 Technical provisions

D.2.1 Valuation and comparison of IFRS to SUK

Technical provisions are valued using the methods and assumptions described in Section D.2.2.

The main similarities between SUK technical provisions and the IFRS equivalent are:

- Inclusion of an allowance for Events Not In Data (ENIDs) in SUK and IFRS, covering estimates of low frequency but potentially high severity binary events that are not captured in historical data sets.
- All technical provision cash flows are discounted under SUK as well as IFRS. However, there still exists a difference in the yield curve used. SUK uses PRA yield curves, while the yield curve under IFRS is determined by the Company. The same cash flow patterns are used for both SUK and IFRS reporting.
- An allowance for reinsurer default is allowed for under both IFRS and SUK.

The main differences between SUK technical provisions and the IFRS equivalent are:

- The Risk Margin under Solvency UK is defined differently to the Risk Adjustment under IFRS. The Risk Margin covers the cost of holding capital until runoff whilst the risk adjustment allows for uncertainty in the internal model reserve volatility around the reserve best estimate.
- SUK technical provisions are net of future premium cash flows where premium income due in the future is covered within the bound contract terms and conditions. While IFRS allows for premium debtors and creditors, these aren't split in terms of due and not yet due.
- Allowance for Bound but Not Incepted business (BBNI) is made under SUK. This allows for increased exposure on contracts that have not yet incepted and hence are not reflected within IFRS provisions, but are bound as at the date of valuation.

The following table quantifies the differences between the SUK net technical provisions and the equivalent IFRS provisions for each material SUK line of business. The table is followed by notes explaining how the different valuation approaches set out above contribute to the differences observed for each line of business.

		SUK Net Technical Provisions			
		Best Estimate	Risk Margin	Statutory Accounts Value	Difference
		£m	£m	£m	£m
Direct business and accepted proportional reinsurance	Motor Vehicle Liability	**1,225**	**53**	**1,378**	**(100)**
	Other Motor	**185**	**3**	**166**	**22**
	Marine, Aviation and Transport	**175**	**5**	**188**	**(8)**
	Fire and Other Damage to Property	**1,353**	**35**	**1,396**	**(8)**
	General Liability	**1,080**	**50**	**1,171**	**(41)**
Other Non-Life Direct and Accepted Non-Proportional Reinsurance Lines		**82**	**3**	**104**	**(19)**
Life & Health Insurance Lines (including Annuities Stemming from Non-Life)		**126**	**28**	**135**	**19**
TOTAL		**4,226**	**177**	**4,538**	**(135)**

Notes

(1) Allowance for future premium within SUK Technical Provisions is a difference impacting multiple lines of business. These are Motor Vehicle Liability, Other Motor, General Liability, Marine Aviation & Transport, and Fire & Other Damage to Property.

(2) Expected profit within LFRC is deferred under IFRS until it is earned, while the expected loss is recognised as onerous provisions. However, on a Solvency UK basis, this expected profit or loss is recognised up front when the contract is bound.

(3) Discounting is used throughout SUK and IFRS with different methodology used to calculate the discount rate. Even with the volatility adjustment the SUK discount rates tend to be lower than those used for IFRS which more closely reflect RSA's own investment returns.

D.2.2 Basis of preparation of technical provisions

Under SUK, the technical provisions are made up of:

Claims provision + Premium provision + Risk margin

The claims provision is the discounted best estimate of all future cash flows (claim payments, expenses and future premiums due) relating to claim events prior to the valuation date.

The premium provision is the discounted best estimate of all future cash flows (claim payments, expenses and future premiums due) relating to future exposure arising from policies that the Group has written, or bound but not incepted, at the valuation date.

The risk margin is calculated as the cost of capital required to hold future SCRs over the life of the technical provisions as they run off.

The valuation of the best estimate for claims provisions and for premium provisions are carried out separately. Claims and premium provisions are calculated both gross of outwards reinsurance and for outwards reinsurance. The risk margin is only calculated net of outwards reinsurance.

D.2.2.1 Bases, methods and assumptions used for valuation

The claims provision comprises the estimated cost of claims incurred but not paid at the end of the reporting period. The provisions are calculated by valuing future cash flows including claims payments, related expenses, salvage and subrogation recoveries and expected reinsurance recoveries. The provision is determined using the best information available of claims settlement patterns, future inflation and estimated claims settlement amounts.

The premium provision comprises estimated cost of future claims and associated expenses for unearned but bound business on a best estimate basis, offset by the future premiums due. The cash flows also include profit commissions and the costs of policy administration. These also include business that has not yet incepted but is bound under the contract (BBNI), for which we set assumptions on a net basis. We then assume this provision applies to gross.

Future cash flows for both claims and premium provisions include an allowance for ENIDs.

All expenses that would be incurred in running-off the existing business, including a share of the relevant overhead expenses are taken into account. This share is assessed on the basis that the Group continues to write new business. The expense provision includes items such as investment expenses that are not provided for under the IFRS basis.

Future claims cash flows are generally determined by considering how past claims payments have materialised, with separate explicit cash flows determined for gross of reinsurance and net of reinsurance. The provisions for claims relating to annuities arising from general insurance business in the UK are also determined using recognised actuarial methods.

Cash flows are discounted for the time value of money using yield curves prescribed by the PRA.

The risk margin is calculated by determining the present value of the cost of holding the SCR necessary to support the Group's insurance obligations over their lifetime. This approach is intended to reflect the costs incurred by a notional (re)insurer, the Reference Undertaking, of holding the capital to accept a transfer of liabilities.

D.2.2.2 Significant simplified methods

For the risk margin, the future SCRs of the Reference Undertaking are estimated by considering the remaining claims at each future valuation date. As claims run off, a higher proportion of long tail, e.g. liability, claims remain which require a proportionally higher level of capital to support them. The method used reflects the proportionally increasing levels of capital required in the future.

D.2.3 Uncertainties and contingencies

There is an inherent uncertainty in estimating claims provisions at the end of the reporting period for the eventual outcome of outstanding notified claims as well as estimating the number and value of claims that are still to be notified. In particular, the estimation of the provisions for the ultimate costs of claims for bodily injury is subject to a range of uncertainties that is generally greater than those encountered for other classes of business due to the slow emergence and longer settlement period for these claims.

Other uncertainties include the possibility of future legislative changes having retrospective effect on open claims; changes in claims handling and settlement procedures potentially leading to future claims payment patterns differing from historical experience; the possibility of new types of claim, such as disease claims, emerging from business written several years ago; general uncertainty in the claims environment; the emergence of latent exposures such as asbestos; the outcome of litigation on claims received; failure to recover reinsurance and unanticipated changes in claims inflation.

There is uncertainty in the future economic environment, and changes such as ongoing inflationary pressure could have an impact on claims costs. The inflationary pressure, combined with the post pandemic distortions over the same period causing settlement and supply chain delays, complicates assessment of the ultimate claims costs. Different factors are contributing to severity changes such as settlement delays and supply chain issues which are likely to have been impacted by Covid-19, increasing social and claims inflation and evolving geopolitical uncertainty. Inflation increases in 2021-24 were the largest in a generation and impact elements of the claims cost in different ways. For some claim types, it will take time before the full impact of increased inflation becomes apparent, particularly for the long tail liability classes, whilst for short tail property and damage the impact is now mostly contained within our data. In the meantime, our estimates require increased reliance on our assumptions compared to the previous stable claims inflation environment. While allowance has been made for the increase in expected liabilities because of these, there is an uncertainty that the actual experience is significantly different from expected. This is a key uncertainty that is monitored by the RSA Reserving Committee with sensitivity testing to monitor, assess and understand potential impacts should the risks manifest.

Climate change and cyber risks are other major emerging risk factors that can have adverse impact on reserves. Increasing frequency of weather events and geopolitical uncertainties are further adding to the uncertainties and pushing up the claims costs. The Group is closely monitoring these, allowing for such events as ENIDS, reviewing the actuarial assumptions, and is also actively taking measures to control the impact of these loss events.

In March 2023, RSA announced the exit of UK Personal Motor and in December 2023 the sale of the remaining UK direct Personal Lines operations to Admiral Group plc and the exits of its UK Home and Pet partner and broker contracts. In totality these complete RSA's exit from the UK Personal Lines market. In September 2023, RSA announced the acquisition of DLG's brokered Commercial Lines business. As a result, 2024 saw the exposure for UK Personal lines reducing while the exposure for DLG increasing and hence there is an increased uncertainty as the risk mix changes from these exposure changes.

These uncertainties also impact the assumed future loss ratios which then brings in an increased uncertainty in the premium provisions as ultimate claims costs need to be estimated for future events. The ultimate level of future claims costs are partially mitigated by reinsurance.

D.2.4 Use of adjustments and transitionals

In valuing the Group's technical provisions, none of the following were applied during the year:

- The Matching Adjustment as defined in the PRA Rulebook.
- The transitional risk-free interest rate-term structure referred to in Section 10 of the Transitional Measures Part of the PRA Rulebook applicable to SUK firms.
- The transitional deduction referred to in Section 11 of the Transitional Measures Part of the PRA Rulebook applicable to SUK firms.

In March 2020, RSAI, RSA Re and MIC each received approval from the PRA to apply the Volatility Adjustment, as defined in the PRA rulebook, to the calculation of technical provisions, with effect from 31 March 2020. In May 2021, these entities re-applied for the Volatility Adjustment, along with the Group, after the takeover by IFC and received approval for the same. For quantification of the impact of the Volatility Adjustment on the Group's technical provisions and capital position, see reporting template IR.22.01, included in Appendix 8.

D.2.5 Recoverables from reinsurance contracts and SPVs

The Group enters into reinsurance contracts, mostly excess of loss protection for individual risks or from claims following catastrophe events. The Group also reinsures some business on a quota share basis, and in recent prior years has purchased aggregate reinsurance cover and a significant adverse development cover to provide some protection on 2020 and prior accident years. At any balance sheet date the Group will expect to recover under some of these reinsurance contracts. See Section C.1.6 (Underwriting Risk – Risk Mitigation) for further details of the Group's reinsurance contracts and the Group SUK Balance Sheet (Section D) for the reinsurance recoverable amounts.

D.2.6 Changes in assumptions

The Group routinely adjusts the assumptions underlying the calculation of technical provisions in light of emerging risks or trends in the data and any other relevant information. Whilst some assumptions have a material impact on our reported estimates of technical provisions, many of the assumptions only have a minor impact. The main changes in assumptions during 2024 were: reacting to evolving economic, weather and geopolitical uncertainty; updating our inflation trends; allowing for changes in our mix of claims; and allowing for development as per the latest experience following weather events across the UK, Europe and North America. There were no other material changes to assumptions in 2024.

D.2.7 Group and subsidiary valuation differences

There are no material differences between the technical provisions held for the Group and those held for the equivalent liabilities in its subsidiaries.

D.3 Other liabilities

D.3.1 Valuation of other liabilities

The liabilities of the Group are valued in accordance with the Valuation Part of the PRA Rulebook applicable to SUK firms.

This section describes, for each material class of liabilities (other than technical provisions):

- The bases, methods and main assumptions used in valuing those liabilities for SUK purposes.
- Where relevant, details of estimation techniques, risks and uncertainties relating to these valuations.
- An explanation of any material differences in SUK valuations compared to IFRS.

Recognition and valuation bases used or estimation approaches have been applied consistently during the period.

D.3.1.1 Financial liabilities

Financial liabilities are valued at amortised cost under IFRS and fair value for SUK balance sheet valuation purposes. The methods and assumptions used by the Group in estimating the fair value of financial liabilities are shown below and except where specifically stated, there are no valuation differences between IFRS and SUK.

The methods and assumptions used by the Group in estimating the fair value of financial liabilities are:

- Debts owed to credit institutions and senior and subordinated debt: fair values are determined by reference to recent market transactions or other observable market inputs.
- For borrowings that carry a variable rate of interest (other than senior and subordinated debt), carrying values approximate to fair values and therefore there is no difference between the valuation under IFRS and SUK.
- Other liabilities and accruals: carrying amounts approximate to fair values as they are short term liabilities and therefore there is no difference between the valuation under IFRS and SUK.
- Payables: Premium creditors falling due for payment after the balance sheet date are included within Insurance contract assets and liabilities under IFRS, and for these no change in presentation is required; however balances which are due at the balance sheet date are presented in the relevant SUK balance sheet line items; amounts outside contract boundaries are removed entirely. See Section D.2 for more details. For other payables and other creditors, IFRS carrying amounts approximate to fair values.
- Reinsurance payables: In addition to the above, as per the principle of correspondence, the only insurance business to be recognised as ceded is bound business, i.e. business recognised within gross technical provisions. Reinsurance payables are adjusted for amounts that do not meet this criterion, unless the cost is sunk, in which case it must be recognised in full.
- Any other liabilities, not elsewhere shown: Relate to accruals which do not form part of technical provisions.

Upon subsequent measurement of financial liabilities, any changes in own credit risk are not reflected in fair value.

Estimation techniques, risks and uncertainties

The fair value measurement of the Group’s loan instruments and subordinated debts is based on pricing obtained from a range of financial intermediaries. Their valuations are based on recent transactions of these instruments and other observable market inputs such as applicable risk free rate and appropriate credit risk spreads.

D.3.1.2 Contingent liabilities

Material contingent liabilities (those where information about the current or potential size or nature of those liabilities could influence decision making or judgement) are recorded on the SUK balance sheet and are valued at the expected present value of future cash flows to settle the obligation liability over the lifetime of that contingent liability, using the relevant risk-free interest rate-term structure.

This applies to non-insurance risks only, as insurance risks are captured by the best estimate component of technical provisions.

Contingent liabilities acquired in a business combination are valued on a basis consistent with that used for IFRS reporting.

For further information in relation to contingent liabilities, see note 30.2 of the RSAIG 2024 Consolidated financial statements.

D.3.1.3 Provisions other than technical provisions

There are no differences between the IFRS and SUK balance sheets for provisions, other than technical provisions, as such provisions are valued in the same way under both IFRS and SUK.

D.3.2 Liabilities for employee benefits including defined benefit plan assets

Defined benefit pension schemes and other post-retirement benefits

The major defined benefit pension schemes are located in the UK. The assets of these schemes are mainly held in separate trustee administered funds. The UK defined benefit schemes were effectively closed to new entrants in 2002 and subsequently closed to future accruals with effect from 31 March 2017. UK schemes in surplus have been reduced for the 25% tax cost of an authorised return of surplus, classified as 'Other net surplus remeasurements'. The Group's opinion is that the authorised refund tax charge is not an income tax within the meaning of IAS 12 and so the surplus is recognised net of this tax charge rather than the tax charge being included within deferred taxation.

The Group also operates a defined benefits plan in Ireland.

The value of all scheme assets and all scheme obligations are as follows:

	UK £m	Other £m	Total £m
Defined benefit obligation (funded)	**(4,895)**	**(54)**	**(4,949)**
Present value of unfunded obligations	**(3)**	**-**	**(3)**
Fair value of plan assets	**4,898**	**70**	**4,968**
	-	**16**	**16**
Other net surplus remeasurements	**(2)**	**-**	**(2)**
Net DB Asset/ (Liability)	**(2)**	**16**	**14**
Plans in a surplus position	**9**	**16**	**25**
Plans in a deficit position and unfunded plans	**(11)**	**-**	**(11)**
Pension (liabilities)/assets	**(2)**	**16**	**14**

Fair value of plan assets	Quoted	Unquoted	Total £m
Cash and cash equivalents	**22**	**-**	**22**
Government debt securities	**49**	**-**	**49**
Non-government debt securities	**15**	**4**	**19**
Debt securities	**64**	**4**	**68**
Equity securities	**15**	**-**	**15**
Annuity buy-in insurance contracts	**-**	**4,860**	**4,860**
Derivative financial instruments	**-**	**(3)**	**(3)**
Investment property	**1**	**-**	**1**
Other (including infrastructure and growth alternatives)	**-**	**5**	**5**
Total Investments	**102**	**4,866**	**4,968**
Deferred annuity premium	**-**	**-**	**-**
Total net plan assets	**102**	**4,866**	**4,968**

On 27 February 2023, the Group announced that the Trustees of its two major UK DB pension plans (the plans) entered into an agreement with Pension Insurance Corporation (PIC), a specialist insurer of DB pension plans, to purchase annuity buy-in

insurance contracts (the buy-ins), as part of their de-risking strategy. The buy-ins transferred the remaining economic and demographic risks associated with the plans to PIC and removed the volatility in relation to the plans from the Group's consolidated balance sheet. The principal risk remaining is the counterparty risk in respect of PIC. This risk will remain until such time as the Schemes discharge their obligations to their members.

A secondary risk relates to potential changes to those obligations that may arise from ongoing data cleanse activities. As part of the transaction with PIC, extensive data cleansing and testing has already been undertaken without any material adjustment to the Schemes' liabilities expected to be required. However, until the exercise has concluded there remains the possibility of further adjustments. The Group has monitored developments regarding a Court of Appeal ruling in 2024, upholding a High Court decision, which ruled that certain past amendments to a scheme contracted out of the state second pension were invalid, due to the lack on an appropriate actuarial confirmation under the Pension Schemes Act 1993. The Group has considered this ruling and continues to believe the plans were appropriately administered, that the plans' liabilities are materially correct and has determined that the most material amendments made to the plans were carried out appropriately. Further legal cases are likely to be brought, and the Group will monitor these to determine what, if any, further action needs to be taken and what, if any, impact there may be on the plans' liabilities.

D.3.3 Lease liabilities

See Section A.4.2 for information on leases.

For lease liabilities recognised under IFRS 16, IFRS values are assumed to approximate fair value, except in specific instances where an adjustment is deemed necessary.

D.3.4 Group and subsidiary valuation differences

There is no material difference between the bases, methods and main assumptions used at Group level and those used by any of its subsidiaries for the valuation for solvency purposes of liabilities other than technical provisions.

D.4 Alternative methods for valuation

Assets and liabilities valued using alternative valuation methods, in accordance with Rule 6(5) of the Valuation Part of the PRA Rulebook applicable to Solvency UK firms, include property and certain debt and equity private fund structures for which fair value measurements are derived from valuation techniques that include significant inputs that are not based on observable market data (unobservable inputs).

Property valuations are carried out in accordance with the latest edition of the Valuation Standards published by the Royal Institution of Charted Surveyors (RICS) and are undertaken by independent RICS registered valuers. Valuations are based on the comparative method with reference to sales of other comparable buildings and take into account the nature, location and condition of the specific property, together with factoring in the occupational lease terms and tenant covenant strength as appropriate. The valuations also include an income approach using discounted future cash flows, which uses unobservable inputs such as discount rates, rental values, vacancy rates and void or rent-free period expected after the end of each lease.

Debt and equity private funds are principally valued at the proportion of the Group’s holding of the Net Asset Value (NAV) reported by the investment vehicle. Several procedures are employed to assess the reasonableness of the NAV reported by the fund, including obtaining and reviewing periodic and audited financial statements and estimating fair value based on a discounted cash flow model that adds spreads for credit and illiquidity to a risk-free discount rate.

There is no material difference between the bases, methods and assumptions used when valuing these instruments for SUK purposes and those used for IFRS reporting. See section D.1 and D.3 for description of the valuation techniques used and how they are assessed.

See Note 8 of the RSAIG 2024 Consolidated financial statements for further details of the valuation methods, uncertainties and assumptions used when valuing such instruments.

D.5 Any other information

Nothing to report.

E. Capital Management

In this section

Section E is subject to external audit, with the exception of any text or figures which are, or derive from, the internally modelled Solvency Capital Requirement. See Appendix 6 for further details of the scope of the external audit.

E.1 Own funds

E.1.1 Objectives, policies, processes and material changes

RSA Capital Management - policies and processes for managing own funds

The primary objective of the Capital Management function is to ensure that the Group has sufficient capital to meet its obligations, which is fundamental to maintaining customer and stakeholder confidence. This is achieved by optimising the balance between return and risk, whilst maintaining economic and regulatory capital in accordance with risk appetite.

The Capital Management function's role and responsibility is to govern, monitor and oversee capital resources across the Group ensuring that these are within the risk appetite of the Group and meet appropriate regulatory/accounting rules and guidelines. This includes the calculation, estimation and forecasting of capital resources and capital requirements such as Solvency UK available and eligible own funds.

The Group manages capital and solvency through an overarching governance framework including methodology validation, monitoring and reporting processes. Within this framework, the Group manages its capital using a number of different capital models taking into account economic, regulatory, and rating agency constraints.

Business planning

RSA operates a three-year time horizon for business planning. Plans are reviewed and debated at executive level and approved by the Board.

Material changes over the reporting period

On 1 January 2024, the Group entered into a reinsurance arrangement with Belair, also a member of the IFC group. Under the terms of this arrangement, the insurance risk of a proportion of Belair's business covered by the quota share agreement is transferred to the Group. The Group pays a reinsurance commission in relation to the quota share agreement which covers 40% of all lines of Belair's insurance business written from 1 January 2024. Collateral assets, comprising assets held in trust and a letter of credit, have been pledged by the Group as security against the outstanding balances for the Belair quota share.

In March, in order to establish sufficient distributable reserves in the Group to allow declaration and payment of the bi-annual preference share dividend, the Group received a dividend of £115m from its subsidiary, Royal Insurance Holdings Limited.

In July, all 125,000,000 of the Group-issued preferred shares were cancelled at an offer price of £1.22 per preferred share plus voting and transaction fees for total cash consideration of approximately £155m, funded via a capital injection from RSA's ultimate parent company, IFC.

At the same time, at a General Meeting of shareholders, a resolution was passed to implement a reduction of capital in the Company by cancelling its share premium account, resulting in the creation of distributable reserves.

Subsequently, a capital injection of c£117m was made from RSA Insurance Group to Royal Insurance Holdings.

On 19 July 2024 an ordinary interim dividend of £82.5m was paid from RSA Insurance Group Limited to 2283485 Alberta Limited.

On 25 November 2024 an ordinary interim dividend of £100m was paid from RSA Insurance Group Limited to 2283485 Alberta Limited.

E.1.1.1 Method used for calculating Group Solvency

RSA adopts the accounting consolidation method (Method 1) to calculate Group Solvency.

IR.25.04 (unaudited) in Appendix 8 summarises the Group SCR by risk type, as derived using Method 1.

E.1.2 Structure, amount and quality of own funds

Classification and eligibility of capital

The Group's own funds are classified per Solvency UK requirements as follows:

Solvency UK Tier	Capital Item
Tier 1	• Paid in ordinary share capital, and the related share premium • Reconciliation reserve
Tier 1 Restricted	• Paid in preference shares, and the related share premium account[1]
Tier 2	• Subordinated liabilities that qualify as Tier 2 under Rule 4.2 of the Transitional Measures Part of the PRA Rulebook applicable to Solvency UK firms • Unpaid and uncalled ordinary share capital callable on demand (ancillary own fund items) as defined in Rule 3I of the Own Funds Part of the PRA Rulebook applicable to Solvency UK firms.
Tier 3	• Net deferred tax assets

[1]*The Group cancelled all £125m preference shares on 16 July 2024*

Subordinated liabilities classified as Lower Tier 2 for Solvency I purposes satisfy the provisions of 2.2.159 R to 2.2.181 R of GENPRU and are classified as Tier 2 under Solvency UK in accordance with Rule 4.2 of the Transitional Measures Part of the PRA Rulebook applicable to Solvency UK firms.

Tier 1 own funds include the Solvency UK reconciliation reserve, the key elements of which are as follows:

- Excess of assets over liabilities as presented in the Solvency UK balance sheet.
- A deduction for amounts already included in basic own funds, including ordinary share capital and share premium account.

For further information please refer to note 17 of the RSAIG consolidated financial statements for the year ended 31 December 2024.

Further information in relation to the derivation of the Group's consolidated own funds is provided in section D. Method of Consolidation.

Capital composition

The Group's capital structure by tier as at 31 December 2024 is as per the table below.

		2024 **£m**	2023 £m
Tier 1 Unrestricted	Equity capital (including Share Premium)	1,563	2,928
	Reconciliation reserve	29	(1,497)
		1,592	**1,431**
Tier 1 Restricted	Preference shares	-	125
		-	**125**
Tier 2	Ancillary own funds item	250	250
	2014 debt instrument	120	119
		370	**369**
Tier 3	Net deferred tax assets	275	266
	Total Available Own Funds	**2,237**	**2,191**

Analysis of own funds

The valuation of subordinated debt reflects market prices as described in section D.3.1.1. For further information please refer to note 16 of the RSAIG Consolidated financial statements for the year ended 31 December 2024. For an explanation of changes in equity capital, also refer to section E.1.1.

Dated guaranteed subordinated notes were issued by RSA on 10 October 2014 at a fixed rate of 5.125%. The bonds, with a remaining nominal value of £120m, have a maturity date of 10 October 2045. The Group has the right to redeem the notes in whole on specific dates from 10 October 2025 at a redemption price equal to the principal amount, together with accrued and unpaid interest. If the notes are not repaid on that date, the rate of interest will be reset to 3.852% plus the appropriate benchmark gilt for a further five-year period.

E.1.3 Eligible own funds to cover the SCR

Basic own funds to eligible own funds

SUK requires that basic own funds are first considered against availability rules, and then subjected to eligibility criteria based on both the SCR and capital structure. Eligible own funds are considered available to cover the SCR. A basic own funds to eligible own funds reconciliation for the Group is shown below

	Basic Own Funds £m	Ancillary Own Funds £m	Availability restrictions £m	Available Own Funds £m	Eligibility restrictions £m	Eligible Own Funds £m	Eligibility Capacity £m	Eligibility rule
Tier 1	**1,592**	**-**	**-**	**1,592**	**-**	**1,592**		
Tier 2	**120**	**250**	**-**	**370**	**-**	**370**	**607**	**Tier 2 + Tier 3 up to 50% of SCR**
Tier 3	**275**	**-**	**-**	**275**	**(93)**	**182**		
Total	**1,987**	**250**	**-**	**2,237**	**(93)**	**2,144**		
					SCR	**1,215**		
					Surplus	**929**		
					SCR Coverage	**176%**		

Total available own funds to meet the SCR

There are no availability restrictions made in deriving the Group's Available Own Funds.

Total eligible own funds to meet the SCR

Rule 4A of the Own Funds Part of the PRA Rulebook applicable to Solvency UK firms requires that limits are imposed upon the eligible amounts of Restricted Tier 1, Tier 2 and Tier 3 capital, according to the calculation of the SCR:

- Eligible Tier 1 items shall be at least 50% of the SCR
- Eligible Tier 3 items shall be less than 15% of the SCR
- The sum of eligible Tier 2 and eligible Tier 3 items shall be no more than 50% of the SCR

E.1.4 Eligible own funds to cover the MSCR

Solvency UK requires that basic own funds are first considered against availability rules, and then subjected to eligibility criteria based on both the MSCR and capital structure. Eligible own funds are considered available to cover the MSCR. A basic own funds to eligible own funds reconciliation for the Group is shown below:

	Basic Own Funds £m	Ancillary Own Funds £m	Availability restrictions £m	Available Own Funds £m	Eligibility restrictions £m	Eligible Own Funds £m	Eligibility Capacity £m	Eligibility rule
Tier 1	**1,592**	**-**	**-**	**1,592**	**-**	**1,592**		
Tier 2	**120**	**250**	**(250)**	**120**	**-**	**120**	**122**	**Tier 2 up to 20% of MSCR**
Tier 3	**275**	**-**	**(275)**	**-**	**-**	**-**		
Total	**1,987**	**250**	**(525)**	**1,712**	**-**	**1,712**		
					MSCR	**609**		
					Surplus	**1,103**		
					MSCR Coverage	**281%**		

Refer to E.2.11 for further information.

Total available own funds to meet the MSCR

Tier 2 ancillary own fund items are not deemed available to cover the MSCR/MCR

Tier 3 items are not deemed available to cover the MSCR/MCR

Total eligible own funds to meet the MSCR

Rule 4A of the Own Funds Part of the PRA Rulebook applicable to Solvency UK firms requires that limits are imposed upon the eligible amounts of Restricted Tier 1, Tier 2 and Tier 3 capital, according to the calculation of the MSCR and solo entity MCR:

- Eligible Tier 1 items shall be at least 80% of the MSCR/MCR
- Eligible Tier 2 items shall be no more than 20% of the MSCR/MCR

E.1.5 Differences between equity and net assets

Section D includes details of the adjustments made to IFRS capital in deriving Solvency UK excess of assets over liabilities. The below table shows the calculation of Solvency UK available own funds:

	£m
Excess of assets over liabilities (see Section D)	**1,887**
Own shares (held directly and indirectly)	**-**
Foreseeable dividends, distributions and charges	**-**
Other non-available own funds items	**(20)**
	1,867
Subordinated debt	**120**
SUK Basic Own Funds	**1,987**
Ancillary Own Funds item	**250**
SUK Own Funds (including AOF)	**2,237**

Foreseeable dividends, distributions and charges

No other deductions are made in arriving at Group basic own funds.

Other non-available own funds items

IAS 19 pension surpluses in excess of their scheme's marginal share of the SCR are also deducted from the reconciliation reserve and included in "Other non-available own funds" in the IR.23.01 (refer to appendix 8), the excluded amount being £20m.

E.1.6 Transitional arrangements

RSA makes use of transitional arrangements for debt instruments issued prior to SUK implementation. Basic own funds items in issue at 18 January 2025 that satisfied the requirements to be treated as capital resources at 31 December 2015, before SUK came into force, are eligible for classification as Tier 2 basic own funds for a period of 10 years from 1 January 2016.

The table below describes the nature of each of the Group's instruments subject to transitional arrangements.

	2014 debt instrument
Issuer	RSA Insurance Group Limited
Guarantor	Royal and Sun Alliance Insurance Limited
Date issued	10/10/2014
Maturity	10/10/2045
First call	10/10/2025
Amount at issue	£400,000,000
Current outstanding	£119,801,000
Currency	GBP
Coupon	5.125%
Frequency	Annual (10 October)
Call frequency	Annual
Reset date	10/10/2025
Reset rate	3.852% plus benchmark Gilt yield
Solvency UK tier	Tier 2

E.1.7 Ancillary own funds

In May 2023 the PRA reapproved the ancillary own funds (AOF) item for RSAI with effect from 8 July 2023 for a period of three years. The item comprises £250m of nil-paid uncalled share capital. The AOF counts as Tier 2 capital in the Group's solvency calculations, subject to eligibility rules, however, it does not count towards covering the Group MSCR.

Two other AOF items exist within the Group.

- In March 2025, an AOF structure was reapproved for RSAI Ireland by the Central Bank of Ireland (CBI) permitting a maximum of €90m of nil-paid uncalled share capital for a period of three years. The AOF counts as Tier 2 capital in RSAI Ireland's Solo solvency calculations only, subject to eligibility rules, however, it does not count towards covering the latter entity's MCR. The AOF item is not considered for Group solvency purposes. The AOF item is unaudited.
- During 2018, an additional AOF structure was approved for RSA Luxembourg by the Commissariat aux Assurances (CAA) permitting a maximum of €35m of nil-paid uncalled share capital. The AOF counts as Tier 2 capital in RSA Luxembourg's Solo solvency calculations only, subject to eligibility rules, however, it does not count towards covering the latter entity's MCR. The AOF item is not considered for Group solvency purposes. The AOF item is unaudited.

E.1.8 Deductions and restrictions

See sections E.1.3 and E.1.4 for a description of the nature and amount of restrictions on own funds.

E.1.9 Group fungibility and transferability

Availability of Group capital to meet SUK Group SCR

Under Solvency UK, as part of their assessment of group solvency, groups must make an assessment of whether any of their entities are reliant upon capital held in another entity to cover their capital requirements. Where this is the case, it must assess whether the capital in the other entity could in practice be made available.

Other than the restrictions described in sections E.1.3 and E.1.4, the Group deems its capital to be fully fungible and there to be no restriction at a Group level.

In such circumstances where capital is needed from a subsidiary to support a legal entity elsewhere in the Group, it will be repatriated in the form of dividends and where this is not practicable, a sale of the subsidiary will be considered.

E.1.10 Deferred tax

For details on the availability and eligibility of deferred tax assets, see sections D.1.2, E.1.3, and E.1.4,

E.2 Solvency capital requirement and minimum Group consolidated capital requirement

E.2.1 SCR and MSCR

At 31 December 2024 the Group's SCR was £1,215m and the MSCR was £609m.

E.2.2 SCR split by risk

An analysis of the internal model SCRs of the Group and the UK regulated entities by risk category is provided in reporting template IR.25.04 in Appendix 8.

E.2.3 Standard formula simplifications

Standard formula simplifications are not applicable as an internal model is used.

E.2.4 Standard formula undertaking specific parameters

Standard formula undertaking specific parameters are not applicable as an internal model is used.

E.2.5 Capital add-on and undertaking specific parameters non-disclosure

No capital add-ons were in place during the reporting period. Undertaking specific parameters are not applicable as an internal model is used.

E.2.6 Capital add-on and undertaking specific parameters impact

No capital add-ons were in place during the reporting period. Undertaking specific parameters are not applicable as an internal model is used.

E.2.7 MSCR calculation inputs

See section E.2.10 for the composition of this measure.

E.2.8 Consolidated Group SCR constituents

The accounting consolidation method (Method 1) has been chosen by RSA. As such, group supervision applies at the Group holding company level and no subgroup level reporting is required.

Described in the table below are the insurance and reinsurance undertakings within the Group that are included in the calculation of the Group Solvency:

	SCR (Including Op Risk) £m
Fully consolidated insurance or reinsurance undertakings (incl. third country insurance undertakings, insurance holding companies, mixed financial holding companies and ancillary services undertakings)	**1,215**
Fully consolidated special purpose vehicles	-
Proportionally consolidated insurance or reinsurance undertakings (incl. third country insurance undertakings, insurance holding companies, mixed financial holding companies and ancillary services undertakings)	-
Other subsidiaries (not listed above) consolidated on an adjusted equity basis	-
Credit institutions, investment firms and financial institutions, alternative investment fund managers, UCITS management companies, institutions for occupational retirement provision, non-regulated entities carrying out financial activities	-
All other related undertakings (not listed above)	-
Total	**1,215**

E.2.9 Group diversification effects

All of the risks above are derived from the simulations making up the SCR calculation. However, in any simulation, there may be good or bad outcomes from each individual risk. Thus, when the confidence level for each risk is taken separately and then totalled, the result is a higher value than the SCR. The measured difference is the inherent diversification between modelled risks.

Quantitative information on diversification benefit at the 2024 year end as calculated by the internal model is available in reporting template IR.25.04 in Appendix 8. It is important to note that the quantification of diversification within the model depends critically upon the choice of risk category and the level of granularity required.

E.2.10 Minimum consolidated Group SCR

The calculation of the solo MCRs for the MSCR is shown in the table below:

	Linear MCR pre-corridor £m	Corridor - 25% £m	Corridor - 45% £m	MCR (per MSCR) £m
Royal & Sun Alliance Insurance Ltd (United Kingdom)	**725**	**304**	**547**	**547**
RSA Insurance Ireland DAC (Republic of Ireland)	**24**	**24**	**42**	**24**
The Marine Insurance Company Limited (United Kingdom)	**1**	**2**	**3**	**3**
Royal & Sun Alliance Reinsurance Limited (United Kingdom)	**-**	**6**	**10**	**6**
RSA Luxembourg S.A. (Grand Duchy of Luxembourg)	**18**	**18**	**32**	**18**
Insurance Corporation of the Channel Islands Limited (Guernsey)	**7**	**n/a**	**n/a**	**7**
Tower Insurance Company Limited (Isle of Man)	**4**	**n/a**	**n/a**	**4**
MSCR				**609**

E.2.11 Undertakings in scope of the internal model

Information on all undertakings in the scope of the Group internal model SCR is included in reporting template IR.32.01.22 in Appendix 8.

E.2.12 Loss absorbing capacity of deferred tax

The Group does not make an adjustment for the loss-absorbing capacity of deferred taxes.

E.3 Differences between the standard formula and any Internal Model used

E.3.1 Internal Model purposes

The Internal Model outputs provide the capital information used in the calculations of the Pillar I SCR, internal Pillar II capital measures, the ORSA, reporting and disclosure, and other business applications.

The Group's risk profile differs significantly from that assumed by the Standard Formula making the latter unsuitable to measure the Group's SCR.

E.3.2 Internal Model scope

Scope (by business unit)

All of the Group's business units are included in the scope of the Internal Model.

Scope (by risk type)

The Internal Model SCR is split into the following sub-modules:

- Underwriting Risk
- Catastrophe Risk
- Reserve Risk
- Market Risk
- Credit Risk
- Currency Risk
- PIC counterparty risk
- Operational Risk
- Other Drivers

E.3.3 Partial Internal Model integration

A full Internal Model is used so there is no partial Internal Model integration into the standard formula.

E.3.4 Internal Model calculation methods

Overview of model methodology

The Group employs an Internal Model to determine its SCR at both a Group and UK regulated entity level. The SCRs assume that one year of new business is written as a going concern and calculates the movement in basic own funds over one year.

A model run consists of 100,000 simulations, each representing a different possible outcome of the future cash flows and balance sheets. For each projected balance sheet, the difference between the opening available net assets and the present value of projected net assets represents the capital required to meet the outflows and value movements in the period up to that projected balance sheet.

Operational Risk is modelled separately, and the resulting capital requirement added to that produced by the main model run to arrive at the overall assessment of capital required.

E.3.5 Differences in methodologies and assumptions

Differences in standard formula and Internal Model structure

The Group's Internal Model is structured in a different way from the standard formula. In the standard formula, different risk types are considered on a standalone basis and explicit correlations are applied to each risk factor to derive an overall capital requirement. The Internal Model is a fully integrated cash flow model where individual variables interact to create a distribution of outcomes, by simulating future cash flows to perform an annual valuation of each item on the balance sheet.

Explanation by risk module used in Internal Model and standard formula

Insurance risk – underwriting, reserve and catastrophe

The Internal Model splits insurance risk into three categories:

- Underwriting Risk
- Reserve Risk
- Catastrophe Risk

Non-life, health and life risks are all considered jointly within each category (although non-life is the material component).

The standard formula splits non-life risks and non-life like health risks into three separate categories:

- Premium and Reserve Risk
- Catastrophe Risk
- Lapse (immaterial for RSA as a non-life insurer)

In broad terms, standard formula premium and reserve risk for non-life and health can be compared to Internal Model underwriting and reserve risk (although the standard formula combines the two).

Catastrophe risk can similarly be compared.

This approach is crude as it ignores the fundamentally different approach to diversification between the two methods.

Life risks are immaterial at a Group level for both the Internal Model and standard formula, given the nature of the Group's operations.

Market and currency risk

The standard formula uses pre-determined charges, whereas the Internal Model uses projected returns on RSA's assets based on a range of economic simulations, which leads to a more appropriate reflection of RSA's risk profile.

Counterparty risk

The Internal Model will simulate defaults based on Standard & Poor's credit ratings and RSA's own reinsurance data for cash and reinsurance exposures. Policyholder, intermediary and other asset defaults are modelled based on historic default data, which is lower than that implied by the standard formula's 15% and 90% default rates.

Operational risk and other items

The Internal Model uses scenarios that are designed using expert judgement from subject matter experts using RSA's real experience and third party data. As a result, the Internal Model is more closely aligned to real world experience than a function of premium or reserves.

Risks not covered by the standard formula but covered by the Internal Model

- The standard formula is, by its very nature and design, a standardised calculation method and is therefore not tailored to the individual risk profile of RSA. For example, the standard formula does not capture claims inflation risk arising from changes in legislative, global economic and political environment.

E.3.6 Risk measure and time period

The Internal Model SCR represents the capital required to ensure that the firm will have sufficient amount of eligible capital resources to be able to meet its obligations when the business encounters adverse conditions, subject to a confidence level of 99.5% over a one-year period and assuming the business remains a going concern.

E.3.7 Data nature and appropriateness

There are many data sources used in the Internal Model.

For example:

- Balance Sheet data
- Detailed asset data
- Best estimate reserves and reserving triangles by class of business
- Historical loss ratios by class of business
- Historical large losses by class of business
- Operational Plan
- Exposure data for Catastrophe Modelling
- Economic data for Economic Scenario Generator
- Operational risk loss scenario assessments

Each data item used by the Internal Model is assessed in an annual data quality assessment exercise to establish whether the data is accurate, appropriate and complete.

E.3.8 Solo and Group level differences

The Group and UK solo entities use the same Internal Model.

E.4 Non-compliance with the MSCR and non-compliance with the SCR

The Group has been fully compliant with the Group SCR and maintained a surplus on the MSCR during the reporting period.

E.5 Any other information

Nothing to report.

Appendix 1. Group Branches

Branches as at 31 December 2024

Company	Country of Branch
Royal & Sun Alliance Insurance Limited	Argentina China Dubai, United Arab Emirates Greece Ireland
RSA Luxembourg S.A.	Belgium France Germany Netherlands Spain United Kingdom
The Marine Insurance Company Limited	Greece
Royal & Sun Alliance Reinsurance Limited	Argentina
Royal Insurance (U.K.) Limited	Ireland
Royal International Insurance Holdings Limited	Greece
Sun Insurance Office Limited	Greece
The London Assurance	Greece
RSA Insurance Ireland DAC	United Kingdom
EGI Holdings Limited	United Kingdom
RSA Overseas Holdings (No.1) Unlimited Company	United Kingdom
RSA Overseas Holdings (No.2) Unlimited Company	United Kingdom
RSA Actuarial Services (India) Private Limited	United Kingdom

Appendix 2. Royal & Sun Alliance Insurance Limited Solo SFCR Sections

Summary

RSAI is the main insurance company in the Group and is the operating company that holds the Group's entire insurance business.

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

A. Business and Performance

RSAI is the largest operating company in the Group and transacts the majority of the Group's business. RSAI transacts the greater part of its business in the UK. In the UK, RSA currently offers predominantly commercial lines insurance including specialty lines insurance, as well as personal property and pet insurance, but is in the process of repositioning to become a leading UK commercial and specialty lines insurer.

RSA entered into an agreement to acquire the NIG and Farmweb commercial lines broker business of Direct Line Insurance Group on 6 September 2023, increasing its market share in the domestic commercial lines market. The operational transfer was completed on 1 May 2024. The transfer of policy renewals started during June 2024 and new business written by the Group started in July 2024. As a result, commercial lines in the UK are now offered through the RSA, NIG and Farmweb brands via brokers and delegated brokers. RSA is also a specialist insurer in the London Market distributing through brokers under the RSA brand.

In 2023, the Company made the decision to exit the UK Personal lines market (Motor, Home and Pet), including the announcement of the sale of its direct Home and Pet operations to Admiral Group plc (Admiral), which closed on 31 March 2024, and its decision to transfer the Home and Pet partnerships to other parties or to allow them expire over time.

The components of the Group's System of Governance are designed to satisfy the legal and regulatory guidelines and requirements applicable to RSAI such as the Companies Act 2006, SUK, and rules of the PRA and the FCA.

Business strategy

RSAI has adopted the Group business strategy. Our ambition is to build on RSA's strengths to deliver a consistently outperforming underwriting result. We have six key areas of strategic focus to achieve outperformance:

- Leading customer experiences: Customers are at the heart of everything we do. We aim for continuous improvement of experiences and outcomes.
- Expand broker distribution: Through strengthening and deepening our relationships with brokers.
- Optimise underwriting for outperformance: With market leading pricing, underwriting and claims capability.
- Responsive and agile technology and operations: By simplifying business channels and processes to improve our efficiency.
- Be a best employer: People are at the heart of our organisation, and of our success. We aim to be a best employer and for our employees and leaders to be representative of the communities we serve.
- Look after tomorrow: We seek to be recognised as leaders in building resilient communities and delivering net zero.

Performance information

This section of the Appendix provides information about the business and performance of RSAI, covering in particular the performance from underwriting and investment activities.

Performance figures in section A of this Appendix have been prepared in accordance with the same accounting standards used for RSAI's financial statements.

A.1 Business

A.1.1 Company name & legal form

Royal & Sun Alliance Insurance Limited is a private limited company incorporated in England and Wales.

A.1.2 Supervisory authority

The PRA is the authority responsible for prudential supervision of RSAI. The contact details of the PRA are in section A.1.2 in the Group SFCR.

A.1.3 External auditor

RSAI's external auditor is Ernst & Young LLP. See section A.1.3 in the Group SFCR for contact details.

A.1.4 Holders of qualifying holdings

Royal Insurance Holdings Limited has 100% of the voting rights in RSAI.

A.1.5 Position within the Group legal structure

RSAI's immediate parent company is Royal Insurance Holdings Limited, a company incorporated in England and Wales. RSAI's ultimate parent and controlling party is Intact Financial Corporation, a company incorporated in Canada.

A.1.6 Material related undertakings

See Appendix A of the RSAI 2024 Consolidated financial statements for a list of all subsidiaries and associates of RSAI.

Refer to Note 30.4 of Intact Financial Corporation 2024 Consolidated financial statements for significant operating entities which share common ownership with RSAI.

See Appendix 1 of the Group SFCR for a list of all branches, including those of RSAI. None of RSAI's branches are material.

See section A.1.6 of the Group SFCR for a list of the Group's material related undertakings; these are also material related undertakings of RSAI; with the exception of Sun Alliance Mortgage Company Limited.

A.1.7 Simplified Group structure

See section A.1.7 of the Group SFCR.

A.1.8 Business lines and geographical areas

RSAI’s material lines of business and the material geographical areas where it has carried out business during the year are detailed in the table below:

Geographic regions
UK
Lines of business – non-life
Fire and damage to property
Motor vehicle liability
Other motor
General liability
Marine, aviation and transport
Miscellaneous financial loss

A.1.9 Significant events

RSA entered into an agreement to acquire the NIG and Farmweb commercial lines broker business of Direct Line Insurance Group on 6 September 2023, increasing its market share in the domestic commercial lines market. The operational transfer was completed on 1 May 2024. The transfer of policy renewals started during June 2024 and new business written by the Group started in July 2024. As a result, commercial lines in the UK are now offered through the RSA, NIG and Farmweb brands via brokers and delegated brokers. RSA is also a specialist insurer in the London Market distributing through brokers under the RSA brand.

The DLG acquisition was structured through several agreements including a business transfer agreement related to new business franchise and certain operations, renewal rights, data, brands, employees, contractors, third party contracts, and premises. The business transfer agreement resulted in a business combination on 26 October 2023 and the operational transfer was completed on 1 May 2024. The transfer of policy renewals started during June 2024 and new business written by the Company started in July 2024.

In 2023, the Company made the decision to exit the UK Personal lines market (Motor, Home and Pet), including the announcement of the sale of its direct Home and Pet operations to Admiral Group plc (Admiral), which closed on 31 March 2024 for an initial cash consideration and gain on disposal of £85m.

The Company also provides reinsurance to other companies within the IFC group, including RSA Insurance Ireland DAC, RSA Luxembourg, Unifund Assurance Company and Belair. Under these arrangements, insurance risk for a proportion of the business of those companies is transferred to the Company. The Belair arrangement was entered into on 1 January 2024.

On 13 May 2024, a reduction of capital in the Company was implemented by cancelling its entire share premium account, resulting in the creation of distributable reserves.

A.2 Underwriting performance

RSAI's operations are materially driven by the UK & International region's results and are affected by factors not reflected in divisional numbers such as intra-group reinsurance (see section A.1.10 in the Group SFCR). The RSAI Board manages the operations on a divisional basis as described in the RSAIG 2024 Consolidated financial statements. For this reason, the RSAI Board believes that analysis using key performance indicators for the UK business in aggregate is relevant to RSAI. See note 27 of the RSAIG 2024 Consolidated financial statements for details of the performance of the UK business.

The underwriting result for the period by material SUK lines of business is shown below and is calculated on the same basis as the RSAI underwriting result as shown in the Alternative Performance Measures section of its financial statements. Materially all business is underwritten in the UK.

	Underwriting Result	
	2024	2023
	£m	£m
Non-life		
Fire and other damage to property	**98**	(15)
Motor vehicle liability	**(2)**	(32)
Other motor	**28**	(30)
Marine, aviation and transport	**68**	45
General liability	**26**	90
Miscellaneous financial loss	**11**	23
Total material lines of business	**229**	81
Non-material	**27**	(28)
Total Non-Life	**256**	53
Total life/annuities	**(10)**	(10)
Total	**246**	43

A.3 Investment performance

The information in this section of the report is taken from the RSAI financial statements.

A.3.1 Income and expenses by class

Asset classes shown in this section follow the definitions used in RSAI's financial statements which may differ from the definitions used in Section D (Valuation for Solvency Purposes) of this Appendix.

A summary of the gross investment income, net realised and net unrealised gains/(losses) included in the income statement is given below:

Years ended 31 December	**2024** **£m**	2023 £m
Interest income calculated using the effective interest method:		
Debt securities classified as FVTOCI	**97**	55
Loans and cash and cash equivalents	**23**	24
Loans with group undertakings	**4**	-
Interest and similar income on securities classified or designated as FVTPL	**87**	74
Interest income	**211**	153
Dividend income:		
FVTPL equities	**10**	10
Subsidiaries	**-**	294
Dividend income	**10**	304
Investment property rental income	**17**	14
Investment income	**238**	471

A summary of the investment management expenses by asset class is given below:

	2024 **£m**	2023 £m
Investment property	**(1)**	(1)
Equity securities	**(1)**	-
Debt securities	**(6)**	(8)
Other	**(1)**	(1)
Total investment management expenses	**(9)**	(10)
Internal loan interest	**(6)**	(3)
Expenses including net investment return	**(15)**	(13)

A.3.2 Gains and losses recognised in equity

Unrealised gains and losses recognised in other comprehensive income for available for sale assets are as follows:

	2024			2023		
	Fixed income	**Equity and property**	**Total**	Fixed income	Equity and property	Total
Years ended 31 December	**£m**	**£m**	**£m**	£m	£m	£m
Net (losses) gains from:						
Financial instruments:						
Classified as FVTOCI	**(1)**	**-**	**(1)**	80	-	80
Classified or Designated as FVTPL	**(24)**	**1**	**(23)**	57	6	63
	(25)	**1**	**(24)**	137	6	143
Derivatives[1]	**-**	**(1)**	**(1)**	-	3	3
Investment property	**-**	**3**	**3**	-	(8)	(8)
Net foreign currency losses	**(75)**	**-**	**(75)**	(32)	-	(32)
ECL expense[2]	**(1)**	**-**	**(1)**	(1)	-	(1)
Other	**-**	**-**	**-**	-	(4)	(4)
	(101)	**3**	**(98)**	104	(3)	101
Impairment of group undertakings	**-**	**(1)**	**(1)**	-	(376)	(376)
	(101)	**2**	**(99)**	104	(379)	(275)
Recognised in:						
Income statement - Net losses on investment portfolio	**(100)**	**2**	**(98)**	24	(379)	(355)
Statement of comprehensive income	**(1)**	**-**	**(1)**	80	-	80
Net losses on investment portfolio	**(101)**	**2**	**(99)**	104	(379)	(275)

[1] Excluding foreign currency contracts, which are recognised in Net foreign currency gains (losses) on investments. Derivatives are mandatorily measured at FVTPL.

[2] ECL expense is not significant due to the high credit quality of the investment portfolio.

A.3.3 Investments in securitisation

RSAI invests in securitised investments. These investments are issued by entities created by and managed by external specialist investment managers.

RSAI's exposure to securitised investments at 31 December 2024 is summarised in the table below:

		Exposure	
		2024	2023
Class of investments	**Nature of the underlying investments of the vehicle**	**£m**	£m
Collateralised debt obligations	Structured debt security backed by bonds	**207**	235

A.4 Performance of other activities

A.4.1 Other material income & expenses

For details of other material income and expenses, see notes 21-23 and 32 of the RSAI financial statements.

A.4.2 Operating and finance leasing arrangements

RSAI acts as lessee and lessor in a number of lease arrangements. For further details of RSAI’s leasing arrangements, see note 30 of RSAI’s financial statements.

B. System of Governance

B.1 General information on the System of Governance

RSAI's System of Governance

RSAI has adopted the RSA Insurance Group Ltd System of Governance as described in Section B in the main body of the report.

RSAI Board and Operating Committee

RSAIG and RSAI businesses are overseen by a single set of Directors. The members of the boards of these companies are the same and their meetings are run in a combined session with one agenda and one board pack. The agenda and papers specify whether an item relates to a particular legal entity. The papers describe any differences between relevant issues from an RSAIG and RSAI perspective.

The Board may exercise all the powers of the relevant company subject to the Articles of Association, relevant laws, and any directions as may be given by shareholder resolution. The directors may delegate any of their powers or discretions to committees except for matters specifically reserved for the whole Board in the Schedule of Matters Reserved.

All key or material decisions made at Board meetings are documented by Company Secretariat. The Board reviews RSAI's financial performance through regular reports, including quarterly capital updates and a quarterly presentation on actual performance against plan and a previous financial year comparison. The Schedule of Matters Reserved requires approval of the outsourcing of any critical functions and activities at least annually, and Board review of their performance.

The Chair is responsible for ensuring a formal and rigorous evaluation of Board effectiveness is undertaken on an annual basis.

The RSA Operating Committee oversees RSA's UK business and exercises governance oversight in relation to its subsidiaries in other jurisdictions. The powers of the Operating Committee are set out in its Terms of Reference. The committee is composed of senior managers from the UK&I business. It meets as and when required to review matters of a 'business as usual' nature within its remit.

The remit of the Board committees includes RSAIG and RSAI matters. Each of the committees has written Terms of Reference defining its role and the authority delegated to it. The Terms of Reference for each Board committee are reviewed annually.

Remuneration

RSA ensures that it has appropriate remuneration arrangements through the adoption of a Remuneration Policy. This policy outlines RSA's overall approach to remuneration, and also the governance framework for making remuneration decisions.

The policy is designed to appropriately reward performance and promote sound and effective risk management, compliance with external regulatory requirements and alignment to the long-term interests of the company and its ultimate shareholder, IFC.

Key Governance Functions

None of RSAI's key governance functions have been outsourced.

Changes during 2024

There were no changes to the Company's System of Governance during the reporting period.

Shareholder/Board transactions

Key management transactions

The aggregate emoluments of the directors, including amounts received from subsidiaries, were as follows:

	£m
Short term benefits	3
Compensation for loss of office	-
Total	**3**

During 2024, £103,775 in retirement benefits were accrued for one director under defined benefit pension scheme and no contributions were made to defined contribution pension schemes.

During 2024, no directors exercised share options, one director had share awards vesting under long term incentive schemes in respect of ordinary shares of the Company, one director and two non-executive directors had Performance Share Units (PSUs), and one non-executive had Restricted Share Units (RSUs) vesting in the Company's ultimate parent company, IFC, as part of their remuneration for service as executives of IFC, and one non-executive had Deferred Share Units (DSUs) vesting in IFC, as part of their fee for their role on the IFC Board of Directors. The DSUs are redeemed upon director retirement or termination and are settled for cash afterwards.

Dividends

Ordinary dividends of £213m were paid during the year. For further details of dividends paid and proposed, refer to Note 18 of the financial statements of the Company.

Ancillary Own Funds

In May 2023 the PRA reapproved the AOF item for RSAI with effect from 8 July 2023 for a period of three years. The item comprises £250m of nil-paid uncalled share capital. The AOF counts as Tier 2 capital in RSAI's Solo solvency calculations, subject to eligibility rules, however, it does not count towards covering its MCR. The AOF item also counts as Tier 2 capital for Group solvency purposes.

B.2 Fit and proper requirements

See section B.2 within the Group SFCR for details of the Group's fit and proper requirements.

B.3 Risk management system including the Own Risk and Solvency Assessment

RSAI has adopted the Group's Risk Management System, reflecting the close alignment between RSAI's risk strategy and risk appetite with that of the Group. See section B.3 within the Group SFCR for details of the Group's Risk Management System.

B.4 Internal control system

RSAI has adopted the Group internal control system. See section B.4 within the Group SFCR for details of the Group's internal control system.

B.5 Internal audit function

See section B.5 within the Group SFCR for details of the Group's internal audit function.

This approach is applied to the plans for RSAI. CAS provides its audit plans and quarterly updates on progress against plans; the outcomes of its work; and progress against issues to the RSAI Board.

B.6 Actuarial function

The Group Actuarial Function Holder is also the Actuarial Function Holder for RSAI and has independent access to the RSAI Board. The Group Actuarial Function produces annual Actuarial Function reports summarising the key conclusions of the actuarial function's work covering RSAI and these are presented to the RSAI Board.

See section B.6 within the Group SFCR for details of the Group's Actuarial Function.

B.7 Outsourcing

RSAI enters into outsourcing contracts and distribution arrangements with third parties in the normal course of its business and is reliant upon those third parties being willing and able to perform their obligations in accordance with the terms and conditions of the contracts.

Certain of RSAI's subsidiaries have also entered into outsourcing agreements with it in relation to the efficient provision of services across the Group. See section B.7 within the Group SFCR for further details.

The RSAI Board has oversight of RSA's reliance on critical third parties and material outsourcing relationships.

B.8 Any other information

Nothing to report.

C. Risk Profile

RSAI has adopted the Group Enterprise Risk Framework, reflecting the close alignment between RSAI's risk strategy and risk appetite with that of the Group.

Given that the entities above RSAI in the Group structure are not deemed to materially contribute to the Group's risk profile, the risk profile of RSAI is considered to be equivalent to that of the Group, with the same risks being experienced either directly or via the valuation of its subsidiaries Internal Model.

Information on RSAI's risk profile is therefore contained in Section C within the Group SFCR which sets out the Group's risk profile.

D. Valuation for Solvency Purposes

The statutory accounts values shown in this section are prepared in accordance with IFRS, the accounting standards used for RSAI's financial statements. All basis of preparation descriptions referring to IFRS in Section D in the Group SFCR apply equally to RSAI.

For further details of the accounting policies adopted for the purposes of preparing statutory accounts, see the accounting policies section of RSAI's financial statements.

Section D is subject to external audit, with the exception of the text and figures relating to Risk Margin. These are excluded from the scope of external audit as they are derived from the internal model used to calculate the RSAI's Solvency Capital Requirement which is also unaudited. See Appendix 6 for further details of the scope of the external audit.

RSAI SUK balance sheet

	Financial statements note	Statutory accounts value	Reclass-ification	SUK valuation adjustments	Solvency UK value	Group SFCR section
		£m	£m	£m	£m	
Goodwill and intangible assets	14	802	-	(802)	-	D.1.1.1, D.1.1.2
Deferred tax assets	24	264	-	-	264	D.1.1.4
Pension benefit surplus	26	4	-	-	4	D.1.1.5
Property, plant and equipment held for own use	15	85	-	(8)	77	D.1.1.6
Investments (other than assets held for index-linked and unit-linked contracts)		6,213	113	76	6,402	
Property (other than for own use)	6	314	-	-	314	D.1.1.7
Holdings in related undertakings, including participations	8	858	-	76	934	D.1.1.8
Equities	6	486	(32)	-	454	D.1.1.9
Bonds	6	4,522	(3)	-	4,519	D.1.1.9
Collective investments undertakings		-	95	-	95	D.1.1.9
Derivatives	9	33	-	-	33	D.1.1.9
Deposits other than cash equivalents		-	53	-	53	D.1.1.9
Loans and mortgages		283	5	(10)	278	D.1.1.9
Reinsurance recoverables	11	1,104	-	(183)	921	D.2
Deposits to cedants		-	-	27	27	D.1.1.9
Insurance and intermediaries receivables		-	-	141	141	D.1.1.9
Reinsurance receivables		-	-	40	40	
Receivables (trade, not insurance)		175	(26)	-	149	D.1.1.9
Cash and cash equivalents	6	128	(41)	-	87	D.1.1.9
Any other assets, not elsewhere shown		96	(51)	(30)	15	D.1.1.9
Total assets		9,154	-	(750)	8,404	
Technical provisions	11	5,355	-	(292)	5,063	D.2
Contingent liabilities		-	-	7	7	
Provisions other than technical provisions	16	37	-	-	37	D.3.1.3
Pension benefit obligations	26	11	-	-	11	D.1.1.5
Derivatives	7	14	-	-	14	D.3.1.1
Financial liabilities other than debts owed to credit institutions		416	-	-	416	D.3.1.1
Insurance & intermediaries payables		-	-	166	166	D.3.1.1
Reinsurance payables		-	-	10	10	
Payables (trade, not insurance)		347	-	53	400	D.3.1.1
Any other liabilities, not elsewhere shown		160	-	77	237	D.3.1.1
Total liabilities		6,340	-	21	6,361	
Excess of assets over liabilities		2,814	-	(771)	2,043	

D.1 Assets

Analysis of deferred tax

An analysis of deferred tax on a SUK basis is detailed below:

	Asset £m	Liability £m
Deferred tax assets	**264**	**-**

The following are the major deferred tax assets and liabilities recognised by RSAI:

	£m
Net unrealised loss on investments	**21**
Tax losses and unused tax credits	**17**
Transitional relief on IFRS9 assets	**25**
Other deferred tax reliefs	**72**
Retirement benefit obligations	**54**
Capital allowances	**69**
Provisions and other temporary differences	**6**
Net deferred tax position at 31 December	**264**

At the end of the reporting period, the Company has unused gross trading losses of £1,841m. A deferred tax asset of £17m has been recognised in respect of 'income' losses at 31 December 2024. No deferred tax asset has been recognised in respect of gross trading losses of £1,776m due to the unpredictability of future profit streams. In addition, the Company has other deductible temporary differences of £468m for which no deferred tax has been recognised.

No deferred tax has been recognised in respect of £59m SUK adjustments as there is insufficient certainty that adequate future profits will be available.

Tax assets and liabilities are recognised based on the tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets have been recognised on the basis that management consider it probable that future taxable profits will be available against which these deferred tax assets can be utilised. Key assumptions in the forecast are subject to sensitivity testing which, together with additional modelling and analysis, support management's judgement that the carrying value of deferred tax assets continues to be supportable. The recognition approach is consistent with that applied at 31 December 2023. The basis of deferred tax asset recognition, together with the impact of downward movements in key assumptions and specific downside scenarios on the value of the UK deferred tax asset is detailed in RSAIG section D1.2.

The value of the deferred tax asset is sensitive to assumptions in respect of forecast profits. Further stress and scenario tests are also run over the level of DTA supported by UK forecast profits to assess their impact on the recognised DTA. These sensitivities are run on the base case scenario and their impact is already considered in the scenario selected for DTA recognition. The relationship between the UK deferred tax asset and the sensitivities is not always linear. Therefore, the cumulative impact on the deferred tax asset of combined sensitivities or longer extrapolations will be indicative only.

The procedure for providing SUK deferred tax figures for RSAI utilises a walkthrough bridge from the figures reported on an IFRS basis in RSAI's Report & Accounts. A tax analysis of valuation adjustments made to the statutory accounts balances is performed in arriving at the Solvency II UK balance sheet. Where these valuation adjustments give rise to a new temporary difference under IAS 12, the recognition of a deferred tax asset or liability is considered in accordance with IFRS principles and SUK guidance, including an assessment of the availability of future profits in the case of a deferred tax asset.

D.2 Technical provisions

		SUK Net Technical Provisions		Statutory	
		Best Estimate	Risk Margin	Accounts Value	Difference
		£m	£m	£m	£m
Direct Business and Accepted Proportional Reinsurance	Motor Vehicle Liability	**1,159**	**48**	**1,319**	**(112)**
	Other Motor	**180**	**3**	**162**	**21**
	Marine, Aviation and Transport	**163**	**4**	**167**	**-**
	Fire and Other Damage to Property	**1,253**	**29**	**1,246**	**36**
	General Liability	**995**	**44**	**1,114**	**(75)**
Other Non-Life Direct and Accepted Non-Proportional Reinsurance Lines		**114**	**3**	**110**	**7**
Life & Health Insurance Lines (including Annuities Stemming from Non-Life)		**125**	**23**	**133**	**15**
TOTAL		**3,989**	**154**	**4,251**	**(108)**

Notes

(1) Allowance for future premium within SUK Technical Provisions is a significant difference impacting multiple lines of business. These include Motor Vehicle Liability, Other Motor, General Liability, Marine Aviation & Transport, and Fire & Other Damage to Property insurance.

(2) The Risk Margin under Solvency UK is defined differently to the Risk Adjustment under IFRS. The Risk Margin covers cost of holding capital until runoff whilst the risk adjustment allows for uncertainty in the internal model reserve volatility around the reserve best estimate.

(3) Life & Health insurance lines are comprised of non-life settled annuities where the difference is almost entirely driven by the difference in IFRS and SUK risk margins and the difference in yield curves.

Uncertainties and contingencies

The uncertainties and contingencies referred to in Section D.2.3 of the Group SFCR are also applicable to RSAI.

D.3 Other liabilities

Liabilities for employee benefits including defined benefit plan assets

Defined benefit pension schemes and other post-retirement benefits

The major defined benefit pension schemes are located in the UK. The assets of these schemes are mainly held in separate trustee administered funds. The UK defined benefit schemes were effectively closed to new entrants in 2002 and subsequently closed to future accruals with effect from 31 March 2017.

The value of scheme assets and defined benefit liability at 31 December 2024 are as follows:

	Total £m
Defined benefit obligation (funded)	**(4,888)**
Defined benefit obligation (unfunded)	**(3)**
Fair value of plan assets	**4,886**
	(5)
Other net surplus remeasurements	**(2)**
Net DB asset	**(7)**
Plans in a surplus position	**4**
Plans in a deficit position and unfunded plans	**(11)**
Pension liabilities	**(7)**

Fair value of plan assets	Quoted £m	Unquoted £m	Total £m
Cash and cash equivalents	**16**	**-**	**16**
Debt securities			
Government debt securities	**7**	**-**	**7**
Non-Government debt securities	**-**	**-**	**-**
Debt securities	**7**	**-**	**7**
Equity securities	**3**	**-**	**3**
Annuity buy-in insurance contracts	**-**	**4,860**	**4,860**
Derivative financial instruments	**-**	**-**	**-**
Other (including infrastructure and growth alternatives)	**-**	**-**	**-**
Total Investments	**26**	**4,860**	**4,886**
Deferred annuity premium	**-**	**-**	**-**
Total net plan assets	**26**	**4,860**	**4,886**

D.4 Alternative methods for valuation

Assets and liabilities valued using alternative valuation methods, in accordance with Rule 6(5) of the Valuation Part of the PRA Rulebook applicable to Solvency UK firms, include property and certain debt and equity private fund structures for which fair value measurements are derived from valuation techniques that include significant inputs that are not based on observable market data (unobservable inputs).

Property valuations are carried out in accordance with the latest edition of the Valuation Standards published by the Royal Institution of Charted Surveyors (RICS) and are undertaken by independent RICS registered valuers. Valuations are based on the comparative method with reference to sales of other comparable buildings and take into account the nature, location and condition of the specific property, together with factoring in the occupational lease terms and tenant covenant strength as appropriate. The valuations also include an income approach using discounted future cash flows, which uses unobservable inputs such as discount rates, rental values, vacancy rates and void or rent-free period expected after the end of each lease.

Debt and equity private funds are principally valued at the proportion of the Group's holding of the Net Asset Value (NAV) reported by the investment vehicle. Several procedures are employed to assess the reasonableness of the NAV reported by the fund, including obtaining and reviewing periodic and audited financial statements and estimating fair value based on a discounted cash flow model that adds spreads for credit and illiquidity to a risk-free discount rate.

There is no material difference between the bases, methods and assumptions used when valuing these instruments for SUK purposes and those used for IFRS reporting. See section D.1 and D.3 for description of the valuation techniques used and how they are assessed.

See Note 8 of the RSAIG 2024 Consolidated financial statements for further details of the valuation methods, uncertainties and assumptions used when valuing such instruments.

E. Capital Management

E.1 Own funds

E.1.1 Objectives, policies, processes and material changes

Section E is subject to external audit, with the exception of any text or figures which are, or derive from, the internally modelled Solvency Capital Requirement. See Appendix 6 for further details of the scope of the external audit.

Information on the Group's capital management is contained in Section E of the Group SFCR.

Given that the entities above RSAI in the Group structure are not deemed to materially contribute to the Group's risk profile, the risk profile of RSAI is considered to be identical to that of the Group and therefore the modelled SCR of the Group and RSAI is the same.

E.1.2 Structure, amount and quality of own funds

Capital composition

The capital structure of RSAI by tier as at 31 December 2024 is as per the table below. Tier 2 capital reflects the guarantee in respect of the 2014 Tier 2 debt instrument issued by the Group and the Ancillary Own Funds item reapproved for use in May 2023.

		2024 £m	2023 £m
Tier 1 Unrestricted	Equity capital (including Share Premium)	**1,016**	2,871
	Reconciliation reserve	**596**	(1,266)
		1,612	1,605
Tier 2	Share capital	**119**	119
	Ancillary own funds item	**250**	250
		369	369
Tier 3	Net deferred tax assets	**264**	253
	Total Own Funds	**2,245**	2,226

For further information regarding Ancillary Own Funds, refer to section E.1.7 of RSAIG's SFCR.

E.1.3 Eligible own funds to cover the SCR

Basic own funds to eligible own funds

A basic own funds to eligible own funds to cover the SCR reconciliation for RSAI is shown below. No capital is deemed to be non-available to meet the SCR within RSAI's own funds.

	Basic Own Funds £m	Ancillary Own Funds £m	Availability restrictions £m	Available Own Funds £m	Eligibility restrictions £m	Eligible Own Funds £m	Eligibility Capacity £m	Eligibility rule
Tier 1	**1,612**	**-**	**-**	**1,612**	**-**	**1,612**		
Tier 2	**119**	**250**	**-**	**369**	**-**	**369**	**607**	**Tier 2 + Tier 3 up to 50% of SCR**
Tier 3	**264**	**-**	**-**	**264**	**(82)**	**182**		
Total	**1,995**	**250**	**-**	**2,245**	**(82)**	**2,163**		
					SCR	**1,215**		
					Surplus	**948**		
					SCR Coverage	**178%**		

Analysis of significant changes in own funds

RSA Insurance Limited Unrestricted Tier 1 capital is broadly unchanged during the year.

In March, RSA Insurance Limited issued a loan of £115m to Royal Insurance Holdings Limited on arms-length terms, the proceeds of which were paid as a dividend from Royal Insurance Holdings Limited to RSA Insurance Group.

On 13 May 2024, a reduction of capital in RSA Insurance Limited was implemented by cancelling the company's share premium account.

On 19 July 2024 a dividend of £82.5m was paid from RSA Insurance Limited to Royal Insurance Holdings Limited. Subsequently, RSA Insurance Limited received c£117m from Royal Insurance Holdings Limited to settle the intercompany loan, and associated interest, issued in March.

In November, RSA Insurance Limited paid a dividend of £131m to Royal Insurance Holdings Limited.

E.1.4 Eligible own funds to cover the MCR

A basic own funds to eligible own funds to cover the MCR reconciliation for RSAI is shown below:

	Basic Own Funds £m	Ancillary Own Funds £m	Availability restrictions £m	Available Own Funds £m	Eligibility restrictions £m	Eligible Own Funds £m	Eligibility Capacity £m	Eligibility rule
Tier 1	**1,611**	**-**	**-**	**1,611**	**-**	**1,611**		
Tier 2	**120**	**250**	**(250)**	**120**	**(10)**	**110**	**109**	**Tier 2 up to 20% of MCR**
Tier 3	**264**	**-**	**(264)**	**-**	**-**	**-**		**Ineligible**
Total	**1,995**	**250**	**(514)**	**1,731**	**(10)**	**1,721**		
					MCR	**547**		
					Surplus	**1,174**		
					MCR Coverage	**315%**		

E.1.5 Differences between equity and net assets

Following on from Section D, SUK basic own funds are calculated in the following table:

	£m
Excess of assets over liabilities (see Section D)	**2,043**
Foreseeable dividends, distributions and charges	**(48)**
Ancillary own funds items	**250**
SUK Own Funds	**2,245**

Included in the foreseeable dividends, distributions and charges row in the IR.23.01 is a deduction for net intercompany amounts owed to RSAI from entities above in the Group structure.

In practice, these amounts can only be settled via a dividend payment from RSAI, the excluded amount being approximately £29m, which reflects amounts owed by entities above RSAI which cannot be readily settled using existing resources.

IAS 19 pension surpluses in excess of their scheme's marginal share of the SCR are also deducted from the reconciliation reserve, the excluded amount being approximately £20m.

E.2 Solvency capital requirement and minimum capital requirement

E.2.1 SCR and MSCR

At 31 December 2024 RSAI's SCR was £1,215m and the MCR £547m.

Movements in the SCR

The reduction in SCR during the year primarily reflects the changes in the risk profile of the business as a result of the exited UK Personal Lines portfolio going into run-off, along with an improvement in the 2025 operational plan underwriting result from both UK continued and exited lines.

Movements in the MCR

As was the case at year-end 2023, RSAI's MCR remains bound by the 45% upper bound of the SCR corridor. As such, the MCR reduction over the year is as a direct result of the reduction in SCR.

Deferred tax

For details on the availability and eligibility of deferred tax assets, see sections E.1.3 and E.1.4 of the Group SFCR.

E.3 Differences between the standard formula and any Internal Model used

For information regarding the Internal Model refer to section E.3 of the Group SFCR.

E.4 Non-compliance with the MCR and non-compliance with the SCR

RSAI has been fully compliant with its SCR and MCR during the reporting period.

E.5 Any other information

Nothing to report.

Appendix 3. Royal & Sun Alliance Reinsurance Limited Solo SFCR Sections

Summary

The principal activity of the Company is to act as a fronting insurer and to provide a settlement function for the insurance activities carried out by the Group offices and Global Network Partners (Strategic Network Partners). The Global Network consists of local partner insurers and allows multinational insurance programmes to be written across the globe.

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

A. Business and Performance

General structure

RSA Re is the legal entity through which the following types of Group activities are undertaken:

- Business written by the Global Network
- Intra-group reinsurance treaties

Global Network

RSA Re provides a reinsurance function for the international insurance activities of the Group offices and the Global Network partners (Strategic Network Partners), selected insurers which work with RSA. The Global Network also provides local coverage for those parts of the world where RSA does not have approval to write business.

The Global Network facilitates the fronting of risks by RSA group entities through servicing offices (RSA entities or external Network Partners) via licences to operate in the relevant territory. All producing offices pay a fee to use the network (including external Strategic Network Partners). Membership of the Global Network enables the producing offices to offer wider geographical coverage to their clients. Most of the business written relates to global insurance programmes for multinational entities. The Global Network Team undertake relationship management and business development, with the Central Accounting Unit (CAU), a dedicated team undertaking reconciliation of reinsurance activity, contributing to financial reporting for RSA Re, and efficient cash flow.

RSA Re acts as the reinsurer between the producing office (the legal entity which ultimately holds the risk, predominantly RSAI, and the servicing office (the legal entity which fronts the risk). 100% of the gross premiums are retroceded. RSA Re has a net nil retention in respect of underwriting risk.

Employees

RSA Re has no direct employees; all services necessary for the above activity being provided by RSAI under a Master Services Agreement and an Internal Model Agreement.

Business strategy

RSA Re has adopted the Group business strategy, our ambition is to build on RSA's strengths to deliver a consistently outperforming underwriting result. We have six key areas of strategic focus to achieve outperformance, of which five are applicable to RSA Re :

- Leading customer experiences: Customers are at the heart of everything we do. We aim for continuous improvement of experiences and outcomes.
- Expand broker distribution: Through strengthening and deepening our relationships with brokers.
- Optimise underwriting for outperformance: With market leading pricing, underwriting and claims capability.
- Responsive and agile technology and operations: By simplifying business channels and processes to improve our efficiency.
- Look after tomorrow: We seek to be recognised as leaders in building resilient communities and delivering net zero.

Performance information

Section A of this Appendix provides information about the business and performance of RSA Re, covering in particular the performance from underwriting and investment activities.

Performance figures in Section A of this Appendix have been prepared in accordance with the same accounting standards used for RSA Re's financial statements.

A.1 Business

A.1.1 Company name & legal form

RSA Re is a private limited company incorporated in England and Wales.

A.1.2 Supervisory authority

The PRA is the authority responsible for prudential supervision of RSA Re. The contact details of the PRA are in section A.1.2 in the Group SFCR.

A.1.3 External auditor

RSA Re's external auditor is Ernst & Young LLP. See section A.1.3 in the Group SFCR for contact details.

A.1.4 Holders of qualifying holdings

The sole shareholder is RSAI.

A.1.5 Position within the Group legal structure

RSA Re's immediate parent company is RSAI, a company incorporated in England and Wales. RSA Re's ultimate parent and controlling party is IFC, a company incorporated in Canada.

A.1.6 Material related undertakings

RSA Re has no subsidiaries. See Appendix 1 for a list of all RSA Re's branches. No branches are material.

A.1.7 Simplified Group structure

See section A.1.7 of the RSAIG SFCR.

A.1.8 Business lines and geographical areas

RSA Re's material lines of business and the material geographical areas where it has carried out business during the year are detailed in the table below:

Geographic regions
UK
Line of businesses – non-life
Marine, aviation and transport
Fire and damage to property
General liability
Non Proportional- property
Non Proportional - casualty

A.1.9 Significant events

Nothing to report.

A.2 Underwriting performance

RSA Re's activities are focused on the internal reinsurance programme and Global Network business. 100% of the gross premiums are retroceded and RSA Re has nil retention in respect of underwriting risk. Management of the treaties has been outsourced to RSAI. RSA Re's underwriting profit for the year, excluding IFRS 17 accounting adjustments (discounting and risk of non-performance), was nil (2023: nil). All business is underwritten in the UK.

A.3 Investment performance

The information in this section of the report is taken from the RSA Re Annual Report and Accounts.

A.3.1 Income and expenses by class

Asset classes shown in this section follow the definitions used in RSA Re's Annual Report and Accounts which may differ from the definitions used in Section D (Valuation for Solvency Purposes) of this Appendix.

For the years ended 31 December	**2024** **£000**	2023 £000
Interest income calculated using the effective interest method:		
Debt securities classified as FVTOCI	**1,519**	1,306
Loans and cash and cash equivalents at amortised cost	**2**	-
Interest or similar income on securities classified or designated as FVTPL	**1,284**	1,117
Investment income	**2,805**	2,423

A.3.2 Gains and losses recognised in equity

Unrealised (losses) on other financial instruments classified as available for sale net of tax are as follows:

For the years ended 31 December	**2024** **Fixed income** **£000**	2023 Fixed income £000
Net gains (losses) from:		
Financial instruments:		
Classified as FVTOCI	**1,594**	1,242
Classified as FVTPL	**890**	988
	2,484	2,230
Net foreign currency losses	**(6,368)**	(2,994)
ECL expense[1]	**(15)**	(8)
	(3,899)	(772)
Recognised in:		
Income statement - net losses on investment portfolio	**(5,493)**	(2,014)
Statement of comprehensive income	**1,594**	1,242
Total losses on investment portfolio	**(3,899)**	(772)

[1] ECL expense is not significant due to the high credit quality of the investment portfolio.

A.3.3 Investments in securitisation

RSA Re has no exposure to securitised investments.

A.4 Performance of other activities

A.4.1 Other material income & expenses

For details of other material income and expenses, see notes 14,15 and 19 of the RSA Re financial statements.

A.4.2 Operating and finance leasing arrangements

RSA Re has no material operating or finance leases.

B. System of Governance

B.1 General information on the System of Governance

RSA Re's System of Governance

RSA Re has adopted the RSAI System of Governance as more fully described in Section B in the main body of the report.

Board and committees

As at 31 December 2024, the RSA Re Board comprised:

Director and Chair	UK&I Chief Finance Officer
Chief Executive Officer (Interim)	UK&I Chief Underwriting Officer

The Board is accountable to RSA Re's ultimate shareholder, IFC, for the creation and delivery of strong sustainable performance and the creation of long-term shareholder value, while having regard to RSA's other stakeholders. The Board meets quarterly and there is an additional meeting to approve SUK submissions. The Board is responsible for organising and directing the affairs of RSA Re in a manner that will promote the success of RSA Re and is consistent with good corporate governance practice, ensuring that in carrying out its duties RSA Re meets legal and regulatory requirements.

The Board oversees the business of RSA Re. It may exercise all the powers of the company subject to the Articles of Association, the Board's Terms of Reference, relevant laws, and any directions as may be given by shareholder resolution. The directors of RSA Re have access to the services and advice of the Group General Counsel and Company Secretary, Corporate Audit Services, the Compliance Function, the Risk Function, and the Actuarial Function. In addition, directors may take independent professional advice at the expense of RSA Re in furtherance of their duties.

The Board's Terms of Reference sets out matters which are reserved for RSA Re's Board and those matters which are reserved to the RSA Re's shareholder, RSAI, for approval.

The RSAI Board Risk Committee and Audit Committee operate on behalf of RSA Re. The RSAI Board Risk Committee oversees the investment policy and strategy on behalf of RSA Re, including the operation of the investment portfolios within established strategy and risks frameworks.

The RSA Re Board remains responsible for RSA Re's System of Governance.

At the current time, there are no RSA Re Board level committees.

There is a standing agenda of items for RSA Re Board meetings, the contents of which are regularly refreshed. All decisions are documented by the Company Secretariat. The Board reviews RSA Re's financial performance through regular reports, including quarterly capital updates and a quarterly presentation on actual performance against plan and a previous financial year comparison. The Board approves the corporate budget ("Operational Plan"). Board approval of the outsourcing of the Key Governance Functions and other critical functions and important activities, and Board review of the performance of these functions and activities provided by the service provider, are required at least annually.

RSA Re Board meetings are held in a combined session with the meeting of the MIC Board.

Effectiveness of the RSA Re Board

The Board has implemented an effectiveness review process which is undertaken periodically to ensure that the Board is operating effectively.

Key Governance Functions

All of the Key Governance Functions have been outsourced to RSAI. The RSA Re Board's Terms of Reference require it to ensure each key governance function is suitable, effective and proportionate to the nature, scale and complexity of RSA Re's business.

The RSA Re Board's Terms of Reference explicitly note the right of the Heads of the Key Governance Functions to have direct access to the RSA Re Board at all times and for a private meeting with the directors at least annually.

Remuneration

RSA Re has adopted the RSAI remuneration framework and aligns to general principles and standards set by RSAI. These are contained in the RSAI Remuneration Policy.

RSA Re's directors receive no remuneration for their services as directors of this company. They receive remuneration for their services to RSA as a whole.

Changes during 2024

There were no changes to the RSA Re System of Governance over the 2024 year. For all other changes see section B.1.3 of the Group SFCR.

Shareholder/Board transactions

There are no material transactions to report.

B.2 Fit and proper requirements

The Fitness and Propriety Governance Document and certain HR policies provide a framework for assessment of fitness and propriety of both new and on-going appointees within its scope. The policies apply to the Executive Management, Key Governance Functions, and the directors. RSAI, RSA Re's service provider, applies the Fitness and Propriety Policy and the relevant HR policies.

See section B.2 within the Group SFCR for details of the Group fit and proper requirements.

B.3 Risk management system including the own risk and solvency assessment

RSA Re has outsourced its risk management system to RSAI, which has adopted the Group's risk management system. See section B.3 within the Group SFCR for details of the Group's Risk Management System.

B.4 Internal control system

RSA Re has outsourced its internal control system to RSAI, which has adopted the Group Internal Control System. See section B.4 within the Group SFCR for details of the Group's internal control system.

B.5 Internal audit function

See section B.5 within the Group SFCR for details of the Group's internal audit function.

This approach is applied to the plans for RSA Re. CAS provides its audit plans and quarterly updates on progress against plans; the outcomes of its work; and progress against issues to the RSA Re Board.

B.6 Actuarial function

RSA Re operates within the same risk appetite and operational control environments as RSAI. The scope of the Actuarial Function is hence covered by RSAI and the Group's Actuarial Function documentation.

The Group Actuarial Function Holder is also the Actuarial Function Holder for RSA Re. On an annual basis, the RSA Re Actuarial Function produces Actuarial Function reports summarising the key conclusions of the Actuarial Function's work covering RSA Re and these are presented to the RSA Re Board.

See section B.6 within the Group SFCR for details of the Group's Actuarial Function.

B.7 Outsourcing

RSA Re has no employees and has outsourced all of its operations to its immediate parent company, RSAI. RSAI provides all services to RSA Re, including the Key Governance Functions and activities deemed critical and important.

B.8 Any other information

Nothing to report.

C. Risk Profile

RSA Re has outsourced its risk management system to RSAI, which has adopted the Group risk management system.

Material issues are escalated to the RSA Re Board by management and/or the Risk Function. The risks are a combination of the relevant Group risks and additional material risks specific to RSA Re (e.g. Global Network). In this way, the RSA Re Board is able to oversee and control the activities of its business.

The remainder of this section outlines the key risks applicable to RSA Re's business. Other risks, for example investment risk, are managed by RSAI in its capacity as the service provider. For full risk profile details, see Section C in the main body of the report which sets out the Group's risk profile. RSA Re is covered by the treaty and facultative protection described in Section C.1.6 in the Group SFCR. Liquidity risk concentrations are considered immaterial for RSA Re.

Currency risk

The principal risk to RSA Re is currency risk as a result of the business carried out by the Group's offices and Global Network partners being denominated in overseas currency. This means that a large proportion of the company's assets are held in foreign currency. If the value of Sterling strengthens, then the value of non-Sterling net assets will decline when translated into Sterling.

Credit risk

RSA Re is exposed to credit risk in respect of other group companies and Global Network Partners. This risk is integrated within and managed together with the other principal risks of the Group.

RSA Re has a credit risk insurance policy with RSAI which is assessed annually and protects it against loss of reinsurance recoverables due to third party reinsurer insolvency.

Debtor credit risk is managed through tight credit control by the CAU.

Operational risk

RSA Re is exposed to Operational risks as described for the Group in section C.5.3 in the Group SFCR.

The Master Services Agreement mitigates most of the operational risks. However, RSA Re is exposed to regulatory risk in respect of changes in its operating environment or breaches of regulation/failure to renew licences. For the former, we look to mitigate by monitoring changes in regulation through engagement with local partners and use of AXCO as an industry standard provider of regulatory insight, and then responding accordingly. The latter is controlled through a combination of Group functions and procedures plus a centrally managed licensing register being held by the Network team. Licence renewal dates are diarised.

As there are limited residual risks within RSA Re, the impact of operational risk is minimal, and a detailed sensitivity analysis has not been deemed necessary.

D. Valuation for Solvency Purposes

The statutory accounts values shown in this section are prepared in accordance with IFRS, the accounting standards used for RSA Re's financial statements. All basis of preparation descriptions referring to IFRS in Section D in the Group SFCR apply equally to RSA Re.

For further details of the accounting policies adopted for the purposes of preparing statutory accounts, see the accounting policies section of RSA Re's financial statements.

RSA Re has no retirement benefit obligations, owns no property, has no derivative instruments and has no subordinated debt.

Section D is subject to external audit, with the exception of the text and figures relating to Risk Margin. These are excluded from the scope of external audit as they are derived from the internal model used to calculate RSA Re's Solvency Capital Requirement which is also unaudited. See Appendix 6 for further details of the scope of the external audit.

RSA Re SUK balance sheet

The assets as per the SUK balance sheet at the valuation date are as follows:

	Financial statements note	Financial statements value £'000	Reclass-ification £'000	SUK valuation adjustments £'000	Solvency UK value £'000	Group SFCR section
Deferred tax assets	17	**386**	**-**	**-**	**386**	D.1.1.4
Investments (other than assets held for index-linked and unit-linked contracts)	6	**98,476**	**2,733**	**-**	**101,209**	
Bonds	6	**98,476**	**591**	**-**	**99,067**	D.1.1.9
Deposits other than cash equivalents		**-**	**2,142**	**-**	**2,142**	D.1.1.9
Reinsurance recoverables	10	**376,554**	**-**	**(64,997)**	**311,557**	D.2
Insurance and intermediaries receivables		**-**	**-**	**6,396**	**6,396**	D.1.1.9
Reinsurance receivables		**-**	**-**	**11,816**	**11,816**	
Receivables (trade, not insurance)		**2,142**	**(2,142)**	**-**	**-**	D.1.1.9
Cash and cash equivalents	6	**43**	**-**	**-**	**43**	D.1.1.9
Any other assets, not elsewhere shown		**1,329**	**(592)**	**-**	**737**	D.1.1.9
Total assets		**478,930**	**(1)**	**(46,785)**	**432,144**	
Technical provisions	10	**381,203**	**-**	**(70,113)**	**311,090**	D.2
Insurance & intermediaries payables		**-**	**-**	**15,748**	**15,748**	D.3.1.1
Reinsurance payables		**-**	**-**	**8,503**	**8,503**	D.3.1.1
Payables (trade, not insurance)		**16,074**	**(1)**	**-**	**16,073**	D.3.1.1
Any other liabilities, not elsewhere shown		**-**	**-**	**-**	**-**	D.3.1.1
Total liabilities		**397,277**	**(1)**	**(45,862)**	**351,414**	
Excess of assets over liabilities		**81,653**	**-**	**(923)**	**80,730**	

D.1 Assets

Analysis of deferred tax

An analysis of deferred tax on a SUK basis is detailed below:

Deferred Tax	**Asset £'000**	**Liability £'000**
Deferred tax assets	**386**	**-**

The following are the major deferred tax assets recognised by RSA Re:

	£'000
Net unrealised loss on investments	**1**
Transitional relief on IFRS9 assets	**385**
Net deferred tax position at 31 December	**386**

The utilisation of the Company's net deferred tax asset of £386,000 is largely dependent on the availability of future taxable profits. The evidence for the future taxable profits is a forecast consistent with the three year operational plans prepared by the relevant businesses, which are subject to internal review and challenge by senior management and the Board. Additional assurance is obtained from the recognition of deferred tax for IFRS purposes by the UK group of companies being subject to discussion and challenge by the Audit Committee. Where relevant, the forecast includes extrapolations of the operational plans using assumptions consistent with those in the plans.

No deferred tax has been recognised in respect of £923,000 of SUK adjustments as there is insufficient certainty that adequate future profits will be available.

In addition, the Company has deductible temporary differences of £4,000 for which no deferred tax has been recognised.

The procedure for providing SUK deferred tax figures for the Company utilises a walkthrough bridge from the figures reported on an IFRS basis in the Company’s financial statements. A tax analysis of valuation adjustments made to the statutory accounts balances is performed in arriving at the Solvency UK balance sheet. Where these valuation adjustments give rise to a new temporary difference under IAS 12, the recognition of a deferred tax asset or liability is considered in accordance with IFRS principles and SUK guidance, including an assessment of the availability of future profits in the case of a deferred tax asset.

D.2 Technical provisions

The gross provisions of RSA Re are fully reinsured, so at a net level the company's exposure is close to £nil. For this reason, the statutory account values are small, and the differences seen between the net SUK technical provisions and the IFRS reserves are due to the allowance for reinsurance default and future premium cash inflows within the technical provisions and the associated risk margin. For reasons of proportionality, there is no allowance made for BBNI in the technical provisions for RSA Re.

		SUK Net technical provisions		Statutory	
		Best estimate £'000	Risk margin £'000	accounts value £'000	Difference £'000
Direct business and accepted proportional reinsurance	Motor vehicle liability	**1**	**-**	**-**	**1**
	Other motor	**-**	**-**	**-**	**-**
	Marine, aviation and transport	**(146)**	**4**	**683**	**(825)**
	Fire and other damage to property	**(925)**	**24**	**486**	**(1,387)**
	General liability	**(19)**	**26**	**90**	**(83)**
Accepted non-proportional reinsurance	Non-proportional property RI	**83**	**9**	**-**	**92**
	Non-proportional casualty RI	**462**	**14**	**3,390**	**(2,914)**
Total		**(544)**	**77**	**4,649**	**(5,116)**

Uncertainties and contingencies

The uncertainties and contingencies referred to in Section D.2.3 of the Group SFCR are also applicable to RSA Re.

D.3 Other liabilities

Nothing to report.

D.4 Alternative methods for valuation

There are no material assets and liabilities valued using alternative valuation methods.

E. Capital Management

E.1 Own funds

E.1.1 Objectives, policies, processes and material changes

Section E is subject to external audit, with the exception of any text or figures which are, or derive from, the internally modelled Solvency Capital Requirement. See Appendix 6 for further details of the scope of the external audit.

Information on the Group's capital management is contained in Section E within the Group SFCR.

Analysis of significant changes in own funds

The reconciliation reserve has increased in value during the year predominantly driven by investment income in addition to favourable movements in the available for sale reserve, and valuation of SUK technical provisions.

Tier 3 capital reduced by £446k during the year.

E.1.2 Structure, amount and quality of own funds

Capital composition

The capital structure of RSA Re by tier as at 31 December 2024 is as per the table below.

		2024 **£'000**	2023 £'000
Tier 1 Unrestricted	Equity capital (including Share Premium)	**70,000**	70,000
	Reconciliation reserve	**10,344**	2,499
		80,344	72,499
Tier 3	Net deferred tax asset	**386**	832
	Total Own Funds	**80,730**	73,331

E.1.3 Eligible own funds to cover the SCR

Basic own funds to eligible own funds

A basic own funds to eligible own funds to cover the SCR reconciliation for RSA Re is shown below. No capital is deemed to be non-available to meet the SCR within RSA Re's own funds.

	Basic Own Funds £'000	Availability restrictions £'000	Available Own Funds £'000	Eligibility restrictions £'000	Eligible Own Funds £'000	Eligibility Capacity £'000	Eligibility rule
Tier 1	**80,344**	**-**	**80,344**	**-**	**80,344**		
Tier 3	**386**	**-**	**386**	**-**	**386**	**11,424**	**Tier 2 + Tier 3 up to 50% SCR**
Total	**80,730**	**-**	**80,730**	**-**	**80,730**		
				SCR	**22,849**		
				Surplus	**57,881**		
				SCR Coverage	**353%**		

E.1.4 Eligible own funds to cover the MCR

A basic own funds to eligible own funds to cover the MCR reconciliation for RSA Re is shown below:

	Basic Own Funds £'000	Availability restrictions £'000	Available Own Funds £'000	Eligibility restrictions £'000	Eligible Own Funds £'000	Eligibility Capacity £'000	Eligibility rule
Tier 1	**80,344**	**-**	**80,344**	**-**	**80,344**		
Tier 2	**-**	**-**	**-**	**-**	**-**	**1,142**	**Tier 2 up to 20% of MCR**
Tier 3	**386**	**(386)**	**-**	**-**	**-**		**Ineligible**
Total	**80,730**	**(386)**	**80,344**	**-**	**80,344**		
				MCR	**5,712**		
				Surplus	**74,632**		
				MCR Coverage	**1407%**		

E.1.5 Differences between equity and net assets

Following on from Section D, SUK basic own funds are calculated in the following table:

	£'000
Excess of assets over liabilities (see Section D)	**80,730**
SUK Basic Own Funds	**80,730**

E.2 Solvency capital requirement and minimum capital requirement

E.2.1 SCR and MSCR

At 31 December 2024 RSA Re's SCR was £22,849k and the MCR £5,712k.

Movements in the SCR

The SCR has reduced over the year reflecting settlement of a large claim during the year which was reported in gross TPs at year-end 2023

Movements in the MCR

The MCR is broadly unchanged over the year.

Deferred tax

Deferred tax assets of £386k are included in available own funds.

For details on the availability and eligibility of deferred tax assets, see sections E.1.3 and E.1.4 of the Group SFCR.

E.3 Differences between the standard formula and any Internal Model used

For information regarding the Internal Model refer to section E.3 of the Group SFCR.

E.4 Non-compliance with the MCR and non-compliance with the SCR

RSA Re has been fully compliant with its SCR and MCR during the reporting period.

E.5 Any other information

Nothing to report.

Appendix 4. The Marine Insurance Company Limited Solo SFCR Sections

Summary

The principal activity of the Company is the writing of marine, transport, construction, engineering, renewable energy, casualty and wholesale international property insurance business in the United States.

With effect from 1 January 2012, MIC entered into a 100% quota share agreement with RSAI under which the insurance risk of MIC's business is transferred to RSAI. The company receives a reinsurance commission in relation to the quota share agreement, which is determined by reference to gross premium written.

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

A. Business and Performance

MIC is the Group vehicle for the writing of United States (US) Surplus Lines risks. MIC is registered with the US National Association of Insurance Commissioners (NAIC) as an eligible surplus lines alien insurer. The registration is renewed annually following authorisation by the MIC Board. The actual underwriting is undertaken by London based personnel. In those States where certain classes of non-admitted business such as marine are exempt from the surplus lines regulations the business is written by RSAI, however, there are exceptions considered on a case by case basis where business of this type is written by MIC.

With effect from 1 January 2012, MIC entered into an excess of loss agreement and a quota share arrangement with RSAI under which the insurance risk of MIC's business is transferred to RSAI. The excess of loss reinsurance covers business written pre-2012, while the 100% quota share arrangement has applied to business written since the beginning of 2012. Following the transfer of nearly all of MIC's insurance risk to Mercantile Indemnity Company Ltd on 1 July 2019, the excess of loss reinsurance was commuted on 1 September 2019 and the quota share extended to cover any residual insurance liabilities retained by MIC for business written pre-2012. Therefore 100% of MIC's insurance liabilities are reinsured to RSAI under the quota share from 1 September 2019. MIC received a commission of 2% during the year, in relation to the quota share arrangement which is determined by reference to the gross written premium of the business.

MIC has no direct employees; all services necessary for the above activity being provided by RSAI under a Master Services Agreement and an Internal Model Services Agreement.

Business strategy

MIC has adopted the Group business strategy, our ambition is to build on RSA's strengths to deliver a consistently outperforming underwriting result. We have six key areas of strategic focus to achieve outperformance, of which five are applicable to MIC:

- Leading customer experiences: Customers are at the heart of everything we do. We aim for continuous improvement of experiences and outcomes.
- Expand broker distribution: Through strengthening and deepening our relationships with brokers.
- Optimise underwriting for outperformance: With market leading pricing, underwriting and claims capability.
- Responsive and agile technology and operations: By simplifying business channels and processes to improve our efficiency.
- Look after tomorrow: We seek to be recognised as leaders in building resilient communities and delivering net zero.

Performance information

Section A of this Appendix provides information about the business and performance of MIC, covering in particular the performance from underwriting and investment activities.

Performance figures in Section A of this Appendix have been prepared in accordance with the same accounting standards used for MIC's financial statements.

A.1 Business

A.1.1 Company name & legal form

MIC is a private limited company incorporated in England and Wales.

A.1.2 Supervisory authority

The PRA is the authority responsible for prudential supervision of MIC. The contact details of the PRA are in section A.1.2 in the Group SFCR.

A.1.3 External auditor

MIC's external auditor is Ernst & Young LLP. See section A.1.3 in the Group SFCR for contact details.

A.1.4 Holders of qualifying holdings

The sole shareholder is RSAI.

A.1.5 Position within the Group legal structure

MIC's immediate parent company is RSAI, a company incorporated in England and Wales. MIC's ultimate parent and controlling party is IFC, a company incorporated in Canada.

A.1.6 Material related undertakings

MIC has no subsidiaries. See Appendix 1 for a list of all MIC's branches. No branches are material.

A.1.7 Simplified Group structure

See section A.1.7 in the Group SFCR.

A.1.8 Business lines and geographical areas

MIC's material lines of business and the material geographical areas where it has carried out business during the year are detailed in the table below:

Geographic regions
UK
Lines of business – non-life
Marine, aviation and transport
Fire and other damage to property
General liability

A.1.9 Significant events

Nothing to report.

A.2 Underwriting performance

MIC is the Group vehicle for the writing of US Surplus Lines risks. With effect from 1 January 2012, MIC entered into an excess of loss agreement and a quota share arrangement with RSAI under which the insurance risk of MIC's business is transferred to RSAI. The excess of loss reinsurance covers business written pre-2012, while the 100% quota share arrangement has applied to business written since the beginning of 2012. Following the transfer of nearly all of MIC's insurance risk to Mercantile Indemnity Company Ltd on 1 July 2019, the excess of loss reinsurance was commuted on 1 September 2019 and the quota share extended to cover any residual insurance liabilities retained by MIC for business written pre-2012. Therefore 100% of MIC's insurance liabilities are reinsured to RSAI under the quota share from 1 September 2019. MIC receives a commission of 2% in relation to the quota share arrangement which is determined by reference to the gross written premium of the business.

The underwriting result for the period by material SUK lines of business is shown below and is calculated on the same basis as the MIC underwriting result as shown in the Alternative Performance Measures section of its financial statements. All business is underwritten in the UK.

	Underwriting Result	
	2024	2023
	£'000	£'000
Non-life		
Marine, aviation and transport	**1,919**	7,994
Fire and other damage to property	**683**	1,173
General liability	**(840)**	758
Total	**1,762**	9,925

A.3 Investment performance

The information in this section of the report is taken from the MIC Annual Report and Accounts.

A.3.1 Income and expenses by class

Asset classes shown in this section follow the definitions used in MIC's Annual Report and Accounts which may differ from the definitions used in Section D (Valuation for Solvency Purposes) of this Appendix.

Years ended 31 December	**2024** **£000**	2023 £000
Interest income calculated using the effective interest method:		
Debt securities designated or classified as FVTOCI	**615**	457
Loans and cash and cash equivalents	**1,007**	750
Interest or similar income on securities designated as FVTPL	**18**	-
Investment income	**1,640**	1,207

A.3.2 Gains and losses recognised in equity

Unrealised (losses)/gains on other financial instruments classified as available for sale net of tax are as follows:

For the years ended 31 December	**2024** **Fixed income** **£000**	2023 Fixed income £000
Net gains (losses) from:		
Financial instruments:		
Classified or designated as FVTOCI	**20**	364
Designated as FVTPL	**6**	-
	26	364
Net foreign currency gains (losses)	**296**	(954)
	322	(590)
Recognised in:		
Income statement - net gains (losses) on investment portfolio	**302**	(954)
Statement of comprehensive income	**20**	364
Total gains (losses) on investment portfolio	**322**	(590)

A.3.3 Investments in securitisation

MIC has no exposure to securitised investments.

A.4 Performance of other activities

A.4.1 Other material income & expenses

For details of other material income and expenses, see notes 13,14 and 18 of the MIC financial statements.

A.4.2 Operating and finance leasing arrangements

MIC has no material operating or finance leases.

B. System of Governance

B.1 General information on the System of Governance

MIC's System of Governance

MIC has adopted the RSAI System of Governance as more fully described in Section B in the main body of the report.

Board and committees

As at 31 December 2024, the MIC Board comprised:

Director and Chair	UK&I Chief Finance Officer
Chief Executive Officer (interim)	UK&I Chief Underwriting Officer

The Board is accountable to MIC's ultimate shareholder, IFC, for the creation and delivery of strong sustainable performance and the creation of long-term shareholder value, while having regard to RSA's other stakeholders. The Board meets quarterly and there is an additional meeting to approve Solvency UK submissions. The Board is responsible for organising and directing the affairs of MIC in a manner that will promote the success of MIC and is consistent with good corporate governance practice, ensuring that in carrying out its duties MIC meets legal and regulatory requirements.

The Board approves the corporate budget (known as the "Operational Plan"), and a business plan is submitted to the US NAIC.

The Board oversees the business of MIC. It may exercise all the powers of the company subject to the Articles of Association, the Board's Terms of Reference, relevant laws, and any directions as may be given by shareholder resolution. The directors of MIC have access to the services and advice of the UK&I General Counsel and Company Secretary, Corporate Audit Services, the Compliance Function, the Risk Function, and the Actuarial Function. In addition, directors may take independent professional advice at the expense of MIC in furtherance of their duties.

The Board's Terms of Reference sets out matters which are reserved for MIC's Board and those matters which are reserved to MIC's shareholder, RSAI, for approval.

The RSAI Board Risk Committee and Audit Committee operate on behalf of MIC. The RSAI Board Risk Committee oversees the investment policy and strategy on behalf of MIC, including the operation of the investment portfolios within established strategy and risks frameworks.

The MIC Board remains responsible for MIC's System of Governance.

At the current time, there are no MIC Board level committees.

There is a standing agenda of items for MIC Board meetings, the contents of which are regularly refreshed. All decisions are documented by the Company Secretariat. The Board reviews MIC's financial performance through regular reports, including quarterly capital updates and a quarterly presentation on actual performance against plan and a previous financial year comparison. Board approval of the outsourcing of the Key Governance Functions and other critical functions and important activities, and Board review of the performance of these functions and activities provided by the service provider, are required at least annually.

MIC Board meetings are held in a combined session with the meeting of the RSA Re Board.

Effectiveness of the MIC Board

The Board has implemented an effectiveness review process which is undertaken periodically to ensure that the Board is operating effectively.

Key Governance Functions

All of the Key Governance Functions have been outsourced to RSAI. The MIC Board's Terms of Reference requires it to ensure each Key Governance Function is suitable, effective and proportionate to the nature, scale and complexity of MIC's business.

The MIC Board's Terms of Reference explicitly notes the right of the Heads of the Key Governance Functions to have direct access to the MIC Board at all times and for a private meeting with the directors at least annually.

Remuneration

MIC has adopted the RSAI remuneration framework and aligns to general principles and standards set by RSAI. These are contained in the RSAI Remuneration Policy.

MIC's directors receive no remuneration for their services as directors of this company. They receive remuneration for their services to RSA as a whole.

Changes during 2024

There were no changes to the MIC System of Governance over the 2024 year. For all other changes see section B.1.3 of the Group SFCR.

Shareholder/Board transactions

There are no material transactions to report.

B.2 Fit and proper requirements

The Fitness and Propriety Governance Document and certain HR policies provide a framework for assessment of fitness and propriety of both new and on-going appointees within its scope. The policies apply to the Executive Management, Key Governance Functions, and the directors. RSAI, MIC's service provider, applies the Fitness and Propriety Policy and the relevant HR policies.

See section B.2 within the Group SFCR for details of the Group fitness and propriety requirements.

B.3 Risk management system including the own risk and solvency assessment

MIC has outsourced its risk management system to RSAI, which has adopted the Group's risk management system. See section B.3 within the Group SFCR for details of the Group's Risk Management System.

B.4 Internal control system

MIC has outsourced its internal control system to RSAI, which has adopted the Group Internal Control System. See section B.4 within the Group SFCR for details of the Group's internal control system.

B.5 Internal audit function

See section B.5 within the Group SFCR for details of the Group's Internal Audit function.

This approach is applied to the plans for MIC. CAS provides its audit plans and quarterly updates on progress against plans; the outcomes of its work; and progress against issues to the MIC Board.

B.6 Actuarial function

MIC operates within the same risk appetite and operational control environments as RSAI. The scope of the Actuarial Function is hence covered by RSAI and the Group Actuarial Function documentation.

The Group Actuarial Function Holder is also the Actuarial Function Holder for MIC. On an annual basis, the MIC Actuarial Function Holder produces Actuarial Function reports summarising the key conclusions of the Actuarial Function's work covering MIC and these are presented to the MIC Board.

See section B.6 within the Group SFCR for details of the Group's actuarial function.

B.7 Outsourcing

MIC has no employees and has outsourced all of its operations to its immediate parent company, RSAI. RSAI provides all services to MIC, including the Key Governance Functions and activities deemed critical and important.

B.8 Any other information

Nothing to report.

C. Risk Profile

MIC has outsourced its risk management system to RSAI, which has adopted the Group risk management system.

Material issues are escalated to the MIC Board by management and/or the Risk Function. This information is a combination of data from the UK risk profile and more granular Commercial and Marine risk profiles. The risks are a combination of the relevant Group risks and additional material risks specific to MIC. In this way, the MIC Board is able to oversee and control the activities of its business.

The remainder of this section outlines the key risks applicable to MIC's business. Other risks, for example, investment risk, are managed by RSAI in its capacity as the service provider. For full risk profile details, see Section C in the main body of the report, which sets out the Group's risk profile.

Currency risk

The principal risk to MIC is currency risk as a result of writing direct marine, aviation, transport and renewable energy insurance business in the US which is denominated in foreign currency. This means that a large proportion of the company's assets are held in foreign currency. If the value of Sterling strengthens, then the value of non-Sterling net assets will decline when translated into Sterling.

Credit risk

MIC has credit risk exposure to RSAI, and in the event of the failure of RSAI, the negation of the reinsurance protection and ceded insurance.. The MIC Board pays close attention to the creditworthiness of RSAI and has the option not to extend the quota share agreement.

Operational risk

MIC is exposed to Operational risks as described for the Group in section C.5.3 in the Group SFCR.

The Master Services Agreement combined with the reinsurance arrangement with RSAI mitigate most of the operational risks. However, MIC is exposed to regulatory risk in respect of changes in its operating environment (which it cannot mitigate) or breaches of regulation/failure to renew licences. The latter is controlled through a combination of Group functions. The risk of failing to maintain sufficient regulatory capital or meet US trust fund requirements is controlled through careful monitoring and reporting to the MIC Board.

As there are limited residual risks within MIC, the impact of operational risk is minimal, and a detailed sensitivity analysis has not been deemed necessary.

D. Valuation for Solvency Purposes

The statutory accounts values shown in this section are prepared in accordance with IFRS, the accounting standards used for MIC's Annual Report and Accounts. All basis of preparation descriptions referring to IFRS in Section D in the Group SFCR apply equally to MIC.

MIC has no retirement benefit obligations, owns no property, has no derivative instruments and has no subordinated debt.

Section D is subject to external audit, with the exception of the text and figures relating to Risk Margin. These are excluded from the scope of external audit as they are derived from the internal model used to calculate MIC's Solvency Capital Requirement which is also unaudited. See Appendix 6 for further details of the scope of the external audit.

MIC SUK balance sheet

	Financial statements note	Statutory accounts value	Reclass-ification	SUK valuation adjustments	Solvency UK value	Group SFCR section
		£'000	£'000	£'000	£'000	
Deferred tax assets	16	102	-	-	102	D.1.1.4
Investments (other than assets held for index-linked and unit-linked contracts)	5	39,875	193	-	40,068	
Bonds	5	39,875	193	-	40,068	D.1.1.9
Reinsurance recoverables	9	76,560	-	2,106	78,666	D.2
Insurance and intermediaries receivables		-	-	1,386	1,386	D.1.1.9
Reinsurance receivables		-	-	453	453	
Receivables (trade, not insurance)		65,610	7	-	65,617	D.1.1.9
Cash and cash equivalents	5	94	-	-	94	D.1.1.9
Any other assets, not elsewhere shown	9	200	(200)	-	-	D.1.1.9
Total assets		182,441	-	3,945	186,386	
Technical provisions	8	103,211	-	(10,440)	92,771	D.2
Insurance & intermediaries payables		-	-	42	42	D.3.1.1
Reinsurance payables		-	-	14,116	14,116	D.3.1.1
Any other liabilities, not elsewhere shown		1,758	-	-	1,758	D.3.1.1
Total liabilities		104,969	-	3,718	108,687	
Excess of assets over liabilities		77,472	-	227	77,699	

D.1 Assets

Analysis of deferred tax

An analysis of deferred tax on a SUK basis is detailed below:

Deferred Tax	**Asset £'000**	**Liability £'000**
Deferred tax assets	**102**	**-**

The deferred tax asset relates to unrealised losses on investments.

The utilisation of the Company's net deferred tax asset of £102,000 is largely dependent on the availability of future taxable profits. The evidence for the future taxable profits is a forecast consistent with the three year operational plans prepared by the relevant businesses, which are subject to internal review and challenge by senior management and the Board. Additional assurance is obtained from the recognition of deferred tax for IFRS purposes by the UK group of companies being subject to discussion and challenge by the Audit Committee. Where relevant, the forecast includes extrapolations of the operational plans using assumptions consistent with those in the plans.

No deferred tax has been recognised in respect of £227,000 of SUK adjustments as there is insufficient certainty that adequate future profits will be available.

The procedure for providing SUK deferred tax figures for the Company utilises a walkthrough bridge from the figures reported on an IFRS basis in the Company's Report & Accounts. A tax analysis of valuation adjustments made to the statutory accounts balances is performed in arriving at the Solvency UK balance sheet. Where these valuation adjustments give rise to a new temporary difference under IAS 12, the recognition of a deferred tax asset or liability is considered in accordance with IFRS principles and SUK guidance, including an assessment of the availability of future profits in the case of a deferred tax asset.

D.2 Technical provisions

The gross provisions of MIC are fully reinsured, so at a net level the company’s exposure is close to £nil. For this reason, the statutory account values are small, and the differences seen between the net SUK technical provisions and the IFRS reserves are due to the allowance for reinsurance default and future premium cash inflows within the technical provisions and the associated risk margin. For reasons of proportionality, there is no allowance made for BBNI in the technical provisions for MIC.

		SUK Net technical provisions		**Statutory**	
		Best estimate £'000	**Risk margin £'000**	**accounts value £'000**	**Difference £'000**
Direct business and accepted proportional reinsurance	Marine, aviation and transport	**5,753**	**1**	**15,098**	**(9,344)**
	Fire and other damage to property	**5,649**	**1**	**10,808**	**(5,158)**
	General liability	**2,698**	**3**	**745**	**1,956**
TOTAL		**14,100**	**5**	**26,651**	**(12,546)**

D.3 Other liabilities

Nothing to report.

D.4 Alternative methods for valuation

There are no material assets and liabilities valued using alternative valuation methods.

E. Capital Management

E.1 Own funds

E.1.1 Objectives, policies, processes and material changes

Section E is subject to external audit, with the exception of any text or figures which are, or derive from, the internally modelled Solvency Capital Requirement. See Appendix 6 for further details of the scope of the external audit.

Information on capital management, which is carried out at the Group level, is contained in Section E within the Group SFCR.

Analysis of significant changes in own funds

The reconciliation reserve has increased in value versus year-end 2023 largely driven by a reduction in valuation of SUK technical provisions.

Tier 3 capital is broadly unchanged over the year.

E.1.2 Structure, amount and quality of own funds

Capital composition

The capital structure of MIC by tier as at 31 December 2024 is as per the table below. MIC does not include any subordinated liabilities in its basic own funds.

		2024 £'000	2023 £'000
Tier 1 Unrestricted	Equity capital (including Share Premium)	**22,334**	22,334
	Reconciliation reserve	**55,263**	53,394
		77,597	75,728
Tier 3	Net Deferred tax	**102**	107
	Total Own Funds	**77,699**	75,835

E.1.3 Eligible own funds to cover the SCR

Basic own funds to eligible own funds

A reconciliation from basic own funds to eligible own funds to cover the SCR for MIC is shown below. No capital is deemed to be unavailable to meet the SCR within MIC's own funds.

	Basic Own Funds £'000	Availability restrictions £'000	Available Own Funds £'000	Eligibility restrictions £'000	Eligible Own Funds £'000	Eligibility Capacity £'000	Eligibility rule
Tier 1	**77,597**	**-**	**77,597**	**-**	**77,597**		
Tier 3	**102**	**-**	**102**	**-**	**102**	**4,229**	**Tier 2 + Tier 3 up to 50% of SCR**
Total	**77,699**	**-**	**77,699**	**-**	**77,699**		
				SCR	**8,459**		
				Surplus	**69,240**		
				SCR Coverage	**919%**		

E.1.4 Eligible own funds to cover the MCR

A reconciliation from basic own funds to eligible own funds to cover the MCR for MIC is shown below:

	Basic Own Funds £'000	Availability restrictions £'000	Available Own Funds £'000	Eligibility restrictions £'000	Eligible Own Funds £'000	Eligibility Capacity £'000	Eligibility rule
Tier 1	**77,597**	**-**	**77,597**	**-**	**77,597**		
Tier 3	**102**	**(102)**	**-**	**-**	**-**		**Ineligible**
Total	**77,699**	**(102)**	**77,597**	**-**	**77,597**		
				MCR	**3,500**		
				Surplus	**74,097**		
				MCR Coverage	**2217%**		

E.1.5 Differences between equity and net assets

Following on from Section D, SUK basic own funds are calculated in the following table:

	£'000
Excess of assets over liabilities (see Section D)	**77,699**
SUK Basic Own Funds	**77,699**

E.2 Solvency capital requirement and minimum capital requirement

E.2.1 SCR and MSCR

At 31 December 2024 MIC's SCR was £8,459k and the MCR £3,500k, the absolute floor as defined in Rule 3.2 of the Minimum Capital Requirement Part and Rule 4.2 of the Insurance General Application Part of the PRA Rulebook applicable to SUK firms.

Movements in the SCR

MIC's SCR has increased c£5m over the year, primarily driven by an increase in market and currency risk due to reallocating assets from cash to US bonds.

Movements in the MCR

There were no material movements in the MCR over the period.

Deferred tax

Deferred tax assets of £102k are included in available own funds.

For details on the availability and eligibility of deferred tax assets, see sections E.1.3 and E.1.4 of the Group SFCR.

E.3 Differences between the standard formula and any Internal Model used

For information regarding the Internal Model refer to section E.3 of the Group SFCR.

E.4 Non-compliance with the MCR and non-compliance with the SCR

MIC has been fully compliant with its SCR and MCR during the reporting period.

Further, MIC is subject to NAIC requirements in order to write surplus lines business in the US. Requirements include maintaining a minimum of $50m of shareholders equity on a continuous basis. MIC remained compliant with this requirement throughout the reporting period.

E.5 Any other information

Nothing to report.

Appendix 5. Directors' Statements in respect of the SFCR

RSA Insurance Group Limited and Royal & Sun Alliance Insurance Limited

The directors are responsible for ensuring that RSA Insurance Group Limited (Group) SFCR and relevant content for Royal & Sun Alliance Insurance Limited have been properly prepared in all material respects in accordance with the PRA Rules.

The directors are satisfied that:

- Throughout the financial year to 31 December 2024, RSA Insurance Group Limited and Royal & Sun Alliance Insurance Limited have complied in all material respects with the requirements of the PRA Rules and Solvency II Regulations as applicable to those entities.
- It is reasonable to believe that, in respect of the period from 31 December 2024 to the date of publication of the SFCR, the Group and Royal & Sun Alliance Insurance Limited have continued so to comply with the PRA rules and will continue so to comply for the remainder of the financial year to 31 December 2025.

By order of the Board,

Karim Hirji
Chief Financial Officer

Royal & Sun Alliance Reinsurance Limited and The Marine Insurance Company Limited

The directors are responsible for ensuring that the relevant content of the SFCR has been properly prepared in all material respects in accordance with the PRA Rules.

The directors are satisfied that:

- Throughout the financial year to 31 December 2024, Royal & Sun Alliance Reinsurance Limited and The Marine Insurance Company Limited have complied in all material respects with the requirements of the PRA Rules and Solvency II Regulations as applicable to the insurer.

- It is reasonable to believe that, in respect of the period from 31 December 2024, to the date of publication of the SFCR, Royal & Sun Alliance Reinsurance Limited and The Marine Insurance Company Limited have continued so to comply with the PRA rules and will continue to comply for the remainder of the financial year to 31 December 2025.

By order of the Board,

Karim Hirji
Director

Appendix 6. Ernst & Young Audit Report

Report of the independent external auditor to the Directors of RSA Insurance Group Limited ('the Group') pursuant to Rule 4.1(2) of the External Audit Part of the PRA Rulebook applicable to Solvency II firms

Report on the Audit of the relevant elements of the Group Solvency and Financial Condition Report

Opinion

Except as stated below, we have audited the following documents prepared by **RSA Insurance Group Limited** ('the Group'), comprising of **RSA Insurance Group Limited** and the authorised insurance entities, **Royal & Sun Alliance Insurance Limited ('RSAI')**, **Royal & Sun Alliance Reinsurance Limited ('RSA Re')** and **The Marine Insurance Company Limited ('MIC')** ('the Companies') as at **31 December 2024:**

- The 'Valuation for Solvency Purposes' and 'Capital Management' sections of the Group Solvency and Financial Condition Report of the Group as at **31 December 2024**, including the 'Valuation for Solvency Purposes' and 'Capital Management' sections of the Solo Solvency and Financial Condition Reports of the Companies, presented in Appendices 2, 3 and 4, ('**the Narrative Disclosures subject to audit'**); and
- Group templates IR.02.01.02, IR.22.01.22, IR.23.01.04 and IR.32.01.22 ('**the Group Templates subject to audit'**); and
- Company templates ('**the Company Templates subject to audit'**) of:
  - RSAI: IR.02.01.02, IR.12.01.02, IR.17.01.02, IR.22.01.21, IR.23.01.01 and IR.28.01.01
  - RSA Re: IR.02.01.02, IR.17.01.02, IR.22.01.21, IR.23.01.01 and IR.28.01.01
  - MIC: IR.02.01.02, IR.17.01.02, IR.22.01.21, IR.23.01.01 and IR.28.01.01

The Narrative Disclosures subject to audit and the Group and Company Templates subject to audit are collectively referred to as the **'relevant elements of the Group Solvency and Financial Condition Report'**.

We are not required to audit, nor have we audited, and as a consequence do not express an opinion on the Other Information which comprises:

- Information contained within the relevant elements of the Group Solvency and Financial Condition Report set out above which is, or derives from the Solvency Capital Requirement, as identified in the Appendix to this report;
- The 'Summary', 'Business and Performance', 'System of Governance' and 'Risk Profile' sections of the Group Solvency and Financial Condition Report, including the 'Summary', 'Business and Performance', 'System of Governance' and 'Risk Profile' sections of the Solo Solvency and Financial Condition Reports of the Companies, presented in Appendices 2, 3 and 4;
- Group templates IR.05.01.02, IR.05.04.02 and IR.25.04.22;
- Company templates of RSAI, RSA Re and MIC IR.05.02.01, IR.05.04.02, IR.19.01.21 and IR.25.04.21; and
- The written acknowledgement by management of their responsibilities, including for the preparation of the Group Solvency and Financial Condition Report ('**the Responsibility Statement**').

To the extent the information subject to audit in the relevant elements of the Group Solvency and Financial Condition Report includes amounts that are totals, sub-totals or calculations derived from the Other Information, we have relied without verification on the Other Information.

In our opinion, the information subject to audit in the relevant elements of the Group Solvency and Financial Condition Report of RSA Insurance Group Limited as at 31 December 2024 is prepared, in all material respects, in accordance with the financial reporting provisions of the Prudential Regulation Authority ('PRA') Rules as supplemented by the permissions made by the Prudential Regulation Authority under section 138BA of the Financial Services and Markets Act 2000.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), including *'ISA (UK) 800 (Revised) Special Considerations – Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks'* and *'ISA (UK) 805 (Revised) Special Considerations - Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement'*, and applicable law. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the relevant elements of the Group Solvency and Financial Condition Report* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the relevant elements of the Group Solvency and Financial Condition Report in the UK, including the FRC's Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the relevant elements of the Group Solvency and Financial Condition Report, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the Group Solvency and Financial Condition Report is appropriate. Our evaluation of the Directors' assessment of the Group and Companies' ability to continue to adopt the going concern basis of accounting included:

- We confirmed our understanding of management's going concern assessment process and engaged with management early to ensure all key factors were considered in their assessment.
- We evaluated management's going concern assessment which included assessing their long-term business and strategic plans, liquidity and funding positions. Management also performed stress tests and reverse test scenarios which included principal and emerging risks. We challenged the plausibility of these based on our knowledge and understanding of the Group and Companies, and available external data.
- We assessed management's consideration of how solvency and liquidity has been managed in response to the current economic environment and evaluated management's liquidity and solvency projections, and their associated stress and scenario testing (including reverse stress testing).
- We challenged the key assumptions included within management's going concern assessment related to the performance of the Group and Companies, which were drawn from the Group and Companies' business plans.
- We evaluated the consistency, arithmetical accuracy and reasonableness of the data and assumptions used in management's going concern assessment.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Companies' ability to continue as a going concern for a period of twelve months from when the relevant elements of the Group Solvency and Financial Condition Report are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group and Companies' ability to continue as a going concern.

Emphasis of matter – basis of accounting and restriction on use

We draw attention to the ‘Valuation for Solvency Purposes’, ‘Capital Management’ sections of the Group Solvency and Financial Condition Report, including the ‘Valuation for Solvency Purposes’ and ‘Capital Management’ sections of the Solo Solvency and Financial Condition Reports of the Companies, presented in Appendices 2, 3 and 4, which describe the basis of accounting. The Group Solvency and Financial Condition Report is prepared in compliance with the financial reporting provisions of the PRA Rules, and therefore in accordance with a special purpose financial reporting framework. The Group Solvency and Financial Condition Report is required to be published, and intended users include but are not limited to the Prudential Regulation Authority. As a result, the Group Solvency and Financial Condition Report may not be suitable for another purpose.

This report is made solely to the Directors of the Group in accordance with Rule 2.1 of the External Audit Part of the PRA Rulebook for Solvency II firms. Our work has been undertaken so that we might report to the Directors those matters that we have agreed to state to them in this report and for no other purpose.

Our opinion is not modified in respect of these matters.

Other information

The Directors are responsible for the Other Information contained within the Group Solvency and Financial Condition Report.

Our opinion on the relevant elements of the Group Solvency and Financial Condition Report does not cover the Other Information and we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the relevant elements of the Group Solvency and Financial Condition Report, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the relevant elements of the Group Solvency and Financial Condition Report themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Group Solvency and Financial Condition Report

The Directors are responsible for the preparation of the Group Solvency and Financial Condition Report in accordance with the financial reporting provisions of the PRA Rules which have been supplemented by the permissions made by the Prudential Regulation Authority under section 138BA of the Financial Services and Markets Act 2000.

The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of a Group Solvency and Financial Condition Report that is free from material misstatement, whether due to fraud or error.

In preparing the Group Solvency and Financial Condition Report, the Directors are responsible for assessing the Group and Companies’ ability to continue in operation, disclosing as applicable, matters related to its ability to continue in operation and using the going concern basis of accounting unless the Directors either intend to cease to operate the Group or Companies, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group and Companies’ financial reporting process.

Auditor’s responsibilities for the audit of the relevant elements of the Group Solvency and Financial Condition Report

It is our responsibility to form an independent opinion as to whether the relevant elements of the Group Solvency and Financial Condition Report are prepared, in all material respects, with the financial reporting provisions of the PRA Rules.

Our objectives are to obtain reasonable assurance about whether the relevant elements of the Group Solvency and Financial Condition Report are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decision making or the judgement of the users taken on the basis of the relevant elements of the Group Solvency and Financial Condition Report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.   The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Group and Companies and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and Companies, and determined that the most significant are the regulations, licence conditions and supervisory requirements of the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA), and the Companies Act 2006.
- We understood how the Group and Companies are complying with those frameworks by making inquiries of management, internal audit, and those responsible for legal and compliance matters and reviewing the Group and Companies' governance framework.
- We reviewed correspondence between the Group and Companies, and the PRA and FCA. We attend Audit and Risk Committees.
- We carried out an assessment of matters reported on the Group and Companies' whistleblowing programmes where these related to the financial statements and Group Solvency and Financial Condition Report.
- We assessed the susceptibility of the Group Solvency and Financial Condition Report to material misstatement, including how fraud might occur by considering the controls established to address risks identified to prevent and detect fraud. We also assessed the risk of fraud in key audit matters. Our procedures over our key audit matters and other significant accounting estimates included challenging management on the assumptions and judgements made in determining these estimates.
- We designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved inquiries of legal counsel, executive management, internal audit and reading reports of reviews performed by legal counsel. We also performed procedures to respond to any financial statement and Group Solvency and Financial Condition report impacts of non-compliance with laws and regulations. These procedures were performed centrally by the Group audit team.
- We identified and tested journal entries, including those posted with certain descriptions or unusual characteristics, backdated journals or posted by infrequent and unexpected users.
- The Group and Companies operate in the insurance industry which is a highly regulated environment. As such, the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities, involving specialists where appropriate.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities.This description forms part of our auditor's Report on the Group Solvency and Financial Condition Report.

Other matter – Internal Model

The Group and Companies have authority to calculate the Solvency Capital Requirement using an internal model (''the Model'') previously approved by the Prudential Regulation Authority under the Solvency 2 Regulations 2015 and continuing in force as a permission by virtue of the transitional provisions in the Insurance and Reinsurance Undertakings (Prudential Requirements)

(Transitional Provisions and Consequential Amendments) Regulations 2024. In forming our opinion and in accordance with PRA Rules, we are not required to audit the inputs to, design of, operating effectiveness of and outputs from the Model, or whether the Model is being applied in accordance with the Group and Companies' application or approval order.

Other information

In accordance with Rule 4.1(3) of the External Audit Part of the PRA Rulebook for Solvency II firms, we are also required to consider whether the Other Information is materially inconsistent with our knowledge obtained in the audit of RSA Insurance Group Limited, RSAI, RSA Re and MIC statutory financial statements. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

DocuSigned by:

Ernst & Young LLP

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Ernst & Young LLP

London

4 April 2025

Appendix – Information within the relevant elements of the Group Solvency and Financial Condition Report that are not subject to audit

RSA Insurance Group Limited

Information within the relevant elements of the Group Solvency and Financial Condition Report that is not subject to audit comprises:

- The following elements of Group template IR.02.01.02:
  - Row R0552: Technical provisions — risk margin – total
  - Row R0554: Technical provisions — risk margin – non-life
  - Row R0556: Technical provisions — risk margin – life
  - R0565 - Transitional (TMTP) – life

- The following elements of Group template IR.22.01.22
  - Column C0030 – Impact of transitional on technical provisions
  - Row R0010 – Technical provisions
  - Row R0090 – Solvency Capital Requirement

- The following elements of Group template IR.23.01.04
  - Row R0020: Non-available called but not paid in ordinary share capital at group level
  - Row R0060: Non-available subordinated mutual member accounts at group
  - level
  - Row R0080: Non-available surplus at group level
  - Row R0100: Non-available preference shares at group level
  - Row R0120: Non-available share premium account related to preference shares at group level
  - Row R0150: Non-available subordinated liabilities at group level
  - Row R0170: The amount equal to the value of net deferred tax assets not available at the group level
  - Row R0190: Non-available own funds related to other own funds items approved by supervisory authority
  - Row R0210: Non-available minority interests at group level
  - Row R0270 – Total of non-available own fund items
  - Row R0380: Non-available ancillary own funds at group level
  - Rows R0410 to R0440 – Own funds of other financial sectors
  - Row R0590 – Consolidated Group SCR
  - Row R0670 – SCR for entities included with D&A method
  - Row R0680: Group SCR
  - Row R0740: Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds
    Row R0750: Other non-available own funds

- Elements of the Narrative Disclosures subject to audit identified as ‘unaudited’.

RSAI

Information within the relevant elements of the Group Solvency and Financial Condition Report that is not subject to audit comprises:

- The following elements of template IR.02.01.02:
  - Row R0552: Technical provisions — risk margin – total
  - Row R0554: Technical provisions — risk margin – non-life
  - Row R0556: Technical provisions — risk margin – life
  - R0565 - Transitional (TMTP) – life

- The following elements of template IR.12.01.02:
  - Row R0100: Risk margin
  - Rows R0140 to R0180: Amount of transitional on technical provisions

- The following elements of template IR.17.01.02:
  - Row R0280: Risk margin

- The following elements of template IR.22.01.21:
  - Column C0030: Impact of transitional on technical provisions
  - Row R0010: Technical provisions
  - Row R0090: Solvency Capital Requirement

- The following elements of template IR.23.01.01:
  - Row R0580: SCR
  - Row R0740: Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds

- The following elements of template IR.28.01.01:
  - Row R0310: SCR

- Elements of the Narrative Disclosures subject to audit identified as ‘unaudited’.

RSA Re

Information within the relevant elements of the Group Solvency and Financial Condition Report that is not subject to audit comprises:

- The following elements of template IR.02.01.02:
  - Row R0552: Technical provisions — risk margin – total
  - Row R0554: Technical provisions — risk margin – non-life
  - Row R0556: Technical provisions — risk margin – life
  - R0565 - Transitional (TMTP) – life

- The following elements of template IR.17.01.02:
  - Row R0280: Risk margin

- The following elements of template IR.22.01.21:
  - Column C0030: Impact of transitional on technical provisions
  - Row R0010: Technical provisions
  - Row R0090: Solvency Capital Requirement

- The following elements of template IR.23.01.01:
  - Row R0580: SCR
  - Row R0740: Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds

- The following elements of template IR.28.01.01:
  - Row R0310: SCR

- Elements of the Narrative Disclosures subject to audit identified as ‘unaudited’.

MIC

Information within the relevant elements of the Group Solvency and Financial Condition Report that is not subject to audit comprises:

- The following elements of template IR.02.01.02:
  - Row R0552: Technical provisions — risk margin – total
  - Row R0554: Technical provisions — risk margin – non-life
  - Row R0556: Technical provisions — risk margin – life
  - R0565 - Transitional (TMTP) – life

- The following elements of template IR.17.01.02:
  - Row R0280: Risk margin

- The following elements of template IR.22.01.21:
  - Column C0030: Impact of transitional on technical provisions
  - Row R0010: Technical provisions
  - Row R0090: Solvency Capital Requirement

- The following elements of template IR.23.01.01:
  - Row R0580: SCR
  - Row R0740: Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds

- The following elements of template IR.28.01.01:
  - Row R0310: SCR

Elements of the Narrative Disclosures subject to audit identified as ‘unaudited’.

Appendix 7. Abbreviations and Terms used in this Report

Abbreviation	Description
ADC	Adverse Development Cover
MC	Asset Management Committee
AMSG	Accumulation Management Steering Group
AOF	Ancillary Own Funds
BBNI	Bound But Not Incepted
Belair	Belair Insurance Company Inc
BI	Business Interruption
BRC	Board Risk Committee
CAA	Commissariat aux Assurances
CAS	Corporate Audit Services
CAU	Central Accounting Unit
CBI	Central Bank of Ireland
CCO	Chief Compliance Officer
CEO	Chief Executive Officer
CFO	Chief Financial Officer
The Company	RSA Insurance Group Limited
COO	Chief Operations Officer
COR	Combined Operating Ratio
CRO	Chief Risk Officer
CRRC	Credit Rating Review Committee
DAC	Deferred Acquisition Costs
DB	UK Defined Benefit Pensions Schemes
DSU	Deferred Share Units
DLG	Direct Line Group
DTA	Deferred Tax Asset
EEA	European Economic Area

Abbreviation	Description
EIOPA Valuation Guidelines	EIOPA-BoS-15/113 EN Guidelines on recognition and valuation of assets and liabilities other than technical provisions (to be referred to by UK regulated (re)insurers as required by the Bank of England/PRA Statement of Policy on Interpretation of EU Guidelines and Recommendations: Bank of England and PRA approach after the UK's withdrawal from the EU, updated November 2024)
ENIDs	Events Not In Data
EPIFP	Expected Profit Included in Future Premiums
ERC	Enterprise Risk Committee
ESG	Economic, Social and Governance
EU	European Union
FCA	Financial Conduct Authority
GCR	Governance, Conduct and Remuneration Committee
GHG	Greenhouse gas
GI	General Insurance
the Group	RSAIG, together with its subsidiaries
HMRC	His Majesty's Revenue & Customs
IAS	International Accounting Standards
IBNR	Incurred But Not Yet Reported
IFC	Intact Financial Corporation
IFRS	International Financial Reporting Standards
IMGC	Internal Model Governance Committee
IPCC	Intergovernmental Panel on Climate Change
KRI	Key Risk Indicator
LFRC	Liability For Remaining Coverage
MIC	The Marine Insurance Company Limited
MCR	Minimum Capital Requirement
MSCR	Minimum consolidated group Solvency Capital Requirement
NAIC	National Association of Insurance Commissioners
OCI	Other Comprehensive Income
OpCo	The management committee that assists the Chief Executive Officer in discharging his responsibilities and delegated authority
ORSA	Own Risk and Solvency Assessment
PFAS	Polyfluoroalkyl substances
PIC	Pension Insurance Corporation plc

Abbreviation	Description
PPO	Periodic Payment Orders
PRA	Prudential Regulation Authority
PSU	Performance Share Units
RICS	Royal Institute of Chartered Surveyors
RSA	The Company, together with its subsidiaries
RSA Board	The Boards of RSAI and RSAIG, collectively
RSAI	Royal & Sun Alliance Insurance Limited
RSAIG	RSA Insurance Group Limited
RSAII	RSA Ireland Insurance DAC
RSA Re	Royal & Sun Alliance Reinsurance Limited
RSU	Restricted Share Units
the Schemes	Royal Insurance Group Pension Scheme and the Sal Pension Scheme
SCR	Solvency Capital Requirement
SFCR	Solvency and Financial Condition Report
SII	Solvency II
SLT	Similar to Life Techniques
SMCR	Senior Managers and Certification Regime
SPV	Special Purpose Vehicle
SUK/Solvency UK	Solvency II as applicable in the UK as at 31 December 2024
UK	United Kingdom
UK&I	UK & International
Unifund	Unifund Assurance Company
US	United States

The terms financial statement, income statement, and other comprehensive income used in this report refer to information presented in the RSAIG 2024 Consolidated financial statements and the 2024 Annual Reports and Accounts for RSAI, RSA Re and MIC. These have been prepared according to IFRS (as adopted for use in the UK) for RSAIG, RSAI, RSA Re and MIC. Refer to the relevant the Consolidated financial statements or Annual Report and Accounts for details.

Appendix 8. Reporting Templates

This Appendix contains the following reporting templates:

Entity	Template Reference	Template Name
Group	IR.02.01.02	Group balance sheet
Group	IR.05.02.01	Group premiums, claims & expenses by country
Group	IR.05.04.02	Group non-life income, expenditure and business model analysis
Group	IR.22.01.22	Impact of long term guarantees and transitional measures
Group	IR.23.01.04	Group own funds
Group	IR.25.04.22	Solvency capital requirement - for all firms
Group	IR.32.01.22	Undertakings in the scope of the group
RSAI	IR.02.01.02	Balance sheet
RSAI	IR.05.02.01	Premiums, claims & expenses by country
RSAI	IR.05.04.02	Non-life income, expenditure and business model analysis
RSAI	IR.12.01.02	Life and health SLT technical provisions
RSAI	IR.17.01.02	Non-life technical provisions
RSAI	IR.19.01.21	Non-life insurance claims Information
RSAI	IR.22.01.21	Impact of long term guarantees and transitional measures
RSAI	IR.23.01.01	Own funds
RSAI	IR.25.04.21	Solvency capital requirement - for all firms
RSAI	IR.28.01.01	Minimum capital requirement - only life or only non-life insurance or reinsurance activity
RSA Re	IR.02.01.02	Balance sheet
RSA Re	IR.05.02.01	Premiums, claims & expenses by country
RSA Re	IR.05.04.02	Non-life income, expenditure and business model analysis
RSA Re	IR.17.01.02	Non-life technical provisions
RSA Re	IR.19.01.21	Non-life insurance claims information
RSA Re	IR.22.01.21	Impact of long term guarantees and transitional measures
RSA Re	IR.23.01.01	Own funds
RSA Re	IR.25.04.21	Solvency capital requirement - for all firms
RSA Re	IR.28.01.01	Minimum capital requirement - only life or only non-life insurance or reinsurance activity
MIC	IR.02.01.02	Balance sheet
MIC	IR.05.02.01	Premiums, claims & expenses by country
MIC	IR.05.04.02	Non-life income, expenditure and business model analysis
MIC	IR.17.01.02	Non-life technical provisions
MIC	IR.19.01.21	Non-life insurance claims information
MIC	IR.22.01.21	Impact of long term guarantees and transitional measures
MIC	IR.23.01.01	Own funds
MIC	IR.25.04.21	Solvency capital requirement - for all firms
MIC	IR.28.01.01	Minimum capital requirement - only life or only non-life insurance or reinsurance activity

There is nothing to report for RSA Re or MIC for reporting template IR.12.01.02 (Life and health SLT technical provisions).

All monetary amounts are shown in thousands of pounds (£000's) in all reporting templates.

IR.02.01.02

Balance sheet

		Solvency II value
	Assets	C0010
R0030	Intangible assets	0
R0040	Deferred tax assets	274,962
R0050	Pension benefit surplus	24,979
R0060	Property, plant & equipment held for own use	96,020
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	6,201,263
R0080	*Property (other than for own use)*	317,349
R0090	*Holdings in related undertakings, including participations*	54,432
R0100	*Equities*	453,500
R0110	*Equities - listed*	452,779
R0120	*Equities - unlisted*	721
R0130	*Bonds*	5,123,928
R0140	*Government Bonds*	1,820,605
R0150	*Corporate Bonds*	2,965,285
R0160	*Structured notes*	0
R0170	*Collateralised securities*	338,038
R0180	*Collective Investments Undertakings*	123,659
R0190	*Derivatives*	32,858
R0200	*Deposits other than cash equivalents*	95,537
R0210	*Other investments*	0
R0220	Assets held for index-linked and unit-linked contracts	0
R0230	Loans and mortgages	275,449
R0240	*Loans on policies*	0
R0250	*Loans and mortgages to individuals*	270
R0260	*Other loans and mortgages*	275,179
R0270	Reinsurance recoverables from:	1,090,324
R0280	*Non-life and health similar to non-life*	985,419
R0315	*Life and health similar to life, excluding index-linked and unit-linked*	104,905
R0340	*Life index-linked and unit-linked*	0
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	142,948
R0370	Reinsurance receivables	57,805
R0380	Receivables (trade, not insurance)	38,959
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	109,935
R0420	Any other assets, not elsewhere shown	15,206
R0500	**Total assets**	8,327,850

		Solvency II value
	Liabilities	C0010
R0505	Technical provisions - total	5,493,169
R0510	*Technical provisions - non-life*	5,234,273
R0515	*Technical provisions - life*	258,896
R0542	Best estimate - total	5,315,777
R0544	*Best estimate - non-life*	5,084,754
R0546	*Best estimate - life*	231,023
R0552	Risk margin - total	177,392
R0554	*Risk margin - non-life*	149,519
R0556	*Risk margin - life*	27,873
R0565	Transitional (TMTP) - life	0
R0740	Contingent liabilities	7,358
R0750	Provisions other than technical provisions	38,474
R0760	Pension benefit obligations	11,077
R0770	Deposits from reinsurers	0
R0780	Deferred tax liabilities	3,059
R0790	Derivatives	14,110
R0800	Debts owed to credit institutions	465
R0810	Financial liabilities other than debts owed to credit institutions	0
R0820	Insurance & intermediaries payables	146,662
R0830	Reinsurance payables	25,302
R0840	Payables (trade, not insurance)	333,762
R0850	Subordinated liabilities	127,809
R0860	*Subordinated liabilities not in Basic Own Funds*	8,261
R0870	*Subordinated liabilities in Basic Own Funds*	119,548
R0880	Any other liabilities, not elsewhere shown	240,049
R0900	**Total liabilities**	6,441,296
R1000	**Excess of assets over liabilities**	1,886,554

IR.05.02.01

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

		C0010	C0020	C0030	C0040	C0050	C0060	C0070
		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
R0010			CA	IE	US			
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	Gross - Direct Business	2,357,490	0	275,331	20,054			2,652,874
R0120	Gross - Proportional reinsurance accepted	474,498	1,032,515	0	106,047			1,613,059
R0130	Gross - Non-proportional reinsurance accepted	7	0	0	0			7
R0140	Reinsurers' share	363,918	7,747	17,747	77,277			466,688
R0200	Net	2,468,077	1,024,768	257,584	48,824			3,799,253
	Premiums earned							
R0210	Gross - Direct Business	2,353,419	0	253,956	18,242			2,625,618
R0220	Gross - Proportional reinsurance accepted	615,872	788,613	0	93,954			1,498,439
R0230	Gross - Non-proportional reinsurance accepted	7	0	0	0			7
R0240	Reinsurers' share	369,774	8,296	18,625	104,118			500,812
R0300	Net	2,599,524	780,317	235,332	8,079			3,623,252
	Claims incurred							
R0310	Gross - Direct Business	1,091,386	0	77,020	5,407			1,173,812
R0320	Gross - Proportional reinsurance accepted	386,373	520,476	0	55,531			962,380
R0330	Gross - Non-proportional reinsurance accepted	-7,581	13,936	0	0			6,354
R0340	Reinsurers' share	23,021	28,261	-21,068	-9,801			20,413
R0400	Net	1,447,157	506,151	98,088	70,738			2,122,135
R0550	**Net expenses incurred**	1,085,861	204,649	98,884	8,939			1,398,333

IR.05.02.01

Premiums, claims and expenses by country: Life insurance and reinsurance obligations

		Home Country	Top 5 countries (by amount of gross premiums written) - life obligations					Total Top 5 and home country
		C0150	C0160	C0170	C0180	C0190	C0200	C0210
R1400								
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
	Premiums written							
R1410	Gross	0						0
R1420	Reinsurers' share	0						0
R1500	Net	0						0
	Premiums earned							
R1510	Gross	0						0
R1520	Reinsurers' share	0						0
R1600	Net	0						0
	Claims incurred							
R1610	Gross	13,674						13,674
R1620	Reinsurers' share	3,776						3,776
R1700	Net	9,898						9,898
R1900	**Net expenses incurred**	0						0

IR.05.04.02

Non-life income and expenditure : reporting period

		All business (including annuities stemming from accepted non-life insurance and reinsurance contracts)	All non-life business (ie excluding annuities stemming from accepted insurance and reinsurance contracts)	Non-life insurance and accepted proportional reinsurance obligations									
				Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance - personal lines	Motor vehicle liability insurance - non-personal lines	Motor vehicle other motor insurance - personal lines	Motor vehicle other motor insurance - non-personal lines	Marine, aviation and transport insurance	Fire and other damage to property insurance - personal lines	Fire and other damage to property insurance - non-personal lines
		C0010	C0015	C0110	C0120	C0130	C0140	C0141	C0150	C0151	C0160	C0170	C0180
	Income												
	Premiums written												
R0110	Gross written premiums		4,625,288	0	1,800	0	585,632	206,823	286,338	145,439	273,537	825,740	1,354,512
R0111	Gross written premiums - insurance (direct)		2,911,872	0	1,800	0	99,150	112,884	47,705	93,310	226,164	535,772	965,742
R0113	Gross written premiums - accepted reinsurance		1,713,416	0	0	0	486,483	93,939	238,632	52,129	47,373	289,968	388,770
R0160	Net written premiums		3,987,657	0	1,234	0	578,922	175,514	285,027	145,021	218,342	782,839	992,236
	Premiums earned and provision for unearned												
R0210	Gross earned premiums		4,462,189	0	1,916	0	474,356	175,950	229,258	170,861	267,569	826,923	1,372,826
R0220	Net earned premiums		3,824,891	0	1,293	0	467,649	154,946	227,948	170,505	221,217	783,923	997,803
	Expenditure												
	Claims incurred												
R0610	Gross (undiscounted) claims incurred		2,465,649	0	1,214	0	283,767	70,649	177,197	111,943	105,890	518,061	621,399
R0611	Gross (undiscounted) direct business		1,440,136	0	1,214	0	25,257	-46,416	39,264	57,165	95,554	373,032	372,150
R0612	Gross (undiscounted) reinsurance accepted		1,025,514	0	0	0	258,511	117,064	137,933	54,778	10,336	145,029	249,249
R0690	Net (undiscounted) claims incurred		2,477,799	0	1,216	0	408,641	137,989	196,416	111,809	81,962	527,482	522,841
R0730	Net (discounted) claims incurred	2,149,116	2,139,217										
	Analysis of expenses incurred												
R0910	Technical expenses incurred net of reinsurance ceded	1,428,995											
R0985	Acquisition costs, commissions, claims management costs	1,025,779	1,025,779	0	351	0	138,063	30,415	57,506	8,200	67,603	260,627	228,329
	Other expenditure												
R1140	Other expenses	383,671											
R1310	**Total expenditure**	3,999,599											

IR.05.04.02

Non-life income and expenditure : reporting period

		Non-life insurance and accepted proportional reinsurance obligations								Accepted non-proportional reinsurance				Annuities stemming from non-life insurance contracts	Annuities stemming from non-life accepted reinsurance contracts
		General liability insurance				Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation and transport	Property		
		Employers Liability	Public & products Liability	Professional Indemnity	Other general liability										
		C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0310	C0320	C0330	C0340	C0525	C0545
	Income														
	Premiums written														
R0110	Gross written premiums	113,895	287,115	152,409	103,129	0	5,433	0	283,477	0	0	0	7		
R0111	Gross written premiums - insurance (direct)	90,319	230,571	152,409	80,807	0	5,433	0	269,806						
R0113	Gross written premiums - accepted reinsurance	23,576	56,544	0	22,323	0	0	0	13,672	0	0	0	7		
R0160	Net written premiums	121,916	220,256	132,776	45,116	0	5,433	0	283,017	0	0	0	7		
	Premiums earned and provision for unearned														
R0210	Gross earned premiums	110,970	269,323	153,613	104,251	0	7,083	0	297,283	0	0	0	7		
R0220	Net earned premiums	119,352	200,115	138,005	38,175	0	7,083	0	296,872	0	0	0	6		
	Expenditure														
	Claims incurred														
R0610	Gross (undiscounted) claims incurred	45,898	176,967	71,235	84,583	1,712	2,866	-33	185,538	0	4,304	0	2,460		
R0611	Gross (undiscounted) direct business	56,923	181,844	70,434	45,522	1,712	2,866	-33	163,647						
R0612	Gross (undiscounted) reinsurance accepted	-11,025	-4,877	801	39,061	0	0	0	21,891	0	4,304	0	2,460		
R0690	Net (undiscounted) claims incurred	55,141	139,562	53,828	45,438	1,708	2,866	-33	184,736	0	5,446	0	750		
R0730	Net (discounted) claims incurred													9,898	0
	Analysis of expenses incurred														
R0910	Technical expenses incurred net of reinsurance ceded														
R0985	Acquisition costs, commissions, claims management costs	31,399	53,033	45,961	21,668	0	659	0	81,966	0	0	0	0	0	0
	Other expenditure														
R1140	Other expenses														
R1310	**Total expenditure**														

IR.22.01.22

Impact of long term guarantees measures and transitionals

		Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	C0030	C0050	C0070	C0090
R0010	Technical provisions	5,493,167	0	0	38,848	0
R0020	Basic own funds	1,986,432	0	0	-25,816	0
R0050	Eligible own funds to meet Solvency Capital Requirement	2,143,710	0	0	-25,816	0
R0090	Solvency Capital Requirement	1,214,935	0	0	0	0

IR.23.01.04

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
R0010	Ordinary share capital (gross of own shares)	1,563,287	1,563,287		0	
R0020	*Non-available called but not paid in ordinary share capital at group level*	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
R0060	*Non-available subordinated mutual member accounts at group level*	0		0	0	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		0	0	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		0	0	0
R0130	Reconciliation reserve	28,635	28,635			
R0140	Subordinated liabilities	119,548		0	119,548	0
R0150	*Non-available subordinated liabilities at group level*	0		0	0	0
R0160	An amount equal to the value of net deferred tax assets	274,962				274,962
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	0	0	0	0
R0200	Minority interests (if not reported as part of a specific own fund item)	0	0	0	0	0
R0210	*Non-available minority interests at group level*	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				
R0250	Deductions for participations where there is non-availability of information (Article 229)	0	0	0	0	0
R0260	Deduction for participations included by using D&A when a combination of methods is used	0	0	0	0	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**	1,986,432	1,591,922	0	119,548	274,962
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	250,000			250,000	
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			0	
R0320	Unpaid and uncalled preference shares callable on demand	0			0	0
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0			0	0
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0			0	
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0			0	0
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0			0	
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0			0	0
R0380	Non available ancillary own funds at group level	0			0	0
R0390	Other ancillary own funds	0			0	0
R0400	**Total ancillary own funds**	250,000			250,000	0
	Own funds of other financial sectors					
R0410	Credit Institutions, investment firms, financial institutions, alternative investment fund managers, UCITS management companies	0	0	0	0	
R0420	Institutions for occupational retirement provision	0	0	0	0	0
R0430	Non regulated entities carrying out financial activities	0	0	0	0	
R0440	**Total own funds of other financial sectors**	0	0	0	0	0
	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	0	0	0	0
R0460	Own funds aggregated when using the D&A and combination of method net of IGT	0	0	0	0	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)	2,236,432	1,591,922	0	369,548	274,962
R0530	Total available own funds to meet the minimum consolidated group SCR	1,711,470	1,591,922	0	119,548	
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)	2,143,710	1,591,922	0	369,548	182,240
R0570	Total eligible own funds to meet the minimum consolidated group SCR (group)	1,711,470	1,591,922	0	119,548	
R0590	Consolidated group SCR	1,214,935				
R0610	**Minimum consolidated Group SCR**	608,755				
R0630	**Ratio of Eligible own funds to the consolidated Group SCR (excluding other financial sectors and the undertakings included via D&A)**	176.45%				
R0650	**Ratio of Eligible own funds to Minimum Consolidated Group SCR**	281.14%				
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)**	2,143,710	1,591,922	0	369,548	182,240
R0670	**SCR for entities included with D&A method**	0				
R0680	**Group SCR**	1,214,935				

R0690	**Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A**	176.45%
	Reconcilliation reserve	C0060
R0700	Excess of assets over liabilities	1,886,554
R0710	Own shares (held directly and indirectly)	0
R0720	Forseeable dividends, distributions and charges	0
R0725	Deductions for particpations in financial and credit institutions	0
R0730	Other basic own fund items	1,838,249
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0
R0750	Other non available own funds	19,670
R0760	**Reconciliation reserve**	28,635

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Solvency Capital Requirement

Net of loss absorbing capacity of technical provisions

		C0010
	Market risk	
R0070	Interest rate risk	22,827
R0080	Equity risk	139,083
R0090	Property risk	75,212
R0100	Spread risk	386,898
R0110	Concentration risk	0
R0120	Currency risk	99,023
R0125	Other market risk	0
R0130	Diversification within market risk	-407,044
R0140	**Total Market risk**	315,999
	Counterparty default risk	
R0150	Type 1 exposures	62,541
R0160	Type 2 exposures	0
R0165	Other counterparty risk	0
R0170	Diversification within counterparty default risk	0
R0180	**Total Counterparty default risk**	62,541
	Life underwriting risk	
R0190	Mortality risk	0
R0200	Longevity risk	0
R0210	Disability-Morbidity risk	0
R0220	Life-expense risk	0
R0230	Revision risk	0
R0240	Lapse risk	0
R0250	Life catastrophe risk	0
R0255	Other life underwriting risk	0
R0260	Diversification within life underwriting risk	0
R0270	**Total Life underwriting risk**	0
	Health underwriting risk	
R0280	Health SLT risk	0
R0290	Health non SLT risk	0
R0300	Health catastrophe risk	0
R0305	Other health underwriting risk	0
R0310	Diversification within health underwriting risk	0
R0320	**Total Health underwriting risk**	0
	Non-life underwriting risk	
R0330	Non-life premium and reserve risk (ex catastrophe risk)	850,232
R0340	Non-life catastrophe risk	701,732
R0350	Lapse risk	0
R0355	Other non-life underwriting risk	0
R0360	Diversification within non-life underwriting risk	0
R0370	**Total Non-life underwriting risk**	1,551,964
R0400	**Intangible asset risk**	0
	Operational and other risks	
R0422	Operational risk	152,411
R0424	Other risks	312,120
R0430	**Total Operational and other risks**	464,531
R0432	**Total before all diversification**	2,802,079
R0434	Total before diversification between risk modules	2,395,035
R0436	Diversification between risk modules	-1,180,100
R0438	**Total after diversification**	1,214,935
R0440	Loss absorbing capacity of technical provisions	0
R0450	Loss absorbing capacity of deferred tax	0
R0455	Other adjustments	0
R0460	**Solvency capital requirement including undisclosed capital add-on**	1,214,935
R0472	Disclosed capital add-on - excluding residual model limitation	0
R0474	Disclosed capital add-on - residual model limitation	0
R0480	**Solvency capital requirement including capital add-on**	1,214,935
R0490	Biting interest rate scenario	Decrease
R0495	Biting life lapse scenario	
	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	
R0555	Solvency capital requirement (consolidation method)	1,214,935
R0560	SCR for undertakings included via D and A	0
R0565	SCR for sub-groups included via D and A	0
R0570	**Solvency capital requirement**	1,214,935

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Undertakings in the scope of the group

Row	Country	Identification code and type of code of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/ non mutual)	Supervisory Authority
	C0010	C0020	C0040	C0050	C0060	C0070	C0080
1	IE	LEI/2138003HL1YHLUM7ZI84	123 Money Limited	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	0
2	GB	SC/213800ANK59AYB612F23 GB10035	Alliance Assurance Company Limited	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	0
3	IE	LEI/6354002QMLYRFBNBZO30	Benchmark Underwriting Limited	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	0
4	GB	SC/213800ANK59AYB612F23GB10046	Centrium Management Company Limited	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	0
5	IE	SC/213800ANK59AYB612F23IE10052	EGI Holdings Limited	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	0
6	GG	LEI/213800GEYZIFG43S8671	Insurance Corporation of the Channel Islands Limited	Non life insurance undertaking	Company limited by shares or by guarantee or unlimited	Non-mutual	Guernsey Financial Services Commission
7	GG	LEI/213800UBK38YDFB2WZ49	Insurance Corporation Service Company Limited	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	0
8	GB	SC/213800ANK59AYB612F23GB10089	Non-Destructive Testers Limited	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	0
9	GB	LEI/213800Q93FUZEKDNTD30	Polaris U.K. Limited	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	0
10	GB	LEI/8945007F5218LZ1NQS70	Punchbowl Park Management Limited	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	0
11	GB	SC/549300HOGQ7E0TY86138GB10007	Royal & Sun Alliance Pension Trustee Limited	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	0
12	GB	SC/213800ANK59AYB612F23GB10112	Royal & Sun Alliance Property Services Limited	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	0
13	GB	LEI/213800TWB86O896DND08	Royal & Sun Alliance Reinsurance Limited	Non life insurance undertaking	Company limited by shares or by guarantee or unlimited	Non-mutual	Prudential Regulation Authority
14	GB	SC/213800ANK59AYB612F23GB10120	Royal Insurance (U.K.) Limited	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	0
15	GB	SC/213800ANK59AYB612F23GB10014	Royal Insurance Operational Services (U.K.) Limited	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	0
16	GB	LEI/213800DXUS819BNLJN46	Royal International Insurance Holdings Limited	Insurance holding company as defined in the Glossary part of the PRA Rulebook	Company limited by shares or by guarantee or unlimited	Non-mutual	0
17	GB	SC/213800ANK59AYB612F23GB10126	Roysun Limited	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	0
18	GB	SC/549300HOGQ7E0TY86138GB10127	RSA Accident Repairs Limited	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	0
19	IN	LEI/213800RZ51278S7GQ681	RSA Actuarial Services (India) Private Limited	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	0
20	GB	SC/213800ANK59AYB612F23GB10008	RSA Finance	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	0
21	IM	SC/213800ANK59AYB612F23IM10140	RSA Isle of Man No.1 Limited	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	0
22	GB	SC/213800ANK59AYB612F23GB10141	RSA Law Limited	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	0
23	GB	SC/213800ANK59AYB612F23GB10142	RSA Northern Ireland Insurance Limited	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	0

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Undertakings in the scope of the group

					Criteria of influence						
	Country	Identification code and type of code of the undertaking	Legal Name of the undertaking	Type of undertaking	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation
Row	C0010	C0020	C0040	C0050	C0180	C0190	C0200	C0210	C0220	C0230
1	IE	LEI/2138003HL1YHLUM7ZI84	123 Money Limited	Other	100.00%	100.00%	100.00%	0	Dominant	100.00%
2	GB	SC/213800ANK59AYB612F23 GB10035	Alliance Assurance Company Limited	Other	100.00%	100.00%	100.00%	0	Dominant	100.00%
3	IE	LEI/6354002QMLYRFBNBZO30	Benchmark Underwriting Limited	Other	100.00%	100.00%	100.00%	0	Dominant	100.00%
4	GB	SC/213800ANK59AYB612F23GB10046	Centrium Management Company Limited	Other	31.45%	31.45%	31.45%	0	Significant	31.45%
5	IE	SC/213800ANK59AYB612F23IE10052	EGI Holdings Limited	Other	100.00%	100.00%	100.00%	0	Dominant	100.00%
6	GG	LEI/213800GEYZIFG43S8671	Insurance Corporation of the Channel Islands Limited	Non life insurance undertaking	100.00%	100.00%	100.00%	0	Dominant	100.00%
7	GG	LEI/213800UBK38YDFB2WZ49	Insurance Corporation Service Company Limited	Other	100.00%	100.00%	100.00%	0	Dominant	100.00%
8	GB	SC/213800ANK59AYB612F23GB10089	Non-Destructive Testers Limited	Other	100.00%	100.00%	100.00%	0	Dominant	100.00%
9	GB	LEI/213800Q93FUZEKDNTD30	Polaris U.K. Limited	Other	25.38%	25.38%	25.38%	0	Significant	25.38%
10	GB	LEI/8945007F5218LZ1NQS70	Punchbowl Park Management Limited	Other	65.09%	65.09%	65.09%	No ability to control activities of investee	Significant	65.09%
11	GB	SC/549300HOGQ7E0TY86138GB10007	Royal & Sun Alliance Pension Trustee Limited	Other	100.00%	100.00%	100.00%	0	Dominant	100.00%
12	GB	SC/213800ANK59AYB612F23GB10112	Royal & Sun Alliance Property Services Limited	Other	100.00%	100.00%	100.00%	0	Dominant	100.00%
13	GB	LEI/213800TWB86O896DND08	Royal & Sun Alliance Reinsurance Limited	Non life insurance undertaking	100.00%	100.00%	100.00%	0	Dominant	100.00%
14	GB	SC/213800ANK59AYB612F23GB10120	Royal Insurance (U.K.) Limited	Other	100.00%	100.00%	100.00%	0	Dominant	100.00%
15	GB	SC/213800ANK59AYB612F23GB10014	Royal Insurance Operational Services (U.K.) Limited	Other	100.00%	100.00%	100.00%	0	Dominant	100.00%
16	GB	LEI/213800DXUS819BNLJN46	Royal International Insurance Holdings Limited	Insurance holding company as defined in the Glossary part of the PRA Rulebook	100.00%	100.00%	100.00%	0	Dominant	100.00%
17	GB	SC/213800ANK59AYB612F23GB10126	Roysun Limited	Other	100.00%	100.00%	100.00%	0	Dominant	100.00%
18	GB	SC/549300HOGQ7E0TY86138GB10127	RSA Accident Repairs Limited	Other	100.00%	100.00%	100.00%	0	Dominant	100.00%
19	IN	LEI/213800RZ51278S7GQ681	RSA Actuarial Services (India) Private Limited	Other	100.00%	100.00%	100.00%	0	Dominant	100.00%
20	GB	SC/213800ANK59AYB612F23GB10008	RSA Finance	Other	100.00%	100.00%	100.00%	0	Dominant	100.00%
21	IM	SC/213800ANK59AYB612F23IM10140	RSA Isle of Man No.1 Limited	Other	100.00%	100.00%	100.00%	0	Dominant	100.00%
22	GB	SC/213800ANK59AYB612F23GB10141	RSA Law Limited	Other	100.00%	100.00%	100.00%	0	Dominant	100.00%
23	GB	SC/213800ANK59AYB612F23GB10142	RSA Northern Ireland Insurance Limited	Other	100.00%	100.00%	100.00%	0	Dominant	100.00%

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Undertakings in the scope of the group

Row	Country	Identification code and type of code of the undertaking	Legal Name of the undertaking	Type of undertaking	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
	C0010	C0020	C0040	C0050	C0240	C0250	C0260
1	IE	LEI/2138003HL1YHLUM7ZI84	123 Money Limited	Other	Included in the scope		Method 1: Adjusted equity method
2	GB	SC/213800ANK59AYB612F23 GB10035	Alliance Assurance Company Limited	Other	Included in the scope		Method 1: Adjusted equity method
3	IE	LEI/6354002QMLYRFBNBZO30	Benchmark Underwriting Limited	Other	Included in the scope		Method 1: Adjusted equity method
4	GB	SC/213800ANK59AYB612F23GB10046	Centrium Management Company Limited	Other	Included in the scope		Method 1: Adjusted Equity Method
5	IE	SC/213800ANK59AYB612F23IE10052	EGI Holdings Limited	Other	Included in the scope		Method 1: Adjusted equity method
6	GG	LEI/213800GEYZIFG43S8671	Insurance Corporation of the Channel Islands Limited	Non life insurance undertaking	Included in the scope		Method 1: Full consolidation
7	GG	LEI/213800UBK38YDFB2WZ49	Insurance Corporation Service Company Limited	Other	Included in the scope		Method 1: Adjusted equity method
8	GB	SC/213800ANK59AYB612F23GB10089	Non-Destructive Testers Limited	Other	Included in the scope		Method 1: Adjusted equity method
9	GB	LEI/213800Q93FUZEKDNTD30	Polaris U.K. Limited	Other	Included in the scope		Method 1: Adjusted Equity Method
10	GB	LEI/8945007F5218LZ1NQS70	Punchbowl Park Management Limited	Other	Included in the scope		Method 1: Adjusted equity method
11	GB	SC/549300HOGQ7E0TY86138GB10007	Royal & Sun Alliance Pension Trustee Limited	Other	Included in the scope		Method 1: Adjusted equity method
12	GB	SC/213800ANK59AYB612F23GB10112	Royal & Sun Alliance Property Services Limited	Other	Included in the scope		Method 1: Adjusted equity method
13	GB	LEI/213800TWB86O896DND08	Royal & Sun Alliance Reinsurance Limited	Non life insurance undertaking	Included in the scope		Method 1: Full consolidation
14	GB	SC/213800ANK59AYB612F23GB10120	Royal Insurance (U.K.) Limited	Other	Included in the scope		Method 1: Adjusted equity method
15	GB	SC/213800ANK59AYB612F23GB10014	Royal Insurance Operational Services (U.K.) Limited	Other	Included in the scope		Method 1: Adjusted equity method
16	GB	LEI/213800DXUS819BNLJN46	Royal International Insurance Holdings Limited	Insurance holding company as defined in the Glossary part of the PRA Rulebook	Included in the scope		Method 1: Full consolidation
17	GB	SC/213800ANK59AYB612F23GB10126	Roysun Limited	Other	Included in the scope		Method 1: Adjusted equity method
18	GB	SC/549300HOGQ7E0TY86138GB10127	RSA Accident Repairs Limited	Other	Included in the scope		Method 1: Adjusted equity method
19	IN	LEI/213800RZ51278S7GQ681	RSA Actuarial Services (India) Private Limited	Other	Included in the scope		Method 1: Adjusted equity method
20	GB	SC/213800ANK59AYB612F23GB10008	RSA Finance	Other	Included in the scope		Method 1: Adjusted equity method
21	IM	SC/213800ANK59AYB612F23IM10140	RSA Isle of Man No.1 Limited	Other	Included in the scope		Method 1: Adjusted equity method
22	GB	SC/213800ANK59AYB612F23GB10141	RSA Law Limited	Other	Included in the scope		Method 1: Adjusted equity method
23	GB	SC/213800ANK59AYB612F23GB10142	RSA Northern Ireland Insurance Limited	Other	Included in the scope		Method 1: Adjusted equity method

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Undertakings in the scope of the group

Row	Country	Identification code and type of code of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/ non mutual)	Supervisory Authority
	C0010	C0020	C0040	C0050	C0060	C0070	C0080
24	GB	SC/549300HOGQ7E0TY86138GB10010	Sal Pension Fund Limited	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	0
25	GB	SC/213800ANK59AYB612F23GB10157	Sun Alliance Insurance Overseas Limited	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	0
26	GB	SC/549300HOGQ7E0TY86138GB10160	Sun Alliance Mortgage Company Limited	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	0
27	GB	SC/213800ANK59AYB612F23GB10161	Sun Insurance Office Limited	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	0
28	GB	LEI/213800XEBBP59GJ7RB65	The Globe Insurance Company Limited	Insurance holding company as defined in the Glossary part of the PRA Rulebook	Company limited by shares or by guarantee or unlimited	Non-mutual	0
29	GB	SC/213800ANK59AYB612F23GB10164	The London Assurance	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	0
30	GB	LEI/213800ZPIJG2HWOKGX70	The Marine Insurance Company Limited	Non life insurance undertaking	Company limited by shares or by guarantee or unlimited	Non-mutual	Prudential Regulation Authority
31	IM	LEI/213800GQHZOG5CX23H28	Tower Insurance Company Limited	Non life insurance undertaking	Company limited by shares or by guarantee or unlimited	Non-mutual	Isle of Man Financial Services Authority
32	GB	SC/213800ANK59AYB612F23GB10176	Westgate Properties Limited	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	0
33	IE	LEI/635400PUDJ8XTX9SFW67	RSA Insurance Ireland DAC	Non life insurance undertaking	Company limited by shares or by guarantee or unlimited	Non-mutual	Central Bank of Ireland
34	IE	SC/2138007UK3VNVV5JQW88IE00001	RSA Overseas Holdings (No. 2) Unlimited Company	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	0
35	IE	SC/213800XEBBP59GJ7RB65GB10012	RSA Overseas Holdings (No 1) Unlimited Company	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	0
36	GB	SC/549300HOGQ7E0TY86138GB00003	Royal Insurance Holdings Limited	Insurance holding company as defined in the Glossary part of the PRA Rulebook	Company limited by shares or by guarantee or unlimited	Non-mutual	0
37	LU	LEI/213800PT2YLSYDVYLA41	RSA Luxembourg S.A.	Non life insurance undertaking	Company limited by shares or by guarantee or unlimited	Non-mutual	Commissariat aux Assurances
38	GB	SC/549300HOGQ7E0TY86138GB00004	R&SA Marketing Services Limited	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	0
39	GB	SC/213800ANK59AYB612F23GB00014	Sun Alliance and London Insurance Limited	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	0
40	GB	LEI/213800ANK59AYB612F23	Royal & Sun Alliance Insurance Limited	Non life insurance undertaking	Company limited by shares or by guarantee or unlimited	Non-mutual	Prudential Regulation Authority
41	GB	LEI/549300HOGQ7E0TY86138	RSA Insurance Group Limited	Insurance holding company as defined in the Glossary part of the PRA Rulebook	Company limited by shares or by guarantee or unlimited	Non-mutual	0
42	GB	SC/213800DXUS819BNLJN46GB00001	Regent Subco Limited	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	0
43	GB	SC/213800ANK59AYB612F23GB10059	UK Investment Management Limited	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	0
44	GB	SC/213800ANK59AYB612F23GB00003	Emersons Green Management Company Limited	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	0
45	BR	SC/213800ANK59AYB612F23BR10110	Royal & Sun Alliance Insurance Limited - Escritório de Representação no Brasil Ltda	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	0
46	GB	LEI/8945007ETYXPC0DWFO78	Hempton Court Manco Limited	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	0

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Undertakings in the scope of the group

					Criteria of influence					
	Country	Identification code and type of code of the undertaking	Legal Name of the undertaking	Type of undertaking	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation
Row	C0010	C0020	C0040	C0050	C0180	C0190	C0200	C0210	C0220	C0230
24	GB	SC/549300HOGQ7E0TY86138GB10010	Sal Pension Fund Limited	Other	100.00%	100.00%	100.00%	0	Dominant	100.00%
25	GB	SC/213800ANK59AYB612F23GB10157	Sun Alliance Insurance Overseas Limited	Other	100.00%	100.00%	100.00%	0	Dominant	100.00%
26	GB	SC/549300HOGQ7E0TY86138GB10160	Sun Alliance Mortgage Company Limited	Other	100.00%	100.00%	100.00%	0	Dominant	100.00%
27	GB	SC/213800ANK59AYB612F23GB10161	Sun Insurance Office Limited	Other	100.00%	100.00%	100.00%	0	Dominant	100.00%
28	GB	LEI/213800XEBBP59GJ7RB65	The Globe Insurance Company Limited	Insurance holding company as defined in the Glossary part of the PRA Rulebook	100.00%	100.00%	100.00%	0	Dominant	100.00%
29	GB	SC/213800ANK59AYB612F23GB10164	The London Assurance	Other	100.00%	100.00%	100.00%	0	Dominant	100.00%
30	GB	LEI/213800ZPIJG2HWOKGX70	The Marine Insurance Company Limited	Non life insurance undertaking	100.00%	100.00%	100.00%	0	Dominant	100.00%
31	IM	LEI/213800GQHZOG5CX23H28	Tower Insurance Company Limited	Non life insurance undertaking	100.00%	100.00%	100.00%	0	Dominant	100.00%
32	GB	SC/213800ANK59AYB612F23GB10176	Westgate Properties Limited	Other	100.00%	100.00%	100.00%	0	Dominant	100.00%
33	IE	LEI/635400PUDJ8XTX9SFW67	RSA Insurance Ireland DAC	Non life insurance undertaking	100.00%	100.00%	100.00%	0	Dominant	100.00%
34	IE	SC/2138007UK3VNVV5JQW88IE00001	RSA Overseas Holdings (No. 2) Unlimited Company	Other	100.00%	100.00%	100.00%	0	Dominant	100.00%
35	IE	SC/213800XEBBP59GJ7RB65GB10012	RSA Overseas Holdings (No 1) Unlimited Company	Other	100.00%	100.00%	100.00%	0	Dominant	100.00%
36	GB	SC/549300HOGQ7E0TY86138GB00003	Royal Insurance Holdings Limited	Insurance holding company as defined in the Glossary part of the PRA Rulebook	100.00%	100.00%	100.00%	0	Dominant	100.00%
37	LU	LEI/213800PT2YLSYDVYLA41	RSA Luxembourg S.A.	Non life insurance undertaking	100.00%	100.00%	100.00%	0	Dominant	100.00%
38	GB	SC/549300HOGQ7E0TY86138GB00004	R&SA Marketing Services Limited	Other	100.00%	100.00%	100.00%	0	Dominant	100.00%
39	GB	SC/213800ANK59AYB612F23GB00014	Sun Alliance and London Insurance Limited	Other	100.00%	100.00%	100.00%	0	Dominant	100.00%
40	GB	LEI/213800ANK59AYB612F23	Royal & Sun Alliance Insurance Limited	Non life insurance undertaking	81.96%	100.00%	100.00%	0	Dominant	100.00%
41	GB	LEI/549300HOGQ7E0TY86138	RSA Insurance Group Limited	Insurance holding company as defined in the Glossary part of the PRA Rulebook						
42	GB	SC/213800DXUS819BNLJN46GB00001	Regent Subco Limited	Other	100.00%	100.00%	100.00%	0	Dominant	100.00%
43	GB	SC/213800ANK59AYB612F23GB10059	UK Investment Management Limited	Other	100.00%	100.00%	100.00%	0	Dominant	100.00%
44	GB	SC/213800ANK59AYB612F23GB00003	Emersons Green Management Company Limited	Other	33.00%	33.00%	33.00%	0	Significant	33.00%
45	BR	SC/213800ANK59AYB612F23BR10110	Royal & Sun Alliance Insurance Limited - Escritório de Representação no Brasil Ltda	Other	100.00%	100.00%	100.00%	0	Dominant	100.00%
46	GB	LEI/8945007ETYXPC0DWFO78	Hempton Court Manco Limited	Other	62.50%	62.50%	62.50%	No ability to control activities of investee	Significant	62.50%

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Undertakings in the scope of the group

					Inclusion in the scope of Group supervision		Group solvency calculation
	Country	Identification code and type of code of the undertaking	Legal Name of the undertaking	Type of undertaking	YES/NO	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
Row	C0010	C0020	C0040	C0050	C0240	C0250	C0260
24	GB	SC/549300HOGQ7E0TY86138GB10010	Sal Pension Fund Limited	Other	Included in the scope		Method 1: Adjusted equity method
25	GB	SC/213800ANK59AYB612F23GB10157	Sun Alliance Insurance Overseas Limited	Other	Included in the scope		Method 1: Adjusted equity method
26	GB	SC/549300HOGQ7E0TY86138GB10160	Sun Alliance Mortgage Company Limited	Other	Included in the scope		Method 1: Adjusted equity method
27	GB	SC/213800ANK59AYB612F23GB10161	Sun Insurance Office Limited	Other	Included in the scope		Method 1: Adjusted equity method
28	GB	LEI/213800XEBBP59GJ7RB65	The Globe Insurance Company Limited	Insurance holding company as defined in the Glossary part of the PRA Rulebook	Included in the scope		Method 1: Full consolidation
29	GB	SC/213800ANK59AYB612F23GB10164	The London Assurance	Other	Included in the scope		Method 1: Adjusted equity method
30	GB	LEI/213800ZPIJG2HWOKGX70	The Marine Insurance Company Limited	Non life insurance undertaking	Included in the scope		Method 1: Full consolidation
31	IM	LEI/213800GQHZOG5CX23H28	Tower Insurance Company Limited	Non life insurance undertaking	Included in the scope		Method 1: Full consolidation
32	GB	SC/213800ANK59AYB612F23GB10176	Westgate Properties Limited	Other	Included in the scope		Method 1: Adjusted equity method
33	IE	LEI/635400PUDJ8XTX9SFW67	RSA Insurance Ireland DAC	Non life insurance undertaking	Included in the scope		Method 1: Full consolidation
34	IE	SC/2138007UK3VNVV5JQW88IE00001	RSA Overseas Holdings (No. 2) Unlimited Company	Other	Included in the scope		Method 1: Adjusted equity method
35	IE	SC/213800XEBBP59GJ7RB65GB10012	RSA Overseas Holdings (No 1) Unlimited Company	Other	Included in the scope		Method 1: Adjusted equity method
36	GB	SC/549300HOGQ7E0TY86138GB00003	Royal Insurance Holdings Limited	Insurance holding company as defined in the Glossary part of the PRA Rulebook	Included in the scope		Method 1: Full consolidation
37	LU	LEI/213800PT2YLSYDVYLA41	RSA Luxembourg S.A.	Non life insurance undertaking	Included in the scope		Method 1: Full consolidation
38	GB	SC/549300HOGQ7E0TY86138GB00004	R&SA Marketing Services Limited	Other	Included in the scope		Method 1: Adjusted equity method
39	GB	SC/213800ANK59AYB612F23GB00014	Sun Alliance and London Insurance Limited	Other	Included in the scope		Method 1: Adjusted equity method
40	GB	LEI/213800ANK59AYB612F23	Royal & Sun Alliance Insurance Limited	Non life insurance undertaking	Included in the scope		Method 1: Full consolidation
41	GB	LEI/549300HOGQ7E0TY86138	RSA Insurance Group Limited	Insurance holding company as defined in the Glossary part of the PRA Rulebook	Included in the scope		Method 1: Full consolidation
42	GB	SC/213800DXUS819BNLJN46GB00001	Regent Subco Limited	Other	Included in the scope		Method 1: Adjusted equity method
43	GB	SC/213800ANK59AYB612F23GB10059	UK Investment Management Limited	Other	Included in the scope		Method 1: Adjusted equity method
44	GB	SC/213800ANK59AYB612F23GB00003	Emersons Green Management Company Limited	Other	Included in the scope		Method 1: Adjusted Equity Method
45	BR	SC/213800ANK59AYB612F23BR10110	Royal & Sun Alliance Insurance Limited - Escritório de Representação no Brasil Ltda	Other	Included in the scope		Method 1: Adjusted equity method
46	GB	LEI/8945007ETYXPC0DWFO78	Hempton Court Manco Limited	Other	Included in the scope		Method 1: Adjusted equity method

IR.32.01.22

Undertakings in the scope of the group

	Country	Identification code and type of code of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/ non mutual)	Supervisory Authority
Row	C0010	C0020	C0040	C0050	C0060	C0070	C0080
47	IE	LEI/635400BFCWZIQOMIJB05	RSA Broker Motor Insurance Ireland Limited	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	0

IR.32.01.22

Undertakings in the scope of the group

					Criteria of influence					
	Country	Identification code and type of code of the undertaking	Legal Name of the undertaking	Type of undertaking	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation
Row	C0010	C0020	C0040	C0050	C0180	C0190	C0200	C0210	C0220	C0230
47	IE	LEI/635400BFCWZIQOMIJB05	RSA Broker Motor Insurance Ireland Limited	Other	100.00%	100.00%	100.00%	0	Dominant	100.00%

IR.32.01.22

Undertakings in the scope of the group

					Inclusion in the scope of Group supervision		Group solvency calculation
	Country	Identification code and type of code of the undertaking	Legal Name of the undertaking	Type of undertaking	YES/NO	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
Row	C0010	C0020	C0040	C0050	C0240	C0250	C0260
47	IE	LEI/635400BFCWZIQOMIJB05	RSA Broker Motor Insurance Ireland Limited	Other	Included in the scope		Method 1: Adjusted equity method

IR.02.01.02

Balance sheet

		Solvency II value
	Assets	C0010
R0030	Intangible assets	0
R0040	Deferred tax assets	263,628
R0050	Pension benefit surplus	4,406
R0060	Property, plant & equipment held for own use	77,287
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	6,401,947
R0080	*Property (other than for own use)*	314,237
R0090	*Holdings in related undertakings, including participations*	934,012
R0100	*Equities*	453,500
R0110	*Equities - listed*	452,779
R0120	*Equities - unlisted*	721
R0130	*Bonds*	4,519,476
R0140	*Government Bonds*	1,597,118
R0150	*Corporate Bonds*	2,619,803
R0160	*Structured notes*	0
R0170	*Collateralised securities*	302,555
R0180	*Collective Investments Undertakings*	94,991
R0190	*Derivatives*	32,858
R0200	*Deposits other than cash equivalents*	52,873
R0210	*Other investments*	0
R0220	Assets held for index-linked and unit-linked contracts	0
R0230	Loans and mortgages	277,577
R0240	*Loans on policies*	0
R0250	*Loans and mortgages to individuals*	270
R0260	*Other loans and mortgages*	277,307
R0270	Reinsurance recoverables from:	920,708
R0280	*Non-life and health similar to non-life*	826,146
R0315	*Life and health similar to life, excluding index-linked and unit-linked*	94,562
R0340	*Life index-linked and unit-linked*	0
R0350	Deposits to cedants	26,884
R0360	Insurance and intermediaries receivables	141,079
R0370	Reinsurance receivables	39,917
R0380	Receivables (trade, not insurance)	149,489
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	86,738
R0420	Any other assets, not elsewhere shown	14,697
R0500	**Total assets**	8,404,357

		Solvency II value
	Liabilities	C0010
R0505	Technical provisions - total	5,063,293
R0510	*Technical provisions - non-life*	4,820,702
R0515	*Technical provisions - life*	242,591
R0542	Best estimate - total	4,909,216
R0544	*Best estimate - non-life*	4,690,002
R0546	*Best estimate - life*	219,214
R0552	Risk margin - total	154,077
R0554	*Risk margin - non-life*	130,700
R0556	*Risk margin - life*	23,377
R0565	Transitional (TMTP) - life	0
R0740	Contingent liabilities	7,358
R0750	Provisions other than technical provisions	36,601
R0760	Pension benefit obligations	11,077
R0770	Deposits from reinsurers	0
R0780	Deferred tax liabilities	36
R0790	Derivatives	14,110
R0800	Debts owed to credit institutions	28,344
R0810	Financial liabilities other than debts owed to credit institutions	415,598
R0820	Insurance & intermediaries payables	166,301
R0830	Reinsurance payables	9,699
R0840	Payables (trade, not insurance)	399,737
R0850	Subordinated liabilities	0
R0860	*Subordinated liabilities not in Basic Own Funds*	0
R0870	*Subordinated liabilities in Basic Own Funds*	0
R0880	Any other liabilities, not elsewhere shown	208,767
R0900	**Total liabilities**	6,360,921
R1000	**Excess of assets over liabilities**	2,043,436

IR.05.02.01

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

		C0010	C0020	C0030	C0040	C0050	C0060	C0070
		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
R0010			CA	IE	LU	US		
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	Gross - Direct Business	2,047,544	0	0	0	0		2,047,544
R0120	Gross - Proportional reinsurance accepted	641,750	1,018,162	194,194	184,804	110,956		2,149,866
R0130	Gross - Non-proportional reinsurance accepted	8,869	0	0	0	0		8,869
R0140	Reinsurers' share	357,549	0	0	0	100,902		458,451
R0200	Net	2,340,614	1,018,162	194,194	184,804	10,054		3,747,828
	Premiums earned							
R0210	Gross - Direct Business	2,036,567	0	0	0	0		2,036,567
R0220	Gross - Proportional reinsurance accepted	766,516	774,057	182,638	176,305	98,794		1,998,310
R0230	Gross - Non-proportional reinsurance accepted	8,834	0	0	0	0		8,834
R0240	Reinsurers' share	311,000	0	0	0	67,579		378,579
R0300	Net	2,500,917	774,057	182,638	176,305	31,215		3,665,132
	Claims incurred							
R0310	Gross - Direct Business	975,131	0	-936	0	0		974,196
R0320	Gross - Proportional reinsurance accepted	460,910	509,873	79,774	116,456	53,153		1,220,167
R0330	Gross - Non-proportional reinsurance accepted	-3,882	0	-3,461	0	0		-7,342
R0340	Reinsurers' share	35,714	0	0	0	18,143		53,856
R0400	Net	1,396,446	509,873	75,378	116,456	35,011		2,133,164
R0550	**Net expenses incurred**	1,019,228	203,782	70,925	64,464	-585		1,357,814

IR.05.02.01

Premiums, claims and expenses by country: Life insurance and reinsurance obligations

		C0150	C0160	C0170	C0180	C0190	C0200	C0210
		Home Country	Top 5 countries (by amount of gross premiums written) - life obligations					Total Top 5 and home country
R1400								
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
	Premiums written							
R1410	Gross	0						0
R1420	Reinsurers' share	0						0
R1500	Net	0						0
	Premiums earned							
R1510	Gross	0						0
R1520	Reinsurers' share	0						0
R1600	Net	0						0
	Claims incurred							
R1610	Gross	12,985						12,985
R1620	Reinsurers' share	3,109						3,109
R1700	Net	9,876						9,876
R1900	**Net expenses incurred**	0						0

IR.05.04.02

Non-life income and expenditure : reporting period

		All business (including annuities stemming from accepted non-life insurance and reinsurance contracts)	All non-life business (ie excluding annuities stemming from accepted insurance and reinsurance contracts)	Non-life insurance and accepted proportional reinsurance obligations									
				Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance - personal lines	Motor vehicle liability insurance - non-personal lines	Motor vehicle other motor insurance - personal lines	Motor vehicle other motor insurance - non-personal lines	Marine, aviation and transport insurance	Fire and other damage to property insurance - personal lines	Fire and other damage to property insurance - non-personal lines
		C0010	C0015	C0110	C0120	C0130	C0140	C0141	C0150	C0151	C0160	C0170	C0180
	Income												
	Premiums written												
R0110	Gross written premiums		4,257,727	0	622	0	570,124	187,872	281,511	130,006	266,907	793,950	1,169,843
R0111	Gross written premiums - insurance (direct)		2,034,017	0	0	0	18,316	68,670	11,281	71,499	108,616	476,400	655,341
R0113	Gross written premiums - accepted reinsurance		2,223,710	0	622	0	551,808	119,201	270,229	58,508	158,291	317,550	514,501
R0160	Net written premiums		3,784,753	0	622	0	566,708	159,114	281,511	129,867	220,800	753,808	899,776
	Premiums earned and provision for unearned												
R0210	Gross earned premiums		4,092,606	0	656	0	460,264	159,958	224,745	157,131	264,951	796,484	1,179,964
R0220	Net earned premiums		3,628,670	0	656	0	456,848	141,496	224,745	157,054	223,514	756,268	904,100
	Expenditure												
	Claims incurred												
R0610	Gross (undiscounted) claims incurred		2,319,980	0	336	0	272,589	61,118	181,726	110,527	100,440	505,828	560,230
R0611	Gross (undiscounted) direct business		1,022,435	0	0	0	-16,490	-65,582	20,541	51,379	43,646	348,404	244,485
R0612	Gross (undiscounted) reinsurance accepted		1,297,545	0	336	0	289,079	126,701	161,185	59,148	56,794	157,425	315,746
R0690	Net (undiscounted) claims incurred		2,237,776	0	336	0	331,469	100,979	194,795	107,267	77,897	501,798	463,225
R0730	Net (discounted) claims incurred	2,052,985	2,043,109										
	Analysis of expenses incurred												
R0910	Technical expenses incurred net of reinsurance ceded	1,361,823											
R0985	Acquisition costs, commissions, claims management costs	1,030,521	1,030,521	0	255	0	147,173	28,568	62,888	5,817	77,013	253,930	226,215
	Other expenditure												
R1140	Other expenses	370,969											
R1310	**Total expenditure**	3,807,960											

IR.05.04.02

Non-life income and expenditure : reporting period

		Non-life insurance and accepted proportional reinsurance obligations								Accepted non-proportional reinsurance					
		General liability insurance				Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation and transport	Property	Annuities stemming from non-life insurance contracts	Annuities stemming from non-life accepted reinsurance contracts
		Employers Liability	Public & products Liability	Professional Indemnity	Other general liability										
		C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0310	C0320	C0330	C0340	C0525	C0545
	Income														
	Premiums written														
R0110	Gross written premiums	122,455	219,060	146,337	72,420	0	5,423	0	282,329	0	0	0	8,869		
R0111	Gross written premiums - insurance (direct)	49,569	152,171	138,590	9,486	0	5,423	0	268,655						
R0113	Gross written premiums - accepted reinsurance	72,887	66,889	7,747	62,934	0	0	0	13,674	0	0	0	8,869		
R0160	Net written premiums	101,297	183,184	135,327	57,773	0	5,423	0	280,676	0	0	0	8,869		
	Premiums earned and provision for unearned														
R0210	Gross earned premiums	118,236	201,363	134,041	82,720	0	7,073	0	296,187	0	0	0	8,834		
R0220	Net earned premiums	95,625	165,230	123,815	68,875	0	7,073	0	294,539	0	0	0	8,834		
	Expenditure														
	Claims incurred														
R0610	Gross (undiscounted) claims incurred	49,217	166,627	71,230	60,991	1,712	2,866	-16	182,834	0	-1,570	0	-6,705		
R0611	Gross (undiscounted) direct business	30,008	134,564	63,433	772	1,712	2,866	0	162,698						
R0612	Gross (undiscounted) reinsurance accepted	19,209	32,063	7,797	60,219	0	0	-16	20,136	0	-1,570	0	-6,705		
R0690	Net (undiscounted) claims incurred	47,330	118,746	50,785	63,781	1,708	2,866	-16	182,213	0	-699	0	-6,705		
R0730	Net (discounted) claims incurred													9,774	102
	Analysis of expenses incurred														
R0910	Technical expenses incurred net of reinsurance ceded														
R0985	Acquisition costs, commissions, claims management costs	29,084	44,606	41,392	31,369	0	659	0	81,553	0	0	0	0	0	0
	Other expenditure														
R1140	Other expenses														
R1310	**Total expenditure**														

IR.12.01.02
Life technical provisions

		Insurance with profit participation	Index-linked and unit-linked insurance	Life annuities	Non-life annuities	Other life insurance	Health insurance	Total life and health
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
	Best estimate							
R0025	Gross Best Estimate (direct business)	0	0	0	215,519	0	0	215,519
R0026	Gross Best Estimate (reinsurance accepted)	0	0	0	3,695	0	0	3,695
R0030	**Gross Best Estimate**	0	0	0	219,214	0	0	219,214
R0080	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	0	0	0	94,562	0	0	94,562
R0090	Best estimate minus recoverables from reinsurance/SPV and Finite Re	0	0	0	124,652	0	0	124,652
R0100	**Risk margin**	0	0	0	23,377	0	0	23,377
	Amount of the transitional on Technical Provisions							
R0140	TMTP - risk margin	0	0	0	0	0	0	0
R0150	TMTP - best estimate dynamic component	0	0	0	0	0	0	0
R0160	TMTP - best estimate static component							0
R0170	TMTP - amortisation adjustment							0
R0180	**Transitional Measure on Technical Provisions**	0	0	0	0	0	0	0
R0200	**Technical provisions - total**	0	0	0	242,591	0	0	242,591

IR.17.01.02

Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				Total Non-Life obligation
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
	Best estimate																	
	Premium provisions																	
R0060	Gross	0	85	0	127,030	98,979	-7,761	130,300	16,983	0	-233	0	9,015	0	-95	0	-3,194	371,109
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	0	0	0	-9,458	-10	-16,886	-40,107	7,178	0	0	0	-906	0	0	0	0	-60,188
R0150	**Net Best Estimate of Premium Provisions**	0	85	0	136,488	98,989	9,125	170,407	9,805	0	-233	0	9,920	0	-95	0	-3,194	431,298
	Claims provisions																	
R0160	Gross	0	413	0	1,469,623	63,637	175,481	1,293,919	1,197,367	1,295	2,865	0	47,005	0	41,565	0	25,723	4,318,893
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	0	0	0	447,246	-17,356	21,502	211,064	212,640	261	-324	0	11,302	0	0	0	0	886,335
R0250	**Net Best Estimate of Claims Provisions**	0	413	0	1,022,378	80,993	153,979	1,082,855	984,727	1,034	3,190	0	35,703	0	41,565	0	25,723	3,432,559
R0260	**Total best estimate - gross**	0	498	0	1,596,654	162,616	167,720	1,424,219	1,214,351	1,295	2,632	0	56,019	0	41,470	0	22,530	4,690,003
R0270	**Total best estimate - net**	0	498	0	1,158,866	179,982	163,104	1,253,261	994,532	1,034	2,956	0	45,623	0	41,470	0	22,530	3,863,856
R0280	**Risk margin**	0	8	0	48,028	2,849	4,367	28,405	43,834	28	60	0	1,808	0	922	0	391	130,700
R0320	**Technical provisions - total**	0	506	0	1,644,681	165,465	172,087	1,452,624	1,258,185	1,323	2,692	0	57,827	0	42,391	0	22,921	4,820,703
R0330	**Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total**	0	0	0	437,788	-17,366	4,616	170,958	219,818	261	-324	0	10,397	0	0	0	0	826,147
R0340	**Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total**	0	506	0	1,206,894	182,831	167,471	1,281,666	1,038,367	1,062	3,017	0	47,430	0	42,391	0	22,921	3,994,557

IR.19.01.21
Non-Life insurance claims

Total Non-life business

Z0020 Accident year / underwriting year: Accident 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)
		Development year												
R0100	Prior											39,107	39,107	39,107
R0160	-9	869,071	569,162	198,346	119,947	83,218	74,760	56,664	44,259	19,535	11,769		11,769	2,046,730
R0170	-8	896,243	533,656	214,199	132,768	90,766	84,048	39,946	31,423	28,878			28,878	2,051,928
R0180	-7	974,517	631,191	273,887	135,436	96,927	89,996	70,630	37,648				37,648	2,310,233
R0190	-6	1,011,132	720,630	253,454	150,593	119,880	104,807	53,799					53,799	2,414,295
R0200	-5	945,429	532,392	243,600	145,819	124,605	79,278						79,278	2,071,123
R0210	-4	811,471	593,863	189,984	145,569	135,115							135,115	1,876,002
R0220	-3	765,036	529,481	227,530	151,041								151,041	1,673,088
R0230	-2	871,461	664,521	248,654									248,654	1,784,636
R0240	-1	917,816	601,829										601,829	1,519,645
R0250	0	899,452											899,452	899,452
R0260												Total	2,286,568	18,686,238

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)
		Development year											
R0100	Prior											247,997	223,101
R0160	-9	0	0	0	0	0	0	0	0	0	35,427		33,289
R0170	-8	0	0	0	0	0	0	0	0	78,522			72,324
R0180	-7	0	0	0	0	0	0	0	122,290				112,712
R0190	-6	0	0	0	0	0	0	153,041					141,665
R0200	-5	0	0	0	0	0	482,066						196,691
R0210	-4	0	0	0	0	375,031							347,585
R0220	-3	0	0	0	414,001								382,119
R0230	-2	0	0	613,980									568,472
R0240	-1	0	874,990										812,956
R0250	0	1,887,067											1,765,155
R0260												Total	4,656,070

IR.19.01.21.22
Gross premium

		C0570 Gross earned premium at reporting reference date	C0580 Estimate of future gross earned premium
R0160	N-9	0	0
R0170	N-8	3,642,000	0
R0180	N-7	4,144,195	0
R0190	N-6	3,862,860	0
R0200	N-5	3,829,791	0
R0210	N-4	3,560,482	0
R0220	N-3	3,815,629	0
R0230	N-2	3,716,877	0
R0240	N-1	3,572,605	0
R0250	N	4,092,606	0

IR.22.01.21

Impact of long term guarantees measures and transitionals

		Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	C0030	C0050	C0070	C0090
R0010	Technical provisions	5,063,295	0	0	37,331	0
R0020	Basic own funds	1,995,175	0	0	-25,225	0
R0050	Eligible own funds to meet Solvency Capital Requirement	2,163,787	0	0	-25,225	0
R0090	Solvency Capital Requirement	1,214,935	0	0	0	0
R0100	Eligible own funds to meet Minimum Capital Requirement	1,721,343	0	0	-25,225	0
R0110	Minimum Capital Requirement	546,721	0	0	0	0

IR.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)	1,135,467	1,015,919		119,548	
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	596,080	596,080			
R0140	Subordinated liabilities	0		0	0	0
R0160	An amount equal to the value of net deferred tax assets	263,628				263,628
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				
R0290	**Total basic own funds after deductions**	1,995,175	1,611,999	0	119,548	263,628
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	250,000			250,000	
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			0	
R0320	Unpaid and uncalled preference shares callable on demand	0			0	0
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0			0	0
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0			0	
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0			0	0
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0			0	
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0			0	0
R0390	Other ancillary own funds	0			0	0
R0400	**Total ancillary own funds**	250,000			250,000	0
	Available and eligible own funds					
R0500	Total available own funds to meet the SCR	2,245,175	1,611,999	0	369,548	263,628
R0510	Total available own funds to meet the MCR	1,731,547	1,611,999	0	119,548	
R0540	Total eligible own funds to meet the SCR	2,163,787	1,611,999	0	369,548	182,240
R0550	Total eligible own funds to meet the MCR	1,721,343	1,611,999	0	109,344	
R0580	**SCR**	1,214,935				
R0600	**MCR**	546,721				
R0620	**Ratio of Eligible own funds to SCR**	178.10%				
R0640	**Ratio of Eligible own funds to MCR**	314.85%				

	Reconcilliation reserve	C0060
R0700	Excess of assets over liabilities	2,043,436
R0710	Own shares (held directly and indirectly)	0
R0720	Foreseeable dividends, distributions and charges	48,261
R0725	Deductions for participations in financial and credit institutions	0
R0730	Other basic own fund items	1,399,095
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0
R0760	**Reconciliation reserve**	596,080

IR.25.04.21

Solvency Capital Requirement

Net of loss absorbing capacity of technical provisions

		C0010
	Market risk	
R0070	Interest rate risk	22,827
R0080	Equity risk	139,083
R0090	Property risk	75,212
R0100	Spread risk	386,898
R0110	Concentration risk	0
R0120	Currency risk	99,023
R0125	Other market risk	0
R0130	Diversification within market risk	-407,044
R0140	**Total Market risk**	315,999
	Counterparty default risk	
R0150	Type 1 exposures	62,541
R0160	Type 2 exposures	0
R0165	Other counterparty risk	0
R0170	Diversification within counterparty default risk	0
R0180	**Total Counterparty default risk**	62,541
	Life underwriting risk	
R0190	Mortality risk	0
R0200	Longevity risk	0
R0210	Disability-Morbidity risk	0
R0220	Life-expense risk	0
R0230	Revision risk	0
R0240	Lapse risk	0
R0250	Life catastrophe risk	0
R0255	Other life underwriting risk	0
R0260	Diversification within life underwriting risk	0
R0270	**Total Life underwriting risk**	0
	Health underwriting risk	
R0280	Health SLT risk	0
R0290	Health non SLT risk	0
R0300	Health catastrophe risk	0
R0305	Other health underwriting risk	0
R0310	Diversification within health underwriting risk	0
R0320	**Total Health underwriting risk**	0
	Non-life underwriting risk	
R0330	Non-life premium and reserve risk (ex catastrophe risk)	850,232
R0340	Non-life catastrophe risk	701,732
R0350	Lapse risk	0
R0355	Other non-life underwriting risk	0
R0360	Diversification within non-life underwriting risk	0
R0370	**Non-life underwriting risk**	1,551,964
R0400	**Intangible asset risk**	0
	Operational and other risks	
R0422	Operational risk	152,411
R0424	Other risks	312,120
R0430	**Total Operational and other risks**	464,531
R0432	**Total before all diversification**	2,802,079
R0434	Total before diversification between risk modules	2,395,035
R0436	Diversification between risk modules	-1,180,100
R0438	**Total after diversification**	1,214,935
R0440	Loss absorbing capacity of technical provisions	0
R0450	Loss absorbing capacity of deferred tax	0
R0455	Other adjustments	0
R0460	**Solvency capital requirement including undisclosed capital add-on**	1,214,935
R0472	Disclosed capital add-on - excluding residual model limitation	0
R0474	Disclosed capital add-on - residual model limitation	0
R0480	**Solvency capital requirement including capital add-on**	1,214,935
R0490	Biting interest rate scenario	Decrease
R0495	Biting life lapse scenario	

IR.28.01.01

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

	Linear formula component for non-life insurance and reinsurance obligations	C0010
R0010	MCR_{NL} Result	722,655

		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	0
R0030	Income protection insurance and proportional reinsurance	498	622
R0040	Workers' compensation insurance and proportional reinsurance	0	0
R0050	Motor vehicle liability insurance and proportional reinsurance	1,158,866	725,822
R0060	Other motor insurance and proportional reinsurance	179,982	411,378
R0070	Marine, aviation and transport insurance and proportional reinsurance	163,104	220,800
R0080	Fire and other damage to property insurance and proportional reinsurance	1,253,261	1,653,584
R0090	General liability insurance and proportional reinsurance	994,532	477,581
R0100	Credit and suretyship insurance and proportional reinsurance	1,034	0
R0110	Legal expenses insurance and proportional reinsurance	2,956	5,423
R0120	Assistance and proportional reinsurance	0	0
R0130	Miscellaneous financial loss insurance and proportional reinsurance	45,623	280,676
R0140	Non-proportional health reinsurance	0	0
R0150	Non-proportional casualty reinsurance	41,470	0
R0160	Non-proportional marine, aviation and transport reinsurance	0	0
R0170	Non-proportional property reinsurance	22,530	8,869

	Linear formula component for life insurance and reinsurance obligations	C0040
R0200	MCR_{L} Result	2,618

		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	0	
R0220	Obligations with profit participation - future discretionary benefits	0	
R0230	Index-linked and unit-linked insurance obligations	0	
R0240	Other life (re)insurance and health (re)insurance obligations	124,652	
R0250	Total capital at risk for all life (re)insurance obligations		0

	Overall MCR calculation	C0070
R0300	Linear MCR	725,273
R0310	SCR	1,214,935
R0320	MCR cap	546,721
R0330	MCR floor	303,734
R0340	Combined MCR	546,721
R0350	Absolute floor of the MCR	3,500
R0400	**Minimum Capital Requirement**	546,721

IR.02.01.02

Balance sheet

		Solvency II value
	Assets	C0010
R0030	Intangible assets	0
R0040	Deferred tax assets	386
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)	101,208
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*	99,067
R0140	*Government Bonds*	47,371
R0150	*Corporate Bonds*	28,014
R0160	*Structured notes*	0
R0170	*Collateralised securities*	23,682
R0180	*Collective Investments Undertakings*	0
R0190	*Derivatives*	0
R0200	*Deposits other than cash equivalents*	2,142
R0210	*Other investments*	0
R0220	Assets held for index-linked and unit-linked contracts	0
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:	311,556
R0280	*Non-life and health similar to non-life*	311,556
R0315	*Life and health similar to life, excluding index-linked and unit-linked*	0
R0340	*Life index-linked and unit-linked*	0
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	6,396
R0370	Reinsurance receivables	11,816
R0380	Receivables (trade, not insurance)	1
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	43
R0420	Any other assets, not elsewhere shown	737
R0500	**Total assets**	432,144

	Liabilities	Solvency II value
		C0010
R0505	Technical provisions - total	311,089
R0510	*Technical provisions - non-life*	311,089
R0515	*Technical provisions - life*	0
R0542	Best estimate - total	311,013
R0544	*Best estimate - non-life*	311,013
R0546	*Best estimate - life*	0
R0552	Risk margin - total	76
R0554	*Risk margin - non-life*	76
R0556	*Risk margin - life*	0
R0565	Transitional (TMTP) - life	0
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	15,748
R0830	Reinsurance payables	8,503
R0840	Payables (trade, not insurance)	16,074
R0850	Subordinated liabilities	0
R0860	*Subordinated liabilities not in Basic Own Funds*	0
R0870	*Subordinated liabilities in Basic Own Funds*	0
R0880	Any other liabilities, not elsewhere shown	0
R0900	**Total liabilities**	351,414
R1000	**Excess of assets over liabilities**	80,730

IR.05.02.01

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

		C0010	C0020	C0030	C0040	C0050	C0060	C0070
		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
R0010			ES	US	NL	CL		
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	Gross - Direct Business	0	0	0	0	0		0
R0120	Gross - Proportional reinsurance accepted	21,711	56,204	55,662	19,251	16,871		169,698
R0130	Gross - Non-proportional reinsurance accepted	0	0	0	0	0		0
R0140	Reinsurers' share	21,711	56,204	55,662	19,251	16,871		169,698
R0200	Net	0	0	0	0	0		0
	Premiums earned							
R0210	Gross - Direct Business	0	0	0	0	0		0
R0220	Gross - Proportional reinsurance accepted	20,924	54,035	53,845	18,294	18,191		165,288
R0230	Gross - Non-proportional reinsurance accepted	0	0	0	0	0		0
R0240	Reinsurers' share	20,924	54,035	53,845	18,294	18,191		165,288
R0300	Net	0	0	0	0	0		0
	Claims incurred							
R0310	Gross - Direct Business	0	0	0	0	0		0
R0320	Gross - Proportional reinsurance accepted	15,379	16,779	28,040	-17,445	3,166		45,918
R0330	Gross - Non-proportional reinsurance accepted	-136	0	0	0	0		-136
R0340	Reinsurers' share	15,573	16,779	28,040	-17,445	3,166		46,113
R0400	Net	-330	0	0	0	0		-330
R0550	**Net expenses incurred**	5	0	0	0	0		5

IR.05.04.02

Non-life income and expenditure : reporting period

		All business (including annuities stemming from accepted non-life insurance and reinsurance contracts)	All non-life business (ie excluding annuities stemming from accepted insurance and reinsurance contracts)	Non-life insurance and accepted proportional reinsurance obligations									
				Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance - personal lines	Motor vehicle liability insurance - non-personal lines	Motor vehicle other motor insurance - personal lines	Motor vehicle other motor insurance - non-personal lines	Marine, aviation and transport insurance	Fire and other damage to property insurance - personal lines	Fire and other damage to property insurance - non-personal lines
		C0010	C0015	C0110	C0120	C0130	C0140	C0141	C0150	C0151	C0160	C0170	C0180
	Income												
	Premiums written												
R0110	Gross written premiums		327,079	0	0	0	0	97	0	42	50,721	0	226,261
R0111	Gross written premiums - insurance (direct)		0	0	0	0	0	0	0	0	0	0	0
R0113	Gross written premiums - accepted reinsurance		327,079	0	0	0	0	97	0	42	50,721	0	226,261
R0160	Net written premiums		0	0	0	0	0	0	0	0	0	0	0
	Premiums earned and provision for unearned												
R0210	Gross earned premiums		315,093	0	0	0	0	81	0	35	47,278	0	218,780
R0220	Net earned premiums		0	0	0	0	0	0	0	0	0	0	0
	Expenditure												
	Claims incurred												
R0610	Gross (undiscounted) claims incurred		107,179	0	0	0	0	166	0	57	21,151	0	61,901
R0611	Gross (undiscounted) direct business		0	0	0	0	0	0	0	0	0	0	0
R0612	Gross (undiscounted) reinsurance accepted		107,179	0	0	0	0	166	0	57	21,151	0	61,901
R0690	Net (undiscounted) claims incurred		0	0	0	0	0	0	0	0	0	0	0
R0730	Net (discounted) claims incurred	-330	-330										
	Analysis of expenses incurred												
R0910	Technical expenses incurred net of reinsurance ceded	5											
R0985	Acquisition costs, commissions, claims management costs	2	2	0	0	0	0	0	0	0	0	0	2
	Other expenditure												
R1140	Other expenses	-11											
R1310	**Total expenditure**	-1,025											

IR.05.04.02

Non-life income and expenditure : reporting period

		Non-life insurance and accepted proportional reinsurance obligations								Accepted non-proportional reinsurance					
		General liability insurance				Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation and transport	Property	Annuities stemming from non-life insurance contracts	Annuities stemming from non-life accepted reinsurance contracts
		Employers Liability	Public & products Liability	Professional Indemnity	Other general liability										
		C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0310	C0320	C0330	C0340	C0525	C0545
	Income														
	Premiums written														
R0110	Gross written premiums	0	49,958	0	0	0	0	0	0		0	0	0		
R0111	Gross written premiums - insurance (direct)	0	0	0	0	0	0	0	0						
R0113	Gross written premiums - accepted reinsurance	0	49,958	0	0	0	0	0	0		0	0	0		
R0160	Net written premiums	0	0	0	0	0	0	0	0		0	0	0		
	Premiums earned and provision for unearned														
R0210	Gross earned premiums	0	48,920	0	0	0	0	0	0		0	0	0		
R0220	Net earned premiums	0	0	0	0	0	0	0	0		0	0	0		
	Expenditure														
	Claims incurred														
R0610	Gross (undiscounted) claims incurred	0	13,497	0	0	0	0	0	0		30,083	0	-19,675		
R0611	Gross (undiscounted) direct business	0	0	0	0	0	0	0	0						
R0612	Gross (undiscounted) reinsurance accepted	0	13,497	0	0	0	0	0	0		30,083	0	-19,675		
R0690	Net (undiscounted) claims incurred	0	0	0	0	0	0	0	0		0	0	0		
R0730	Net (discounted) claims incurred														
	Analysis of expenses incurred														
R0910	Technical expenses incurred net of reinsurance ceded														
R0985	Acquisition costs, commissions, claims management costs	0	0	0	0	0	0	0	0		0	0	0		
	Other expenditure														
R1140	Other expenses														
R1310	**Total expenditure**														

IR.17.01.02

Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				Total Non-Life obligation
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
	Best estimate																	
	Premium provisions																	
R0060	Gross	0	0	0	39	6	3,292	7,248	5,576	0	0	0	0		0	0	0	16,160
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	0	0	0	39	6	3,502	8,460	5,792	0	0	0	0		0	0	0	17,799
R0150	**Net Best Estimate of Premium Provisions**	0	0	0	0	0	-210	-1,213	-216	0	0	0	0		0	0	0	-1,638
	Claims provisions																	
R0160	Gross	0	0	0	186	107	24,327	110,780	75,951	0	0	0	0		51,368	22	32,112	294,853
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	0	0	0	185	107	24,264	110,492	75,753	0	0	0	0		50,906	22	32,028	293,758
R0250	**Net Best Estimate of Claims Provisions**	0	0	0	0	0	63	288	197	0	0	0	0		462	0	83	1,095
R0260	**Total best estimate - gross**	0	0	0	225	113	27,619	118,028	81,527	0	0	0	0		51,368	22	32,112	311,013
R0270	**Total best estimate - net**	0	0	0	1	0	-146	-925	-19	0	0	0	0		462	0	83	-543
R0280	**Risk margin**	0	0	0	0	0	4	24	26	0	0	0	0		14	0	9	76
R0320	**Technical provisions - total**	0	0	0	225	113	27,623	118,051	81,552	0	0	0	0		51,382	22	32,120	311,089
R0330	**Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total**	0	0	0	224	113	27,766	118,952	81,545	0	0	0	0		50,906	22	32,028	311,556
R0340	**Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total**	0	0	0	1	0	-142	-901	7	0	0	0	0		476	0	92	-467

IR.19.01.21

Non-Life insurance claims

Total Non-life business

Z0020	Accident year / underwriting year	Accident year

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

		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
	Year	Development year 0	1	2	3	4	5	6	7	8	9	10 & +	In Current year	Sum of years (cumulative)
R0100	Prior											2,828	2,828	2,828
R0160	-9	11,380	48,118	35,207	19,472	1,878	1,041	959	701	165	535		535	119,455
R0170	-8	18,785	52,221	18,672	4,179	2,617	5,830	1,104	690	1,408			1,408	105,506
R0180	-7	26,276	90,558	65,205	9,446	6,662	2,218	5,143	3,672				3,672	209,178
R0190	-6	14,526	61,278	41,031	10,219	16,276	10,349	4,316					4,316	157,996
R0200	-5	33,879	45,156	34,538	18,106	3,652	3,533						3,533	138,864
R0210	-4	38,971	39,797	19,089	23,657	14,095							14,095	135,609
R0220	-3	16,821	33,706	29,952	24,935								24,935	105,415
R0230	-2	42,496	64,369	39,543									39,543	146,408
R0240	-1	19,250	186,292										186,292	205,542
R0250	0	10,489											10,489	10,489
R0260												Total	291,646	1,337,289

Gross Undiscounted Best Estimate Claims Provisions
(absolute amount)

		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
	Year	Development year 0	1	2	3	4	5	6	7	8	9	10 & +	Year end (discounted data)
R0100	Prior											22,109	21,055
R0160	-9	0	0	0	0	0	0	0	0	0	975		923
R0170	-8	0	0	0	0	0	0	0	0	10,379			9,749
R0180	-7	0	0	0	0	0	0	0	17,873				16,940
R0190	-6	0	0	0	0	0	0	15,508					14,781
R0200	-5	0	0	0	0	0	34,569						32,774
R0210	-4	0	0	0	0	29,059							27,114
R0220	-3	0	0	0	31,134								29,469
R0230	-2	0	0	16,147									15,456
R0240	-1	0	35,198										33,745
R0250	0	71,304											68,392
R0260												Total	270,398

IR.19.01.21.22

Gross premium

		C0570	C0580
		Gross earned premium at reporting reference date	Estimate of future gross earned premium
R0160	N-9	0	0
R0170	N-8	222,868	0
R0180	N-7	244,101	0
R0190	N-6	242,812	0
R0200	N-5	268,091	0
R0210	N-4	303,365	0
R0220	N-3	300,384	0
R0230	N-2	268,754	0
R0240	N-1	304,718	0
R0250	N	267,781	0

IR.22.01.21

Impact of long term guarantees measures and transitionals

		Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	C0030	C0050	C0070	C0090
R0010	Technical provisions	311,089	0	0	974	0
R0020	Basic own funds	80,730	0	0	6	0
R0050	Eligible own funds to meet Solvency Capital Requirement	80,730	0	0	6	0
R0090	Solvency Capital Requirement	22,849	0	0	0	0
R0100	Eligible own funds to meet Minimum Capital Requirement	80,344	0	0	6	0
R0110	Minimum Capital Requirement	5,712	0	0	0	0

IR.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)	70,000	70,000		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	10,344	10,344			
R0140	Subordinated liabilities	0		0	0	0
R0160	An amount equal to the value of net deferred tax assets	386				386
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				
R0290	**Total basic own funds after deductions**	80,730	80,344	0	0	386
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	0			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			0	
R0320	Unpaid and uncalled preference shares callable on demand	0			0	0
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0			0	0
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0			0	
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0			0	0
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0			0	
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0			0	0
R0390	Other ancillary own funds	0			0	0
R0400	**Total ancillary own funds**	0			0	0
	Available and eligible own funds					
R0500	Total available own funds to meet the SCR	80,730	80,344	0	0	386
R0510	Total available own funds to meet the MCR	80,344	80,344	0	0	
R0540	Total eligible own funds to meet the SCR	80,730	80,344	0	0	386
R0550	Total eligible own funds to meet the MCR	80,344	80,344	0	0	
R0580	**SCR**	22,849				
R0600	**MCR**	5,712				
R0620	**Ratio of Eligible own funds to SCR**	353.33%				
R0640	**Ratio of Eligible own funds to MCR**	1406.55%				

	Reconcilliation reserve	C0060
R0700	Excess of assets over liabilities	80,730
R0710	Own shares (held directly and indirectly)	0
R0720	Foreseeable dividends, distributions and charges	0
R0725	Deductions for participations in financial and credit institutions	0
R0730	Other basic own fund items	70,386
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0
R0760	**Reconciliation reserve**	10,344

IR.25.04.21

Solvency Capital Requirement

Net of loss absorbing capacity of technical provisions

		C0010
	Market risk	
R0070	Interest rate risk	3,521
R0080	Equity risk	0
R0090	Property risk	0
R0100	Spread risk	3,160
R0110	Concentration risk	0
R0120	Currency risk	18,054
R0125	Other market risk	0
R0130	Diversification within market risk	-8,826
R0140	**Total Market risk**	15,909
	Counterparty default risk	
R0150	Type 1 exposures	992
R0160	Type 2 exposures	0
R0165	Other counterparty risk	0
R0170	Diversification within counterparty default risk	0
R0180	**Total Counterparty default risk**	992
	Life underwriting risk	
R0190	Mortality risk	0
R0200	Longevity risk	0
R0210	Disability-Morbidity risk	0
R0220	Life-expense risk	0
R0230	Revision risk	0
R0240	Lapse risk	0
R0250	Life catastrophe risk	0
R0255	Other life underwriting risk	0
R0260	Diversification within life underwriting risk	0
R0270	**Total Life underwriting risk**	0
	Health underwriting risk	
R0280	Health SLT risk	0
R0290	Health non SLT risk	0
R0300	Health catastrophe risk	0
R0305	Other health underwriting risk	0
R0310	Diversification within health underwriting risk	0
R0320	**Total Health underwriting risk**	0
	Non-life underwriting risk	
R0330	Non-life premium and reserve risk (ex catastrophe risk)	965
R0340	Non-life catastrophe risk	0
R0350	Lapse risk	0
R0355	Other non-life underwriting risk	0
R0360	Diversification within non-life underwriting risk	0
R0370	**Non-life underwriting risk**	965
R0400	**Intangible asset risk**	0
	Operational and other risks	
R0422	Operational risk	6,222
R0424	Other risks	0
R0430	**Total Operational and other risks**	6,222
R0432	**Total before all diversification**	32,913
R0434	Total before diversification between risk modules	24,087
R0436	Diversification between risk modules	-1,238
R0438	**Total after diversification**	22,849
R0440	Loss absorbing capacity of technical provisions	0
R0450	Loss absorbing capacity of deferred tax	0
R0455	Other adjustments	0
R0460	**Solvency capital requirement including undisclosed capital add-on**	22,849
R0472	Disclosed capital add-on - excluding residual model limitation	0
R0474	Disclosed capital add-on - residual model limitation	0
R0480	**Solvency capital requirement including capital add-on**	22,849
R0490	Biting interest rate scenario	Decrease
R0495	Biting life lapse scenario	

IR.28.01.01

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

		C0010
	Linear formula component for non-life insurance and reinsurance obligations	
R0010	MCR_{NL} Result	102

		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	0
R0030	Income protection insurance and proportional reinsurance	0	0
R0040	Workers' compensation insurance and proportional reinsurance	0	0
R0050	Motor vehicle liability insurance and proportional reinsurance	1	0
R0060	Other motor insurance and proportional reinsurance	0	0
R0070	Marine, aviation and transport insurance and proportional reinsurance	0	0
R0080	Fire and other damage to property insurance and proportional reinsurance	0	0
R0090	General liability insurance and proportional reinsurance	0	0
R0100	Credit and suretyship insurance and proportional reinsurance	0	0
R0110	Legal expenses insurance and proportional reinsurance	0	0
R0120	Assistance and proportional reinsurance	0	0
R0130	Miscellaneous financial loss insurance and proportional reinsurance	0	0
R0140	Non-proportional health reinsurance	0	0
R0150	Non-proportional casualty reinsurance	462	0
R0160	Non-proportional marine, aviation and transport reinsurance	0	0
R0170	Non-proportional property reinsurance	83	0

		C0040
	Linear formula component for life insurance and reinsurance obligations	
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	0	
R0220	Obligations with profit participation - future discretionary benefits	0	
R0230	Index-linked and unit-linked insurance obligations	0	
R0240	Other life (re)insurance and health (re)insurance obligations	0	
R0250	Total capital at risk for all life (re)insurance obligations		0

		C0070
	Overall MCR calculation	
R0300	Linear MCR	102
R0310	SCR	22,849
R0320	MCR cap	10,282
R0330	MCR floor	5,712
R0340	Combined MCR	5,712
R0350	Absolute floor of the MCR	3,500
R0400	**Minimum Capital Requirement**	5,712

IR.02.01.02

Balance sheet

		Solvency II value
	Assets	C0010
R0030	Intangible assets	0
R0040	Deferred tax assets	102
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)	40,068
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*	40,068
R0140	*Government Bonds*	40,068
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	0
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:	78,666
R0280	*Non-life and health similar to non-life*	78,666
R0315	*Life and health similar to life, excluding index-linked and unit-linked*	0
R0340	*Life index-linked and unit-linked*	0
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	1,386
R0370	Reinsurance receivables	453
R0380	Receivables (trade, not insurance)	65,617
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	94
R0420	Any other assets, not elsewhere shown	0
R0500	**Total assets**	186,386

		Solvency II value
	Liabilities	C0010
R0505	Technical provisions - total	92,771
R0510	*Technical provisions - non-life*	92,771
R0515	*Technical provisions - life*	0
R0542	Best estimate - total	92,766
R0544	*Best estimate - non-life*	92,766
R0546	*Best estimate - life*	0
R0552	Risk margin - total	5
R0554	*Risk margin - non-life*	5
R0556	*Risk margin - life*	0
R0565	Transitional (TMTP) - life	0
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	42
R0830	Reinsurance payables	14,116
R0840	Payables (trade, not insurance)	0
R0850	Subordinated liabilities	0
R0860	*Subordinated liabilities not in Basic Own Funds*	0
R0870	*Subordinated liabilities in Basic Own Funds*	0
R0880	Any other liabilities, not elsewhere shown	1,758
R0900	**Total liabilities**	108,687
R1000	**Excess of assets over liabilities**	77,699

IR.05.02.01

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

		C0010	C0020	C0030	C0040	C0050	C0060	C0070
		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
R0010			US					
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	Gross - Direct Business	88,494	21,817					110,311
R0120	Gross - Proportional reinsurance accepted	0	15,305					15,305
R0130	Gross - Non-proportional reinsurance accepted	0	0					0
R0140	Reinsurers' share	88,934	37,122					126,056
R0200	Net	-440	0					-440
	Premiums earned							
R0210	Gross - Direct Business	71,366	20,919					92,285
R0220	Gross - Proportional reinsurance accepted	0	13,712					13,712
R0230	Gross - Non-proportional reinsurance accepted	0	0					0
R0240	Reinsurers' share	71,386	34,631					106,017
R0300	Net	-20	0					-20
	Claims incurred							
R0310	Gross - Direct Business	42,992	6,840					49,831
R0320	Gross - Proportional reinsurance accepted	0	10,685					10,685
R0330	Gross - Non-proportional reinsurance accepted	0	0					0
R0340	Reinsurers' share	39,911	20,636					60,546
R0400	Net	3,081	-3,112					-31
R0550	**Net expenses incurred**	710	-838					-128

IR.05.02.01

Premiums, claims and expenses by country: Life insurance and reinsurance obligations

		C0150	C0160	C0170	C0180	C0190	C0200	C0210
		Home Country	Top 5 countries (by amount of gross premiums written) - life obligations					Total Top 5 and home country
R1400								
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
	Premiums written							
R1410	Gross	0						0
R1420	Reinsurers' share	0						0
R1500	Net	0						0
	Premiums earned							
R1510	Gross	0						0
R1520	Reinsurers' share	0						0
R1600	Net	0						0
	Claims incurred							
R1610	Gross	0						0
R1620	Reinsurers' share	0						0
R1700	Net	0						0
R1900	**Net expenses incurred**	0						0

IR.05.04.02

Non-life income and expenditure : reporting period

		All business (including annuities stemming from accepted non-life insurance and reinsurance contracts)	All non-life business (ie excluding annuities stemming from accepted insurance and reinsurance contracts)	Non-life insurance and accepted proportional reinsurance obligations									
				Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance - personal lines	Motor vehicle liability insurance - non-personal lines	Motor vehicle other motor insurance - personal lines	Motor vehicle other motor insurance - non-personal lines	Marine, aviation and transport insurance	Fire and other damage to property insurance - personal lines	Fire and other damage to property insurance - non-personal lines
		C0010	C0015	C0110	C0120	C0130	C0140	C0141	C0150	C0151	C0160	C0170	C0180
	Income												
	Premiums written												
R0110	Gross written premiums		125,616	0	0	0	0	0	0	0	45,138	0	37,122
R0111	Gross written premiums - insurance (direct)		110,311	0	0	0	0	0	0	0	45,138	0	21,817
R0113	Gross written premiums - accepted reinsurance		15,305	0	0	0	0	0	0	0	0	0	15,305
R0160	Net written premiums		-440	0	0	0	0	0	0	0	-440	0	0
	Premiums earned and provision for unearned												
R0210	Gross earned premiums		105,997	0	0	0	0	0	0	0	32,778	0	34,631
R0220	Net earned premiums		-20	0	0	0	0	0	0	0	-20	0	0
	Expenditure												
	Claims incurred												
R0610	Gross (undiscounted) claims incurred		66,365	0	0	0	0	0	0	0	14,582	0	19,148
R0611	Gross (undiscounted) direct business		55,681	0	0	0	0	0	0	0	14,582	0	8,464
R0612	Gross (undiscounted) reinsurance accepted		10,685	0	0	0	0	0	0	0	0	0	10,685
R0690	Net (undiscounted) claims incurred		0	0	0	0	0	0	0	0	0	0	0
R0730	Net (discounted) claims incurred	-31	-31										
	Analysis of expenses incurred												
R0910	Technical expenses incurred net of reinsurance ceded	-128											
R0985	Acquisition costs, commissions, claims management costs	-6,400	-6,396	0	0	0	0	0	0	0	-4,648	0	-3,739
	Other expenditure												
R1140	Other expenses	46											
R1310	**Total expenditure**	1,645											

IR.05.04.02

Non-life income and expenditure : reporting period

		Non-life insurance and accepted proportional reinsurance obligations								Accepted non-proportional reinsurance					
		General liability insurance				Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation and transport	Property	Annuities stemming from non-life insurance contracts	Annuities stemming from non-life accepted reinsurance contracts
		Employers Liability	Public & products Liability	Professional Indemnity	Other general liability										
		C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0310	C0320	C0330	C0340	C0525	C0545
	Income														
	Premiums written														
R0110	Gross written premiums	0	0	0	43,356	0	0	0	0						
R0111	Gross written premiums - insurance (direct)	0	0	0	43,356	0	0	0	0						
R0113	Gross written premiums - accepted reinsurance	0	0	0	0	0	0	0	0						
R0160	Net written premiums	0	0	0	0	0	0	0	0						
	Premiums earned and provision for unearned														
R0210	Gross earned premiums	0	0	0	38,588	0	0	0	0						
R0220	Net earned premiums	0	0	0	0	0	0	0	0						
	Expenditure														
	Claims incurred														
R0610	Gross (undiscounted) claims incurred	0	0	0	32,634	0	0	0	0						
R0611	Gross (undiscounted) direct business	0	0	0	32,634	0	0	0	0						
R0612	Gross (undiscounted) reinsurance accepted	0	0	0	0	0	0	0	0						
R0690	Net (undiscounted) claims incurred	0	0	0	0	0	0	0	0						
R0730	Net (discounted) claims incurred													0	0
	Analysis of expenses incurred														
R0910	Technical expenses incurred net of reinsurance ceded														
R0985	Acquisition costs, commissions, claims management costs	0	0	0	1,987	0	0	0	0					0	0
	Other expenditure														
R1140	Other expenses														
R1310	**Total expenditure**														

IR.17.01.02

Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				Total Non-Life obligation
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
	Best estimate																	
	Premium provisions																	
R0060	Gross	0	0	0	0	0	2,280	5,479	4,489	0	0	0	0					12,248
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	0	0	0	0	0	-3,436	-80	1,873	0	0	0	0					-1,644
R0150	**Net Best Estimate of Premium Provisions**	0	0	0	0	0	5,716	5,559	2,617	0	0	0	0					13,892
	Claims provisions																	
R0160	Gross	0	0	0	0	0	13,723	34,652	32,144	0	0	0	0					80,518
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	0	0	0	0	0	13,685	34,562	32,063	0	0	0	0					80,310
R0250	**Net Best Estimate of Claims Provisions**	0	0	0	0	0	37	89	81	0	0	0	0					208
R0260	**Total best estimate - gross**	0	0	0	0	0	16,002	40,131	36,633	0	0	0	0					92,766
R0270	**Total best estimate - net**	0	0	0	0	0	5,753	5,649	2,698	0	0	0	0					14,100
R0280	**Risk margin**	0	0	0	0	0	1	2	3	0	0	0	0					5
R0320	**Technical provisions - total**	0	0	0	0	0	16,003	40,132	36,636	0	0	0	0					92,771
R0330	**Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total**	0	0	0	0	0	10,249	34,482	33,935	0	0	0	0					78,666
R0340	**Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total**	0	0	0	0	0	5,754	5,650	2,701	0	0	0	0					14,105

IR.19.01.21

Non-Life insurance claims

Total Non-life business

Z0020 Accident year / underwriting year: Accident year

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

		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
	Year	Development year 0	1	2	3	4	5	6	7	8	9	10 & +	In Current year	Sum of years (cumulative)
R0100	Prior											-138	-138	-138
R0160	-9	474	3,076	1,074	135	28	-12	15	0	-5	-5		-5	4,780
R0170	-8	3,622	9,102	3,886	284	608	46	19	-23	3			3	17,547
R0180	-7	5,898	11,892	2,819	758	1,200	5,639	371	-243				-243	28,334
R0190	-6	2,354	4,017	4,264	3,237	13,223	465	155					155	27,716
R0200	-5	3,828	4,552	-1,279	1,482	-85	65						65	8,563
R0210	-4	2,506	6,905	1,344	970	130							130	11,855
R0220	-3	4,296	10,006	3,360	1,628								1,628	19,290
R0230	-2	2,317	8,225	3,754									3,754	14,297
R0240	-1	2,666	13,703										13,703	16,369
R0250	0	9,087											9,087	9,087
R0260												Total	28,140	157,699

Gross Undiscounted Best Estimate Claims Provisions
(absolute amount)

		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
	Year	Development year 0	1	2	3	4	5	6	7	8	9	10 & +	Year end (discounted data)
R0100	Prior											-12	19
R0160	-9	0	0	0	0	0	0	0	0	0	39		39
R0170	-8	0	0	0	0	0	0	0	0	1,667			1,586
R0180	-7	0	0	0	0	0	0	0	-868				-800
R0190	-6	0	0	0	0	0	0	681					639
R0200	-5	0	0	0	0	0	148						135
R0210	-4	0	0	0	0	1,955							1,856
R0220	-3	0	0	0	2,678								2,546
R0230	-2	0	0	5,597									5,340
R0240	-1	0	25,258										23,229
R0250	0	48,235											44,677
R0260												Total	79,266

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Gross premium

		C0570	C0580
		Gross earned premium at reporting reference date	Estimate of future gross earned premium
R0160	N-9	0	0
R0170	N-8	28,284	0
R0180	N-7	30,512	0
R0190	N-6	37,461	0
R0200	N-5	35,938	0
R0210	N-4	34,071	0
R0220	N-3	37,344	0
R0230	N-2	47,684	0
R0240	N-1	67,850	0
R0250	N	105,997	0

IR.22.01.21

Impact of long term guarantees measures and transitionals

		Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	C0030	C0050	C0070	C0090
R0010	**Technical provisions**	92,771	0	0	555	0
R0020	**Basic own funds**	77,699	0	0	-20	0
R0050	**Eligible own funds to meet Solvency Capital Requirement**	77,699	0	0	-20	0
R0090	**Solvency Capital Requirement**	8,459	0	0	0	0
R0100	**Eligible own funds to meet Minimum Capital Requirement**	77,597	0	0	-20	0
R0110	**Minimum Capital Requirement**	3,500	0	0	0	0

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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)	16,312	16,312		0	
R0030	Share premium account related to ordinary share capital	6,022	6,022		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	55,263	55,263			
R0140	Subordinated liabilities	0		0	0	0
R0160	An amount equal to the value of net deferred tax assets	102				102
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				
R0290	**Total basic own funds after deductions**	77,699	77,597	0	0	102
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	0			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			0	
R0320	Unpaid and uncalled preference shares callable on demand	0			0	0
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0			0	0
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0			0	
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0			0	0
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0			0	
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0			0	0
R0390	Other ancillary own funds	0			0	0
R0400	**Total ancillary own funds**	0			0	0
	Available and eligible own funds					
R0500	Total available own funds to meet the SCR	77,699	77,597	0	0	102
R0510	Total available own funds to meet the MCR	77,597	77,597	0	0	
R0540	Total eligible own funds to meet the SCR	77,699	77,597	0	0	102
R0550	Total eligible own funds to meet the MCR	77,597	77,597	0	0	
R0580	**SCR**	8,459				
R0600	**MCR**	3,500				
R0620	**Ratio of Eligible own funds to SCR**	918.59%				
R0640	**Ratio of Eligible own funds to MCR**	2217.06%				

	Reconcilliation reserve	C0060
R0700	Excess of assets over liabilities	77,699
R0710	Own shares (held directly and indirectly)	0
R0720	Foreseeable dividends, distributions and charges	0
R0725	Deductions for participations in financial and credit institutions	0
R0730	Other basic own fund items	22,436
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0
R0760	**Reconciliation reserve**	55,263

IR.25.04.21

Solvency Capital Requirement

Net of loss absorbing capacity of technical provisions

		C0010
	Market risk	
R0070	Interest rate risk	2,014
R0080	Equity risk	0
R0090	Property risk	0
R0100	Spread risk	0
R0110	Concentration risk	0
R0120	Currency risk	7,485
R0125	Other market risk	0
R0130	Diversification within market risk	-3,081
R0140	**Total Market risk**	6,419
	Counterparty default risk	
R0150	Type 1 exposures	441
R0160	Type 2 exposures	0
R0165	Other counterparty risk	0
R0170	Diversification within counterparty default risk	0
R0180	**Total Counterparty default risk**	441
	Life underwriting risk	
R0190	Mortality risk	0
R0200	Longevity risk	0
R0210	Disability-Morbidity risk	0
R0220	Life-expense risk	0
R0230	Revision risk	0
R0240	Lapse risk	0
R0250	Life catastrophe risk	0
R0255	Other life underwriting risk	0
R0260	Diversification within life underwriting risk	0
R0270	**Total Life underwriting risk**	0
	Health underwriting risk	
R0280	Health SLT risk	0
R0290	Health non SLT risk	0
R0300	Health catastrophe risk	0
R0305	Other health underwriting risk	0
R0310	Diversification within health underwriting risk	0
R0320	**Total Health underwriting risk**	0
	Non-life underwriting risk	
R0330	Non-life premium and reserve risk (ex catastrophe risk)	431
R0340	Non-life catastrophe risk	0
R0350	Lapse risk	0
R0355	Other non-life underwriting risk	0
R0360	Diversification within non-life underwriting risk	0
R0370	**Non-life underwriting risk**	431
R0400	**Intangible asset risk**	0
	Operational and other risks	
R0422	Operational risk	1,854
R0424	Other risks	0
R0430	**Total Operational and other risks**	1,854
R0432	**Total before all diversification**	12,225
R0434	Total before diversification between risk modules	9,145
R0436	Diversification between risk modules	-686
R0438	**Total after diversification**	8,459
R0440	Loss absorbing capacity of technical provisions	0
R0450	Loss absorbing capacity of deferred tax	0
R0455	Other adjustments	0
R0460	**Solvency capital requirement including undisclosed capital add-on**	8,459
R0472	Disclosed capital add-on - excluding residual model limitation	0
R0474	Disclosed capital add-on - residual model limitation	0
R0480	**Solvency capital requirement including capital add-on**	8,459
R0490	Biting interest rate scenario	Decrease
R0495	Biting life lapse scenario	

IR.28.01.01

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

	Linear formula component for non-life insurance and reinsurance obligations	C0010
R0010	MCR_{NL} Result	1,401

		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	0
R0030	Income protection insurance and proportional reinsurance	0	0
R0040	Workers' compensation insurance and proportional reinsurance	0	0
R0050	Motor vehicle liability insurance and proportional reinsurance	0	0
R0060	Other motor insurance and proportional reinsurance	0	0
R0070	Marine, aviation and transport insurance and proportional reinsurance	5,753	0
R0080	Fire and other damage to property insurance and proportional reinsurance	5,649	0
R0090	General liability insurance and proportional reinsurance	2,698	0
R0100	Credit and suretyship insurance and proportional reinsurance	0	0
R0110	Legal expenses insurance and proportional reinsurance	0	0
R0120	Assistance and proportional reinsurance	0	0
R0130	Miscellaneous financial loss insurance and proportional reinsurance	0	0
R0140	Non-proportional health reinsurance	0	0
R0150	Non-proportional casualty reinsurance	0	0
R0160	Non-proportional marine, aviation and transport reinsurance	0	0
R0170	Non-proportional property reinsurance	0	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	0	
R0220	Obligations with profit participation - future discretionary benefits	0	
R0230	Index-linked and unit-linked insurance obligations	0	
R0240	Other life (re)insurance and health (re)insurance obligations	0	
R0250	Total capital at risk for all life (re)insurance obligations		0

	Overall MCR calculation	C0070
R0300	Linear MCR	1,401
R0310	SCR	8,459
R0320	MCR cap	3,806
R0330	MCR floor	2,115
R0340	Combined MCR	2,115
R0350	Absolute floor of the MCR	3,500
R0400	**Minimum Capital Requirement**	3,500