AMT Mortgage Insurance Limited

Solvency and Financial Condition Report

For the year ended 31 December 2019

AmTrust International

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Summary

Overview of the Business & Context of this report

Business model

The principal activity of AMT Mortgage Insurance Limited ("AMIL" or the "Company") is the underwriting of general insurance business across Europe, insuring mortgage lenders in respect of borrower default.

Branches have been established in Germany, Ireland, Italy, and Spain, where the Company also has Prudential Regulatory Authority ("PRA") approval in the UK to write business directly. In addition, the PRA has approved business to be written by way of freedom of services from the UK for Ireland, Finland, Denmark, Hungary, Germany, Austria, Poland, France, Sweden, Portugal and Belgium. As at 31 December 2019, the Company was no longer writing new business and was running off portfolios in Germany, Italy, Ireland, Portugal, Spain, Finland and Sweden.

The Company completed a Part VII transfer of its UK business to its parent company AmTrust Europe Limited ("AEL") on 1 July 2019 and is proceeding with a Part VII transfer of its EEA business to another group company, expected to be completed in 2020, with an intention to then de-authorise and dissolve the Company in due course. This will lead to greater efficiencies for the AmTrust group and conclude a full integration of this business into their existing structure. Consequently, the group now underwrites new mortgage and credit transactions on other rated balance sheets within the AmTrust group.

The Company's focus is on the management of the in-force book of business and strong risk and capital management.

Business performance

	2019	2018	Variance	
Credit & Suretyship	£'000	£'000	£'000	%
Gross written premiums	3,628	9,930	(6,302)	-63%
Reinsurers' share	(1,804)	(3,206)	1,402	-44%
Net written premiums	**1,824**	**6,724**	**(4,900)**	**-73%**
Gross earned premiums	11,326	12,356	(1,030)	-8%
Reinsurers' share	(4,037)	(4,047)	10	0%
Net earned premiums	**7,289**	**8,309**	**(1,020)**	**-12%**
Gross claims incurred	(211)	(2,080)	1,869	-90%
Reinsurers' share	(40)	745	(785)	-105%
Net claims incurred	**(251)**	**(1,335)**	**1,083**	**-81%**
Net operating expenses	**(5,819)**	**(5,715)**	**(104)**	**2%**
Other	**1,371**	**396**	**975**	**246%**
Net technical result	**2,590**	**1,655**	**935**	**56%**

The Company's functional currency is Euro due to most business being written in Euro denominated territories and its financial statements are also presented in that currency. For this report, the directors have chosen to use GBP as the presentation currency.

The amount of Net Written premium ("NWP") reduced to £1.8m (€2.1m) from £6.7m (€7.6m) in 2018. Net Earned premium decreased to £7.3m (€8.3m) from £8.3m (€9.4m) in 2018. The 2019 premiums are lower than in 2018 due to the transfer of the UK business to AEL and movement of renewing European lenders to other AmTrust Group companies.

The Company will continue to pursue a policy of encouraging settlements on populations of loans with lenders where it is economically sensible to do so. The Company also continues to work actively with lenders to mitigate the impact of ageing delinquencies through a work-out programme "tool-box", whereby adjustments made by lenders to mortgage terms are agreed to allow borrowers to meet contractual obligations but maintain mortgage insurance cover.

The loss ratio decreased to 3% from 16% in 2018 due to favourable reserve movements related to the Italian and Irish books. Net claims paid were £0.4m (€0.6m) compared to £7.0m (€8.0m) in 2018.

Overall, the Risk in Force (which represents the full aggregate of insurance exposure from the Company's coverage) decreased to £1.6bn (€1.9bn) compared to £1.9bn (€2.1bn) in 2018.

Further information on AMIL's business and performance is included in section A.

Solvency II

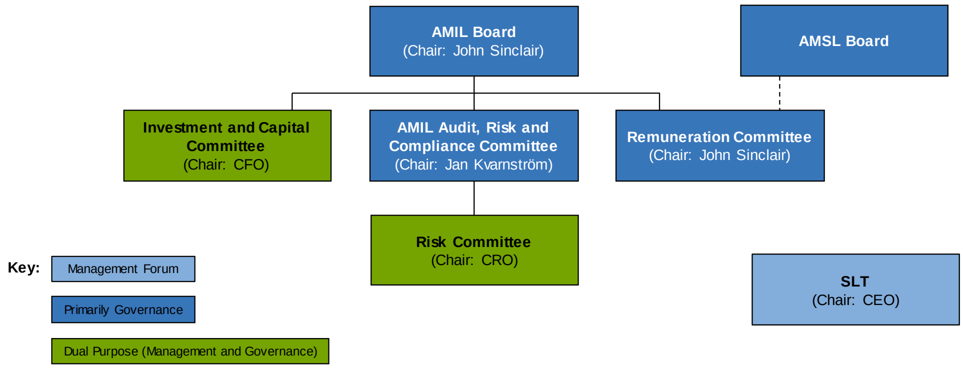
As a regulated insurance company, AMIL is subject to the regulatory rules and principles adopted by the UK and the European Union, which came into effect on 1 January 2016. Solvency II is a regulatory regime which is designed to set an appropriate level of capital that appropriately reflects the specific risk profile of insurance companies within the regime.

As an insurance company, the biggest source of risk in the Company's business model relates to the uncertainty around forecasting the Company's future claims for the insurance policies that it has underwritten. Some of these liabilities could be realised many years after the original policy incepted and the associated premium collected. Regulatory capital is designed to act as a buffer, which is to be held within the Company's assets and liabilities, and provides a safety mechanism to protect policyholders should the Company incorrectly estimate its future liabilities, or if unforeseen stressed events occur which impact the markets in which the Company operates.

This report is a Solvency II requirement, which is designed to give the Company's external stakeholders (including policyholders) an insight into the solvency and financial condition of the Company. It is prepared on a solo entity basis and it covers the year ended 31 December 2019.

The Board and System of Governance

The Company has developed a system of corporate governance to ensure that there is a clear process of decision making combined with accountability and transparency.



The Board bears the ultimate responsibility for setting and achieving the Company's strategy and putting in place appropriate systems and infrastructures to manage the associated risk in its business model. In line with the established best practices within the Insurance market, the Company follows the "three lines of defence" model of corporate governance.

The Board and its sub-committees are shown in the diagram above. Committees have clear lines of authority and responsibilities that are documented in formal terms of reference. Committee responsibilities are broadly split between those that support decision-making (1st line) versus those that challenge and review the systems and controls that manage risk within AMIL's business model (2nd and 3rd lines).

Further information on AMIL's system of governance is included in section B.

Risk Profile

The Company calculates its required capital from a regulatory (Solvency II Standard Formula) and from an internal economic capital perspective by reference to certain risk categories that it is exposed to within its business model. The Company's key risks are:

- Underwriting risk
- Market risk
- Credit risk
- Liquidity risk
- Operational risk
- Other risks, including:
  - Legal and regulatory
  - Strategic
  - Governance
  - Group
  - Solvency

For each risk category, the Company has articulated how much risk it is willing and able to accept based on its strategic profile and capital position. The Company has put in place systems and controls to manage its risk profile within its risk appetite statements. The Company uses a suite of key risk indicators to monitor its exposure to the various risks to which it is exposed, and these are evaluated each quarter by the Risk Committee and the AMIL Audit, Risk and Compliance Committee.

Further information on AMIL's risk profile is included in section C.

Key Valuation Differences

Valuation differences arise due to the difference between Solvency II fair value rules and the accrual basis of accounting utilised under Generally Accepted Accounting Principles ("GAAP") in the UK. The table below highlights the differences between the Solvency II economic balance sheet and the statutory accounting balance sheet as at 31 December 2019.

Category	Solvency II (£'000)	UK GAAP (£'000)	Variance
Deferred Acquisition Costs	-	1,360	(1,360)
Deferred Tax Asset	487	487	-
Property, plant & equipment held for own use	11	11	-
Investments (other than assets held for index-linked and unit-linked contracts)	91,850	90,770	1,080
Reinsurance recoverables	2,543	10,953	(8,410)
Insurance and intermediaries receivables	312	4,495	(4,183)
Reinsurance receivables	35	1,360	(1,325)
Receivables (trade, not insurance)	52	52	-
Cash and cash equivalents	5,886	4,128	1,758
Any other assets, not elsewhere shown	-	575	(575)
TOTAL ASSETS	**101,176**	**114,191**	**(13,015)**
Technical provisions - non-life (excluding health)	41,797	50,910	(9,113)
Reinsurance payables	118	3,018	(2,900)
Payables (trade, not insurance)	7,086	5,309	1,759
TOTAL LIABILITIES	**48,983**	**59,237**	**(10,254)**
Excess of Assets over Liabilities	**52,193**	**54,954**	**(2,761)**

Further detail on AMIL's valuation for solvency purposes is included in Section D.

Capital Management

The Company's capital management objective is to maintain sufficient capital to protect the interests of all of its stakeholders. AMIL maintains a prudent buffer over the Solvency Capital Requirement ("SCR") and Minimum Capital Requirement ("MCR").

The Company calculates its SCR and MCR using the Standard Formula. The Company does not use any Undertaking Specific Parameters ('USPs') allowed under Solvency II.

The composition of the Company's Own Funds is outlined in the table below.

31 December 2019	£'000
Ordinary share capital – Tier 1	35,254
Reconciliation reserve - Tier	16,453
An amount equal to the value of net deferred tax assets – Tier 3	487
Own funds	**52,193**

Note, of the above Own Funds, more than 99% are Tier 1, which is eligible towards the Company's SCR and MCR.

None of the Company's Own Funds are subject to transitional arrangements. We have no Ancillary Own Funds. There are no ring-fenced funds and no deductions are made from Own Funds, nor is there any restriction affecting the availability and transferability of Own Funds within the Company.

There are material differences between equity in the UK GAAP financial statements and the excess of assets over liabilities under Solvency II:

31 December 2019	£'000
Total reserves and retained earnings from UK GAAP Financials	54,954
Differences arising from SII Valuation of assets	(13,015)
Differences arising from SII Valuation of technical provisions	9,113
Differences arising from SII Valuation of other liabilities	1,141
Own funds per Solvency II	**52,193**

As at 31 December 2019, the Company's SCR and MCR are in the following table.

31 December 2019	Capital Requirement (£'000)	Solvency Ratio (%)
SCR	**31,177**	**168%**
MCR	**7,794**	**670%**

Further information on AMIL's capital management is included in section E.

Directors' statement of responsibilities in respect of the SFCR

The Board acknowledges our responsibility for preparing the SFCR in all material respects in accordance with the PRA rules and the Solvency II Regulations.

We are satisfied that:

- Throughout the financial year in question, the Company has complied in all material respects with the relevant requirements of the PRA Rules and the Solvency II Regulations; and
- It is reasonable to believe that the Company has continued so to comply subsequently and will continue so to comply in the future.

Approved on behalf of the Board by:

A Mas Murcia (Director)

1 April 2020

Business and Performance

Section A

A. Business and Performance

A.1 Business

A.1.1 Name and legal form of undertaking

AMT Mortgage Insurance Limited ("AMIL" or the "Company") is a company limited by shares (Company Number 2624121).

The Company's registered address is as follows:

AMT Mortgage Insurance Limited
Exchequer Court
33 St Mary Axe
London
EC3A 8AA

A.1.2 Supervisory authority

The Company is regulated by the Prudential Regulation Authority ('PRA'). The PRA was created as a part of the Bank of England by the Financial Services Act (2012) and is responsible for the prudential regulation and supervision of banks, building societies, credit unions, insurers and major investment firms. The PRA's objectives are set out in the Financial Services and Markets Act 2000.

The PRA's registered address is as follows:

Prudential Regulation Authority,
Bank of England,
Threadneedle St,
London,
EC2R 8AH
Tel 020 7061 4878
enquiries@bankofengland.co.uk

AMIL belongs to the AmTrust International Limited ("AIL") group of companies (the "AIL Group"). The AIL Group is also supervised by the PRA.

The Company is also regulated by the Financial Conduct Authority ("FCA").

The FCA's registered address is as follows:

Financial Conduct Authority,
12 Endeavour Square
Stratford
E20 1JN

A.1.3 External auditor

AMIL, together with the wider AmTrust Group, is audited by KPMG LLP. KPMG's UK office is located at:

KPMG LLP,
15 Canada Square,
London,
E14 5GL
Tel 020 7311 1000

A.1.4 Shareholders of qualifying holding in the undertaking

AMIL is a wholly owned subsidiary of AmTrust Europe Limited ("AEL") which is a UK Limited Company.

AEL's registered address is as follows:

AmTrust Europe Limited
Market Square House,
St James's Street,
Nottingham,
NG1 6FG

AMIL's ultimate parent is Evergreen Parent GP, LLC ('Evergreen'), a Delaware registered US limited liability company. Evergreen is an entity formed by private equity funds managed by Stone Point Capital LLC, together with Barry Zyskind, Chairman and CEO of the AmTrust Group, George Karfunkel and Leah Karfunkel (collectively, the 'Karfunkel-Zyskind Family').

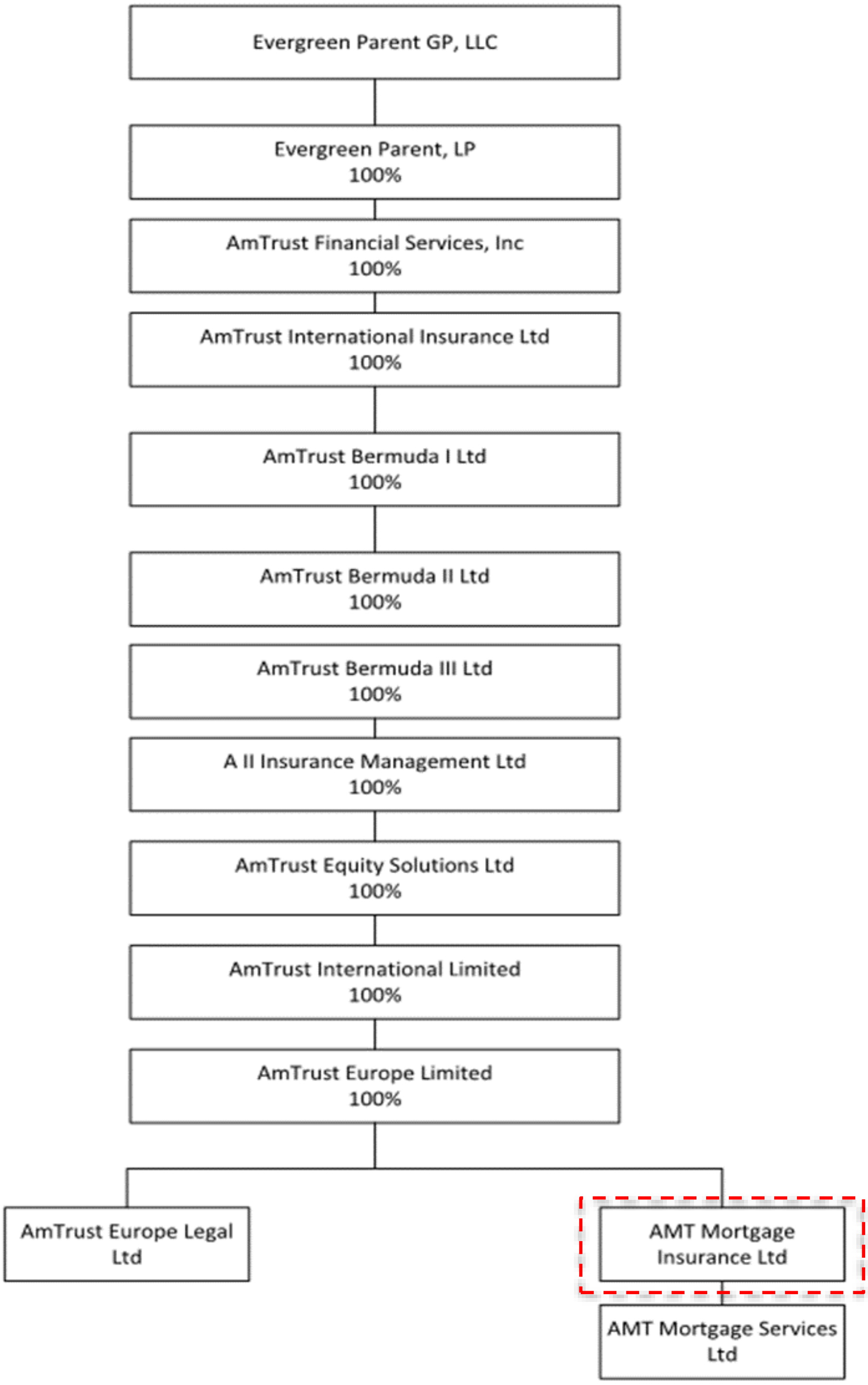
Evergreen's registered address is as follows:

Evergreen Parent GP, LLC
c/o AmTrust Financial Services, Inc.
59 Maiden Lane, 43rd Floor
New York, New York 10038

As a member of the AmTrust Group, the Company benefits from financial, operational and management support. The AmTrust Group is a multinational property and casualty insurer specialising in small to medium sized businesses. With extensive underwriting experience and a prestigious "A-" (Excellent) Financial Size "XV" rating from A.M. Best, the AmTrust Group has earned a reputation as an innovative, technology driven provider of insurance products. Commitment to excellence is a common thread connecting each of the AmTrust Group companies. The AmTrust Group's business model focuses on achieving targeted returns and profit growth with the careful management of risk. The AmTrust Group pursues these goals through geographic and product diversification, as well as an in-depth understanding of its insured exposure. The product mix includes, primarily: workers' compensation; extended warranty; and other commercial property/casualty insurance products, including title insurance. Workers' compensation and property/casualty insurance policyholders in the United States are generally small and middle market businesses. Extended warranty customers are manufacturers, distributors and retailers of commercial and consumer products. The AmTrust Group has also built a strong and growing distribution of extended warranty and specialty risk products, including liability and other property/casualty products, in Europe.

A.1.5 Position within the legal structure of the AmTrust Group

The following simplified group structure chart shows where AMIL sits within the wider AmTrust Group.



AMIL has a single subsidiary company, AMT Mortgage Services Limited ("AMSL"). The principal activity of the Company is the provision of agency and management services to affiliated companies in the AmTrust Group. The activities of the business include, but are not limited to, insurance administration services and human resources. The

Company operates in the UK and Italy, and supports the activities of AMIL. The main purpose of the Company is to act as a group services company.

A.1.6 Material lines of business and material geographical areas where AMIL carries out business

The principal activity of the Company is the underwriting of general insurance business in the United Kingdom and other European countries. The Company is a mono-line insurer and writes solely credit and suretyship business, specifically mortgage insurance. This is "B2B" business where the Company insures the lender against mortgage default.

A.1.7 Material events

The following material events impacted the Company during the year:

- **Brexit Strategy**– On 23 June 2016, the United Kingdom voted to leave the European Union ("EU"). Whilst there was much uncertainty throughout 2019 as to the terms of the UK's withdrawal from the EU and when it would become effective, AMIL executed on its Brexit Strategy. Throughout the year, existing insurance policies which had new European risks attaching on a monthly basis were terminated and policyholders were given the opportunity to enter into new policies with other AmTrust Group companies. AMIL's net written premium therefore significantly decreased although AMIL continued to receive premium on insured risks where premium is paid in instalments and, for policies where premium is due at the outset, AMIL continued to earn the unwritten premium. By 31 December 2019, AMIL was in run-off.

- **Renewal of Quota Share reinsurance** – AMIL has a quota share reinsurance programme with a panel of reinsurance companies all "A" rated (AM Best, S&P, and Moody's) or better. This program was started in the 2011 year and was in place in 2018 at 33.33% each year and is renewed for 2019 at 50%. The increase for 2019 is driven by the AmTrust's strategy of protecting its longer tail risk.

- **Part VII Business transfer –** During 2017, the Company initiated the Part VII transfer process of its entire business to its parent company, AEL, and other AmTrust Group companies, possibly to be completed in 2020. As part of the process, the Company will apply to the PRA for de-authorisation following the transfer and will request that the court makes an order for the Company to be dissolved without winding up pursuant to section 112(8)(b) of FSMA 2000. Accordingly, this document has been prepared on the Break-up basis. This has no impact on the Company's carrying value of the assets and liabilities included in this document as the transfer of assets and liabilities to the Company's parent is expected to happen at their carried values.

In addition, the following material event started to impact the Company during early 2020:

- **Outbreak of Coronavirus (COVID-19)** – As the effects of the coronavirus pandemic are now being felt on a global scale, the Company, as with many of our policyholders, reinsurers and vendors, have taken steps to alter or reduce normal business activity to help control the spread of the outbreak. Some of these steps involved:
  - The implementation of business continuity plans which included the temporary closure of our offices in the UK and Europe and strong encouragement of our employees to work from home;
  - Increased communication and coordination with our stakeholders and shared service partners; and
  - Increased liquidity to ensure we maintain adequate cash to honour our commitment to our policyholders, employees and vendors.

  We would anticipate there may be some near- to mid-term impacts on our financial, liquidity and solvency positions from devaluations in our bond portfolio and higher claims incurred. In addition, the business disruption may cause a delay in the execution of the planned Part VII transfers.

  Given the run-off nature of the Company and its strong solvency position at 168% of SCR, the Board does not believe this event will cause AMIL to be unable to honour its obligations when they become due. Under Solvency II regulation, the SCR represents a 1 in 200 stress event for the next 12 months.

  However, given the recent and quickly evolving nature of this event and the unknown length and ultimate scope of its impacts, the Company is unable to assess any potential long-term impacts it may have on its financial results and solvency at this time.

A.2 Underwriting Performance

A.2.1 Material lines of business

Credit & Suretyship	2019 £'000	2018 £'000	Variance £'000	Variance %
Gross premiums written	3,628	9,930	(6,302)	-63%
Reinsurers' share	(1,804)	(3,206)	1,402	-44%
Net premiums written	**1,824**	**6,724**	**(4,900)**	**-73%**
Gross premiums earned	11,326	12,356	(1,030)	-8%
Reinsurers' share	(4,037)	(4,047)	10	0%
Net premiums earned	**7,289**	**8,309**	**(1,020)**	**-12%**
Gross claims incurred	(211)	(2,080)	1,869	-90%
Reinsurers' share	(40)	745	(785)	-105%
Net claims incurred	**(251)**	**(1,335)**	**1,083**	**-81%**
Net operating expenses	**(5,819)**	**(5,715)**	**(104)**	**2%**
Other	**1,371**	**396**	**975**	**246%**
Net technical result	**2,590**	**1,655**	**935**	**56%**
Net Investment Result	**723**	**(35)**	**758**	**-2,166%**
Profit on ordinary activities before tax	**3,313**	**1,620**	**1,693**	**105%**
Tax	**504**	**(335)**	**839**	**-250%**
Profit for the financial year	**3,817**	**1,285**	**2,532**	**197%**

A.2.1.1 Credit and Suretyship

The principal activity of the Company is the underwriting of general insurance business across Europe, insuring mortgage lenders in respect of borrower default. The Company is a mono-line insurer and writes solely "B2B" insurance products.

Following the purchase by AmTrust, which completed May 2016, AMIL has pursued a strategy to Part VII all assets into other AmTrust Group companies and also to transfer writing of new production out of AMIL and into AEL. This was completed for UK lenders on 30 June 2019 and is expected to complete for European lenders by the end of 2020. All remaining new production other than a small amount of renewals on annual and quarterly policies was transferred by June 2019. As such, AMIL's performance should be considered in the light of being in run-off.

A.2.2 Risk mitigation techniques

Since 2011, the Company has ceded 33.33% of all flow business to a panel of highly rated external reinsurers (minimum "A-" for S&P and AM Best). In addition, the Company has taken out excess of loss protection on its Italian business.

In 2019 the cession was increased to 50.0% and for 2020, this is being extended further towards an ultimate target of 70.0%.

AmTrust International

A.2.3 Material geographic areas

Performance in the top 3 countries in which AMIL operates is summarised in the table below.

Credit & Suretyship	UK £'000	Italy £'000	Germany £'000	Other EU £'000	Total £'000
Gross premiums written	554	2,307	710	57	3,628
Reinsurers' share	(273)	(979)	(553)	0	(1,804)
Net premiums written	282	1,328	157	57	1,823
Gross premiums earned	618	8,838	1,726	143	11,326
Reinsurers' share	(220)	(3,239)	(573)	(5)	(4,037)
Net premiums earned	398	5,598	1,153	139	7,289
Gross claims incurred	30	(543)	230	72	(211)
Reinsurers' share	(7)	36	(15)	(55)	(40)
Net claims incurred	23	(507)	215	18	(252)
Net operating expenses	(3,763)	(1,234)	(307)	(515)	(5,819)
Other	1,639	223	(406)	(84)	1,371
Net technical Result	**(1,703)**	**4,080**	**655**	**(443)**	**2,589**

A.3 Investment Performance

The Company invests in investment grade corporate and government bonds. The weighted average rating of the portfolio is single "A".

The management of the bond portfolio is outsourced to another company within the AmTrust Group, which has a dedicated team of investment managers. A set of investment management guidelines has been drawn up, adherence to which is monitored by the Investment and Capital Committee and the Audit Committee.

Income and expenses during the year are shown in the table below.

2019 Corporate and Government Bonds	€'000	£'000
Income from investments	**825**	**698**
Investment management expenses	**(123)**	**(104)**
Realised gain/(loss) on sale of investments	**1,201**	**1,016**
	1,903	**1,610**

Performance for 2019 was better than planned on a total return basis, owing in large part to the significant rally in interest rates and credit spreads. However, interest income has been difficult to generate given the portfolio is largely denominated in EUR at a time of persistent low interest rates and yields in the Eurozone. There were significant outflows from the portfolio during the year, with the largest related to the June dividend payment from AMIL to AEL. The net effect of the outflows throughout the year was an ending market value (31 December 2019) approximately 72% of the beginning market value (31 December 2018), despite a 2019 Asset Return greater than 5%.

System of Governance

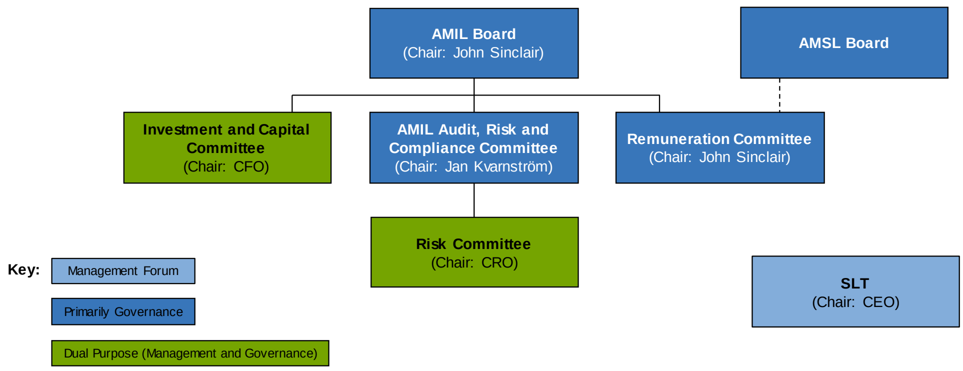
Section B

B System of Governance

B.1 General information on the system of governance

B.1.1 The Board and System of Governance

The Company recognises the importance of strong corporate governance and has established a well-defined governance framework, system of control and committee structure. The Board and its sub-committees are shown in the diagram below.



The Company employs a "three lines of defence" governance model to ensure that risk management is effective, appropriate decisions are made, and best practice is implemented and maintained. Broadly, the responsibility of the three lines is as follows:

- **First Line of Defence** – the primary risk taking and decision-making activities take place here. It represents the bulk of the Company's people, systems and controls that are integral to achieving the Company's strategy.
- **Second Line of Defence** - responsible for reviewing risks across the first line. No risk-taking activities take place here. Key control functions such as Risk Management and Compliance reside here.
- **Third Line of Defence** – the first and second lines together form the Company's system of governance and internal control. The third Line is independent of the first and second lines, and its primary objective is to provide assurance on the robustness of the risk management framework and the appropriateness and effectiveness of the Company's governance and internal control systems. The Company has an independent Internal Audit function which resides here.

B.1.1.1 Key functions

The four key functions are Risk Management, Compliance, Internal Audit and Actuarial. Further information on each of these key functions is detailed in sections B.3, B.4.2, B.5 and B.6 respectively.

B.1.1.2 Board responsibilities

The Board includes an independent Non-Executive Chairman, another independent Non-Executive Director ("INED"), a Non-Executive Director ("NED") and an Executive Director listed below. It normally meets four times a year and at other times as required. Minutes of all Board and Committee meetings are recorded and reflect the substance of the discussion, as well as the decisions made.

The Board closely monitors developments in corporate governance and assesses how these can be applied to the Company. The Company's governance arrangements continue to be reviewed in line with developments in best practice. The Board believes the existing structure is appropriate for the size and complexity of the Company.

The Board is responsible for the oversight of the management of the Company, including:

- Setting the Company's strategic direction, within AIL Group Risk Appetite;
- Developing and maintaining the Company's business model while ensuring that local regulation, legislation or market practice is also met;
- Determining the nature and extent of the significant risks it is willing to take in achieving its strategic objectives and setting the risk appetite;

- Oversight of the Company's operations;
- Ensuring the appropriate and necessary financial and human resources are in place to meet the Company's objectives;
- Providing constructive challenge to the Executive Directors and senior management;
- Ensuring the highest standards of governance are followed;
- Promoting the success of the Company; and
- Developing the Company's culture.

B.1.1.3 The role of the Chairman

The Chairman is responsible for the leadership of the Board and is pivotal in the creation of the conditions necessary for overall Board and individual director effectiveness, both in and outside the boardroom, including:

- The leadership of the Board and ensuring its effectiveness on all aspects of its role;
- Ensuring effective Board governance;
- Setting agendas;
- Requiring that the Executive provide to members of the Board accurate, timely and clear information;
- Managing the Board to ensure sufficient time is allowed for discussion of key risks and issues;
- Facilitating contributions from INEDs;
- Considering and addressing the development needs (induction, training and professional development) of individual directors and the Board as a whole;
- Leading the development of the Company's culture by the Board as a whole; and
- Overseeing the development and implementation of the Company's remuneration policies and practices.

B.1.1.4 The role of the Independent Non-Executive Directors and Non-Executive Directors

The role of the INEDs and NED includes the following key elements:

- Constructively challenging and helping to develop proposals on longer term direction and strategy;
- Scrutinising the performance of management in meeting agreed goals and objectives and monitoring the reporting of performance; and
- Satisfying themselves on the integrity of financial information, and that financial controls and systems of risk management are robust and effective.

B.1.1.5 The role of the Chief Executive Officer ("CEO")

The CEO manages the Company in accordance with the business plans approved by the Board and in accordance with the Company's strategy and plans. The CEO leads the setting and execution of the Company's business strategy and is accountable for:

- Ensuring the Company remains legally solvent at all times and that customers are treated fairly;
- Ensuring the Company is compliant with all law and regulations affecting its business, its policyholders and its staff, including fulfilling all relevant obligations as required under the Senior Management Function ("SMF") and Certified Person Regime;
- Managing the Company's risk profile, in line with the extent and categories of risk identified as acceptable by the Board;
- Approving the apportionment and allocation of roles and responsibilities of the executive management team of the Company; and
- Approving all capital and revenue transactions, including acquisitions and disposals, not specifically reserved to the Board.

B.1.1.6 Board composition

During the year, the Board consisted of 4 members, including the Chairman of the Board as follows:

Board Member	Board Balance	Key Role
Chairman of The Board	Independent	Chairing the Board and the Remuneration Committee
Independent Non-Executive Director (INED)	Independent	Chairing the Audit, Risk and Compliance Committee
Non-Executive Director (NED)	Group Role	Shareholder Representative
Chief Executive Officer (CEO)	Executive	Day to day running of the Company

Note, The Chief financial Officer is not a member of the Board and chairs the Investment and Capital Committee.

B.1.1.7 Roles and responsibilities of the committees

Roles and responsibilities of the committees most relevant for Risk Governance purposes are briefly described below.

B.1.1.7.1 Audit, Risk and Compliance Committee ("ARCC")

This committee is to assist the Board in discharging its responsibilities for the oversight, reporting, risk management and controllership matters of AMIL. Meetings shall be held no less than 4 times a year at appropriate times in the reporting and audit cycle but calls with the Committee Members are held when necessary.

B.1.1.7.2 Investment Committee ("IC")

This committee is to establish strategic frameworks for the management of the assets of the Company and its segments, and to supervise the day to day stewardship of these assets by its appointed internal and external investment managers. This committee reports to the Board.

B.1.1.7.3 Risk Committee ("RC")

This committee is responsible for all deal/product pricing approvals, policy and exposure limits for new products/countries and changes to existing commercial arrangements. It also covers the in-force reviews of the existing business (including operational risk and lenders' audit reviews), meaning all key underwriting decisions, contract modifications and approvals are centralised. Finally, it critically reviews the outcome of the actuarial tasks related to capital requirements, reserving and pricing.

B.1.1.7.4 Remuneration Committee

This committee is responsible to define and update the Company's Remuneration Policy.

B.1.2 Changes in the System of Governance

The composition of the Board changed in 2019 following the retirement of the Chief Risk Officer leading to his resignation from the Board. Membership of Committees also changed in light of changes to senior management.

B.1.3 Remuneration Policy

The Board is responsible for the establishment and implementation by management of the Remuneration Policies for the Company and is authorised to review and approve the remuneration plans and programmes that fall within the Remuneration Policies. Policies, plans and programmes are either defined at the AIL Group level or follow the AmTrust Group principles with variation as appropriate to the business unit and prevailing regulatory and/or legislative requirements.

B.1.3.1. Key Principles

- Provide market competitive pay, typically aimed at market median for the business sector, role and location of the relevant employees. Individual pay rates may fall above or below market median based upon

experience, tenure and performance in the role as well as the market supply and demand for a particular skill set;
- Enable the Company to attract and retain the right talent for the business at a business-appropriate and sustainable cost;
- Provide market-appropriate pay structures which includes a role-appropriate level of variable pay in line with market norms and an appropriate benefits programme;
- Ensure that pay programmes are aligned as applicable to business strategy, risk appetite statements, codes of conduct and applicable regulations; and reward only appropriate behaviour with both short and long-term performance taken into consideration as appropriate;
- Ensure the appropriate governance and independence as it relates to pay decisions and the appropriate scrutiny as it relates to key employees including those designated as Solvency II employees; and
- No member of the Remuneration Committee is involved in deliberations or decision making on his / her own pay or the pay of the other members of the Remuneration Committee.

B.1.3.2. Variable Pay

- Variable pay and the associated programmes and awards are structured according to the nature of the role and its position within the business;
- Fixed and variable pay are broadly aligned to market norms, with a sufficiently high proportion of pay delivered in fixed base pay as relevant to remit and seniority;
- The proportion of pay delivered through variable remuneration generally increases with seniority within the organisation. This reflects the increased ability to impact the success of the organisation with increased seniority, and is in line with general market practice;
- Variable pay awards are designed to take into consideration both individual and business performance as appropriate for the role. Individual performance is assessed based upon performance against objectives (financial and non-financial) and also in line with applicable competency framework. Business performance is aligned to agreed financial metrics and the individual component is designed to drive certain behaviors, including the exhibiting of the Company's values, advancing our culture and complying with the requirements of the regulatory regimes under which we operate;
- All variable pay programmes allow for no awards to be made based upon either individual and / or company performance;
- All programmes allow flexibility and discretion which permit the respective Board and management to ensure appropriate awards are made in all circumstances;
- Ensure that AmTrust's senior employees are aligned not only to the annual goals but also to the long-term success of the relevant business and the AmTrust Group through deferral and long-term incentive arrangements linked to AmTrust Group performance over a multi-year period, typically 4 years; and
- Ensure alignment to risk and performance of the business with provisions as applicable to the business and/or population enabling the relevant Boards or Remuneration Committees to make a downward adjustment to proposed awards at either aggregate or individual level or to prevent the vesting of some or all of a tranche of a deferred award in line with the performance of either the individual or business.

B.1.3.3. Supplementary pension scheme for Board members

Board members who are also employees of the Company are entitled to join an applicable and appropriate workplace pension scheme. The Company does not provide any supplementary pension to its INEDs.

There is one legacy, and now frozen, Supplementary Executive Retirement Plan ("SERP") applicable to one executive within the Company, the CEO. This is a bespoke defined and deferred benefit plan.

B.1.4 Material transactions with shareholders, persons with significant influence and Board members

AMIL has had no material transactions with shareholders, persons with significant influence nor members of Board during the reporting period, save for the sale transaction mentioned in section A 1.7.

B.1.5 Adequacy of the system of governance

The Board is satisfied that the system of governance of the Company is adequate to the nature, scale and complexity of the risks inherent in its business.

B.2 Fit and Proper Requirements

The PRA and FCA expect that individuals performing SMF or Certified Person roles remain fit and proper to undertake the role. AMIL has a Fit and Proper Policy in place that outlines the various checks at recruitment and throughout employment. In particular, when deciding whether a person is fit and proper, the Company satisfies itself that the individual:

- has the personal characteristics (including being of good repute and integrity);
- possesses the level of competence, knowledge and experience;
- has the qualifications to undertake the role; and
- has undergone or is undergoing all training required to enable such person to perform his or her key function effectively and in accordance with any relevant regulatory requirements, and to enable sound and prudent management of AEL.

When deciding whether the Board is fit and proper, the Company seeks to ensure that the directors collectively possess appropriate qualifications, experience and knowledge about at least:

- insurance and financial markets;
- business strategy and business model;
- systems of governance;
- financial and actuarial analysis; and
- regulatory framework and requirements.

Fitness and propriety are checked at recruitment stage through appropriate due diligence and challenge of an individual's experience, skill and competencies. Appropriate financial and criminal checks are carried out prior to recruitment of an individual and probation periods are set commensurate with the role. Ongoing assessment of fitness and propriety of all employees is assessed through the annual appraisal process. Performance of the Board is also assessed annually through the Board performance review process.

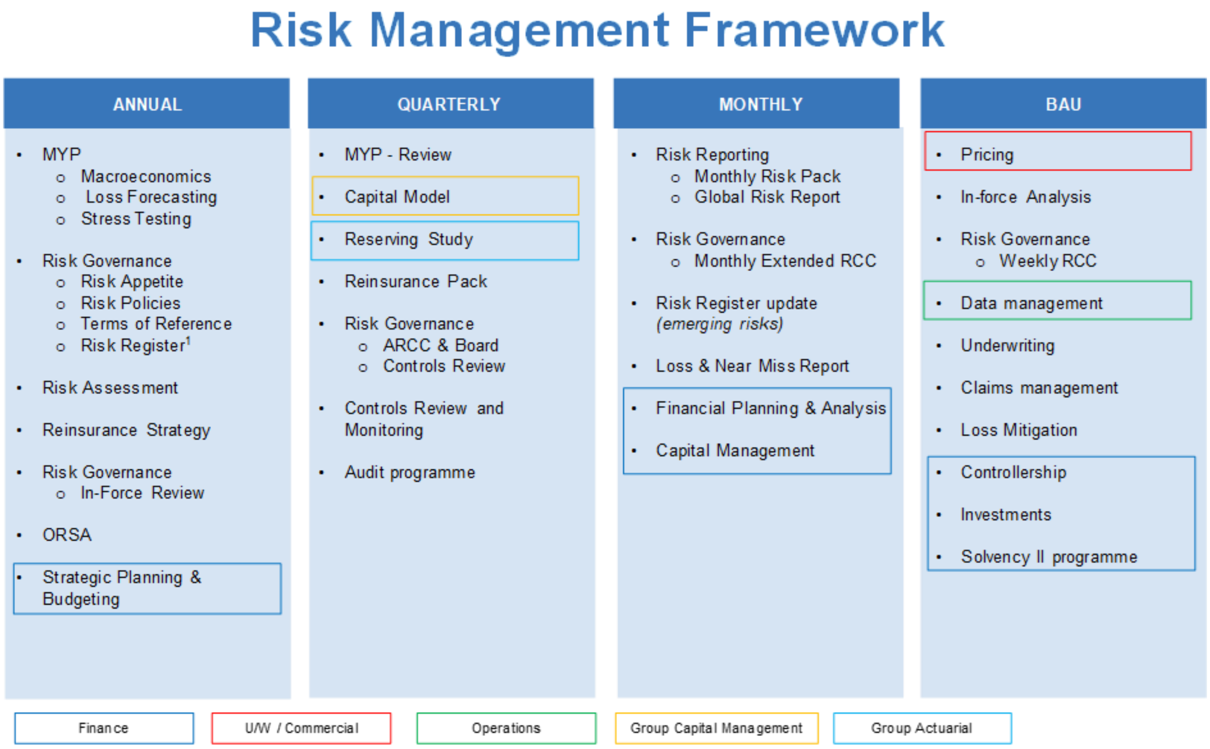
B.3 Risk management system including the own risk solvency assessment

B.3.1 Risk Management Strategy

Managing risk is central to AMIL activity and risk culture is embedded in the business through an organizational model where all members of the staff are accountable for different phases of the risk management process.

The Risk Department owns the Enterprise Risk Management process ("ERM") on behalf of the Board.

The diagram below shows the main components of the ERM process



AMIL´s overall approach to dealing with risk can be defined as follows:

- Assignment of authority, responsibility and accountability for risk areas within the firm;
- Identification of the key risks that exist within these areas;
- Measurement of risks by assessing the pertinence to the firm, stress and scenario testing of insurance risk financial forecasts and understanding the risk information and risk measurement techniques; and
- Monitoring risks through mechanisms such as risk assessments, compliance reviews, risk and investment committees, internal or external audits and escalation processes.

The above framework is clearly described in a set of Risk Policies (Insurance, Market, Liquidity and Operational Risk) approved and reviewed annually by the RC and the Board. Additionally, a Capital Management Policy sets out the principles for managing economic and regulatory capital within the Company. Stress Testing and ORSA Policies are also in place to ensure proper governance around these processes.

The Risk Appetite Statement ("RAS") approved by the Board offsets out the Company's appetite for risk over the medium term. The Statement also includes any additional limits set by the Parent company. The RAS assists and guides Senior Management and Staff in their day-to-day decision making and execution the strategic priorities.

The RAS is supported by the Company's ERM Framework designed to ensure the Company's risks are managed within its stated Risk Appetite.

The RAS focusses on three areas of our risk appetite.

1. **Principles**: guiding principles that are universal across all AmTrust businesses
2. **Financial metrics:** key financial limits and tolerances
3. **RAS by Risk Category:** risk appetite, limits and tolerances by risk category

The first section (Principles) sets out general qualitative criteria on risk appetite. The second section (Financial metrics) defines limits, tolerances and objectives for a set of quantitative indicators related to Capital, Return, Liquidity, Operational and Reputational Risks. The third part (RAS by Risk Category) includes simple/clear qualitative statements and references to quantitative metrics for each risk.

Risks are reviewed and re-assessed through the Company's Risk Assessment process which is briefly summarised below.

The Company maintains a Risk Register where all financial and non-financial risks are fully described (including causes and consequences) and assigned to a Risk Owner. Additionally, all risks are associated to a set of controls (each of them owned by a Controls Owner).

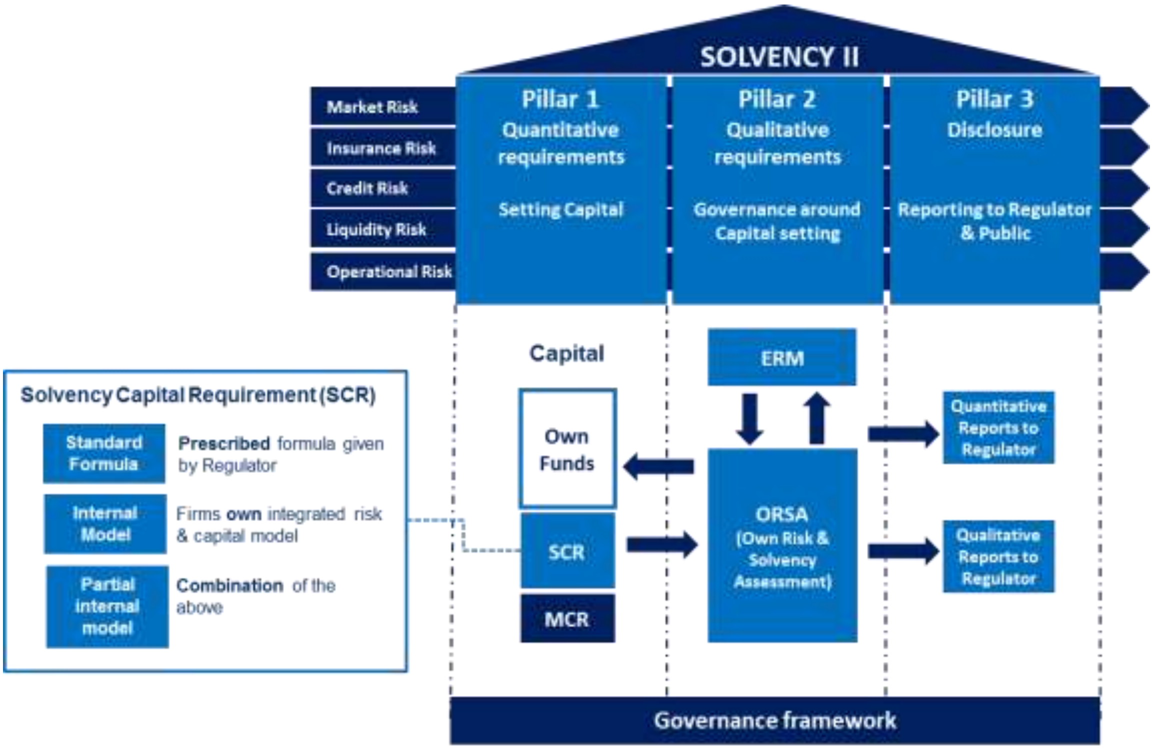
An internal ERM tool is used within the Company to monitor, control and report its risks.

- On an annual basis the Company performs a Risk Assessment where all risks are reviewed and assessed on a gross and on a net basis (i.e. before/after controls).
- Risk owners assess the frequency and severity of each risk and the results are then discussed and challenged by the RCC which approves the final version of the Annual Risk Assessment.
- All risks are then monitored on a monthly/quarterly basis and any significant change in frequency and/or severity is reported to the RCC and to the ARCC/Board. This includes any new emerging risk.
- The risk monitoring process consists of two separate stages: firstly, Controls Owners are asked to perform a self-attestation process of their controls. The assessment is reviewed and challenged by the Risk Governance team on behalf of the CRO.

The consistency of the above "Bottom-Up" approach with the Senior Management assessment ("Top-Down" approach) of the risks associated to the strategy is periodically re-assessed to ensure that the ERM Framework remains aligned to the company's strategy and risk appetite.

B.3.2 Risk exposure

The diagram below shows how the various aspects of risk management, capital management, and regulatory reporting under Solvency II fits together for AMIL.



The Own Risk and Solvency Assessment ("ORSA") forms a key part of ERM at the Company and is performed at least annually, or more frequently if there is a material change in the risk profile. It is the process through which the Board and management team assess the risks faced by AMIL, both now and in the future, and the level of own funds that are necessary to meet the strategic goals of the Company. Therefore, the ORSA is termed to be an economic assessment of capital.

B.4 Internal control system

A.4.1. Internal Control system

The Internal Control System refers to the existence and operation of all the detailed controls that are integrated into the daily operating routines of the Company.

A comprehensive system of internal controls is in place in AMIL. The controls are either performed automatically (for example computer validation routines) or manually (for example financial reconciliations.

The role of internal controls in effective risk management is critical. We have described earlier the quarterly risk assessment and controls reviews that are performed by risk owners. In making that assessment, the risk owners are in effect assessing whether the internal controls operating within their area are adequate in design and operating effectively.

As a further check, the internal audit function is responsible for auditing the control environment against the audit plan agreed by the Audit Committee.

A.4.2. Compliance function

The compliance function is responsible for advising the Executive and the Board on compliance with existing and emerging legal, regulatory and administrative provisions.

The compliance function has the right to escalate to the Board, directly or through its committees, any instances of non-compliance with this policy.

Compliance takes responsibility for identifying and assessing the wide ranging internal and external obligations of the Company. The compliance function helps to ensure that AMIL clearly understands its regulatory risks and the prevailing requirements.

The compliance function undertakes checks to ensure that compliance obligations are being met after implementation through a systematic, disciplined and risk-based approach to evaluating the effectiveness of compliance controls.

The compliance function is a shared service, which is housed in AMIL's direct parent company, AEL.

B.5 Internal audit function

Internal audit is established by the Audit Committees for the companies comprising the AmTrust Group. Internal audit provides senior management and the Audit Committees with information, analysis and recommendations about the adequacy, effectiveness and efficiency of the business operations and internal control environment.

The mission of the internal audit function is to help the Board and Executive Management to protect the assets, reputation and sustainability of the organisation.

This is achieved by:

- Assessing whether all significant risks are identified and appropriately reported by management and the risk function to the Board and Executive Management;
- Assessing whether they are adequately controlled; and
- Challenging Executive Management to improve the effectiveness of governance, risk management and internal controls.

Internal audit is independent from the business and is directly responsible to the Chair of the Audit Committee, with a day-to-day administrative reporting line to the AmTrust Group Chief Audit Officer. Internal audit has free and unrestricted access to the Chair of the Board, the Chair of the Audit Committee and the CEO. The Head of Internal Audit has full and free access to the Audit Committee including attending all Audit Committee meetings, meeting privately with members at least annually (or more frequently as needed), and individual meetings on a regular basis.

Those working within the internal audit function are not permitted to perform day-to-day control procedures or take operational responsibility for any part of the Company's operations outside of internal audit. Management is responsible for the establishment and ongoing operation of the internal control system. The Audit Committee reviews the scope and nature of the work performed by internal audit to confirm its independence.

B.6 Actuarial function

Under Solvency II, the actuarial function is a Key Function, the Chief Actuary being the Key Function holder. The Chief Actuary is a qualified actuary and a member of the Institute and Faulty of Actuaries. Other members of the team are either qualified actuaries; working towards becoming a qualified actuary; or sufficiently qualified by experience to undertake the duties assigned to the individual.

The purpose of the actuarial function within the Company is to provide support in many areas including reserving, pricing and capital management. In addition to the core actuarial work, other statistical and management information support is provided where necessary. This work is required to be undertaken in an objective and independent manner whilst incorporating feedback from the business where appropriate.

The Chief Actuary or an appropriate representative attends the Risk Committee. The actuarial function is also involved in the reinsurance purchasing process where appropriate. The Chief Actuary will rely on work produced by other members of the actuarial function to fulfil the necessary roles and responsibilities.

The actuarial function has the following specific responsibilities:

- Production of the technical provisions in accordance with Solvency II principles and ensuring that methodologies and underlying models used are appropriate for the specific lines of business of the undertaking and for the way the business is managed, having regard to the available data;
- Assessment of whether the information technology systems used in the calculation of the technical provisions sufficiently support the actuarial and statistical procedures;
- Monitoring the actuarial best estimate reserves against actual experience;
- Reporting to the entity-level Boards on the reliability and adequacy of the technical provisions calculation;
- Express opinion regarding the Underwriting Policy at entity level;
- Providing a statistical framework to price various lines of business;
- Reviewing new business opportunities and providing feedback on the underlying models & assumptions or any external actuarial models used;
- Work with underwriters to provide support on product performance;
- Providing input to the Performance Committee as appropriate, where one exists;
- Providing assistance in the preparation of the business plans including independent input into the ultimate loss ratios for each line of business;
- Providing inputs into the calculation(s) of the Standard Formula SCR;
- Working closely with the risk management function to facilitate the implementation of an effective risk management system;
- Support to the risk management function to quantify the risks identified;
- Assessment of risk parameters used in the Economic Capital model;
- Validating the inputs into the Economic Capital model; and
- Reviewing reinsurance arrangements.

B.7 Outsourcing

Outsourcing is an important aspect of the Company's business model. The majority of the Company's key outsourcing risk lies in its use of a service company, AMSL, as well as other group shared service functions.

Key outsourced functions:

- Investment management and accounting (AmTrust group company – Internal outsourcing)
- Staff and administration services (AMSL – Internal outsourcing)
- Taxation (Externally outsourced)

The PRA requires insurance companies to take reasonable steps to avoid undue additional operational risk and not to undertake the outsourcing of key functions in such a way as to either impair the Company's internal controls, or increase risks associated with the PRA's ability in monitoring AMIL's compliance obligations under the regulatory system.

The Company's outsourcing internal control framework includes, but is not limited to:

- Due diligence undertaken of a prospective provider in order to identify the potential operational, prudential and conduct of business regulatory risks that may be associated with the placement of the outsourced function to specific provider(s);
- Formal and disciplined authorities for the appointment of coverholders;
- Supervision of each outsourced relationship by a nominated individual within the Company;
- Formal management and monitoring of intra-group service level agreements;
- Routine management attestation as to continuous control compliance in relation to outsourcing; and
- Independent internal monitoring by the compliance function, internal audit, and the Company's third party audit coverage as routinely approved and monitored by the Audit, Risk and Compliance Committee.

B.8 Any other information

None noted.

Risk Profile

Section C

C Risk Profile

C.1 Underwriting risk

Underwriting risk refers to fluctuations in the timing, frequency and severity of insured events, relative to the expectations of the firm at the time of underwriting.

The Company uses a suite of Key Risk Indicators ("KRIs") to monitor its exposure to underwriting risk that are evaluated each month. These include volume of premium underwritten, priced loss ratios in comparison with annual business plan, ultimate loss ratios in comparison with plan, concentration of premium and profit contribution by type of exposure and deterioration in prior year reserves.

C.1.1 Material risk exposures

Capital allocated to underwriting risk represents 65% of the pre-diversification total SCR.

The Company is exposed to premium risk, that is, the risk that premiums are insufficient to cover the value of claims made; and reserve risk, the risk that on-going claims are settled at a higher value than previously expected. The majority of the Company's material underwriting risk exposure is in Italy. The SCR quantifies the potential for adverse development as part of the calculation of the premium risk and reserve risk calculation. Given the nature of the mortgage insurance business, an additional capital charge for catastrophe risk in included in the SCR.

C.1.2 Material risk concentrations

AMIL's underwriting risk exposure is concentrated in Italy. The Company has purchased excess of loss insurance to mitigate this concentration

C.1.3 Material risk mitigation

The actuarial pricing team review new business to determine that rates are adequate. There is constant monitoring of underwriting performance by management, which allows corrective action to be taken if a piece of business is not performing as expected.

The Company also uses reinsurance to mitigate underwriting risk.

C.1.4 Risk sensitivities

Scenarios were devised during the ORSA process to measure the impact of severe reserve deteriorations.

C.1.5 Other material information

None noted.

C.2 Market risk

Market risk is the risk of loss of income or decrease in the value of assets caused by movements in the level and prices of financial instruments. Market risk includes factors such as equity values, property values, interest rates, foreign exchange and spread risk.

The KRI process identifies and measures the key market risk exposures by closely monitoring the currency and duration mismatch to capture exposure to currency and interest rate risks, as well as the composition of the bond portfolio holdings by credit ratings to capture exposure to spread risk (i.e. credit risk of market instruments exposure).

Investments are reviewed quarterly by the Investment Committee and the Audit, Risk and Compliance Committee.

C.2.1 Material risk exposures

Capital allocated to market risk represents 27% of the pre-diversification total SCR.

The Company's material exposures to market risk are interest rate risk and spread risk on its bond portfolio, foreign exchange risk on its currency exposures and equity risk on its strategic investments in subsidiaries.

The bond portfolio consists of corporate and government bonds. It is exposed to interest rate risk, as well as to credit spread risk. Fluctuations in rates of inflation influence interest rates, which in turn impact the market value of the investment portfolio and yields on new investments. Thus, rising interest rates would have an adverse impact of the bond portfolio and would drive the value of the bonds down. Whereas, widening credit spreads would also negatively impact the value of the bond portfolio.

C.2.2 Material risk concentrations

The Company's material market risk exposures are to its equity investment in AMSL, its foreign currency exposure to the pound Sterling and the exposure of its predominantly fixed rate corporate bond investment portfolio to spread risk.

C.2.3 Material risk mitigation

The Company invests primarily in fixed rate corporate bonds, money market deposits and cash. The Company has no appetite for investments in equities (other than its wholly owned subsidiary) and complex investments such as derivatives. By investing in relatively simple assets, the Company fulfils the Prudent Person principle because it is able to properly understand its investment risks.

Investment management is outsourced to another company within the AmTrust Group. A set of investment management guidelines has been drawn up, adherence to which is monitored by the Investment Committee and the Audit, Risk and Compliance Committee.

The Company monitors interest rate risk as part of its regulatory reporting process by monitoring duration of assets and liabilities. Any gap between the mean duration of the assets and the estimated mean duration of the liabilities is minimised by means of buying and selling fixed interest securities of different durations.

The Company is exposed to foreign exchange risk, by operating in multiple currencies. AMIL seeks to mitigate the currency risk by matching the estimated foreign currency denominated liabilities with assets denominated in the same currency. AMIL's currency matching strategy is well protected against depreciation of Sterling.

C.2.4 Risk sensitivities

One of the adverse scenarios produced by the ORSA considers a severe deterioration of assets value.

C.2.5 Other material information

None noted.

C.3 Counterparty default risk

Counterparty default risk is the potential loss arising principally from adverse changes in the financial condition of the Company's counterparties (reinsurers, intermediaries, policyholders, etc.).

The risk and management team identifies and measures the key credit risk exposure by monitoring the rating of each reinsure and capping the exposure to individual external reinsurer counterparty.

Capital allocated to credit risk represents 4% of the pre-diversification total SCR.

C.3.1 Material risk exposures

The Company is subject to material risk exposures with respect to its reinsurers, banks and bond counterparties, with key exposures as follows:

C.3.1.1 Large bond exposures

Counterparty	Exposure £'000	Rating	% of Portfolio
Daimler AG	6,176	A	6%
Baxter International Inc.	4,882	BBB	5%
BNP Paribas	4,819	A	5%
Toyota Motor Corporation	4,316	AA	4%
BP Capital Markets PLC	4,296	A	4%

C.3.1.2 Material Bank exposures

Counterparty	Exposure £'000	Rating	% of Portfolio
Lloyd's Bank	5,725	A	97%

Bank of New York	166	A	3%

C.3.1.3 Reinsurance exposure

Counterparty	Exposure – Loss given default £'000	Rating	% of Portfolio
Quota Share Reinsurance Panel	975	A	37.8%

C.3.2 Material risk concentrations

The Company is exposed to credit risk in relation to material accounts with our Reinsurance counterparties, as well as to concentration risk in the bond portfolio.

C.3.3 Material risk mitigation

In order to reduce our exposure to reinsurance credit risk, the financial condition of reinsurers is evaluated and reinsurance is placed with a diverse group of companies and syndicates that are believed to be financially sound. The credit quality of reinsurers is monitored when placing new and renewal reinsurance, as well as on an ongoing, current basis. The Company uses objective criteria to select and retain its reinsurers, including requiring an adequate financial strength are also in place for certain counterparties as is deemed appropriate within the business.

The bond portfolio concentration is managed in line with the Company's investment guidelines which restrict investment to rated government and corporate bonds. Duration and rating thresholds are set in accordance with the Company's risk appetite. Formal reviews of the portfolio are quarterly within the Investment and Capital Committee.

C.3.4 Risk sensitivities

One of the ORSA scenarios considers a severe increase in counterparties defaults.

C.3.5 Other material information

The Company benefits from a guarantee from its indirect parent company, AmTrust North America Inc. ("ANA") an enterprise registered and incorporated in the United States of America. This guarantee covers up to €40MM of adverse development on technical reserves. The year-end rating of ANA is "A+" as rated by AM Best.

C.4 Liquidity risk

Liquidity risk represents the Company's potential inability to meet all payment obligations when they become due and the risk stemming from the lack of marketability of an investment security that cannot be bought or sold quickly enough to realise cash.

The finance team carries out regular cash-flow forecasting and analysis to monitor the Company's liquidity needs. Operational cash outflows are funded through operational cash flows inward. Infrequent "one off" payments such as lender settlements are planned in line with investment maturities in the annual, quarterly and monthly cash flow forecasting process.

C.4.1 Material risk exposures

There is a material exposure to liquidity risk through investments in times of severe market stress. If premium payments are not received from coverholders and policyholders, this could also lead to a liquidity risk event. In any such event, we increase the frequency of our cashflow forecast updates and increase cash holding when deemed appropriate to ensure we are in a position to honour all eligible obligations to all of our stakeholders as they come due .Reinsurance may additionally pose a residual liquidity risk with delays in payment by the reinsurer or their default which, while classed as a credit risk event, would also pose major liquidity issues for the Company.

C.4.2 Material risk concentrations

The Company's liquidity risk exposure is concentrated in reinsurance contracts, financial assets (bonds) and cash.

C.4.3 Material risk mitigation

The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effect on its financial performance. It manages these positions within an asset liability management ("ALM") framework that has been developed to minimize the risk of significant deterioration of the investment portfolio while earning profitable returns from those investments.

The Company invests mainly in corporate bonds, which are normally readily convertible into cash, so it holds relatively small amounts of cash. It accepts the risk that during times of stress, there may be market value losses realised by liquidating bonds.

The Company maintains sufficient cash and highly rated marketable securities, to fund claim payments and operations.

C.4.4 Expected profit in future premiums

The value of expected profit in future premiums is £2,423,000. This amount represents only 7% of the value of own funds.

The expected profit in future premiums ("EPIFP") has been calculated at the same lender group/underwriting year level at which the reserving and technical provisions calculation is performed. Expected profit is calculated only for those segments of business for which there is an expected profit within technical provisions i.e. regular premium business and all Bound But Not Incepted ("BBNI"), where future premium is greater than future claims plus expenses.

C.4.5 Risk sensitivities

Unless there is a default in collecting reinsurance receivables due to adverse market conditions, the Company has no significant impact to its liquidity. This is mitigated by AMIL using an external panel of quota share reinsurers, rather than a single counterparty.

C.4.6 Other material information

None noted.

C.5 Operational risk

Capital allocated to operational risk represents 3% of the pre-diversification total SCR.

Operational risk is the risk that the Company will not be able to operate in a fashion whereby the strategic objectives of the Company can be met due to inadequate or failed internal processes, people and systems, or from external events. It arises out of actions undertaken within the Company, clients, investment management companies or outsourced agencies and individuals.

The Company has risk management processes in place, such as lenders´ audit, internal audit, controls testing, project management, Risk and Control Self-Assessment ("RCSA"), data governance management to assess and monitor operational risk exposures.

C.5.1 Material risk exposures

The Company is exposed to IT, Data, Outsourcing, Underwriting, Reinsurance, Fraud, Legal, and Reputation risks.

A critical operation risk is the Company's ability to effectively monitor how lenders' underwrite their mortgages under the "Delegation of Authority" model. This is managed through periodical review of portfolios performance and composition as well as through regular audits.

C.5.2 Material risk concentrations

None.

C.5.3 Material risk mitigation

The Company does not seek to take on operational risk in order to generate a return. However, it recognises that some degree of operational risk is an unavoidable consequence of remaining in business. It therefore seeks to mitigate this risk through its corporate governance and internal control mechanisms, peer view, due diligence and business continuity.

All of the Company's operational risks are captured within its risk register. Risk management carry out a risk and control self-assessment exercise where meetings are held with each key risk owner to review and update the risk registers with new risks and controls, as well as judging whether the ratings for inherent and residual risks are still valid.

C.5.4 Risk sensitivities

The Company has considered a number of operational risk scenarios ("low frequency high severity") as part of its ORSA.

C.5.5 Other material information

None noted.

C.6 Other material risks

C.6.1 Legal and Regulatory risks

This is risk of non-compliance with regulation and legislation.

The Company does not seek to take on legal and regulatory risk in order to generate a return. However, it recognises that some degree of legal and regulatory risk is an unavoidable consequence of remaining in business. It therefore seeks to mitigate this risk through its corporate governance and internal control mechanisms. Awareness of the risks and the Company's control mechanisms are maintained through its policies & procedures framework and training programmes.

C.6.2 Strategic risk

This is the risk arising from failure to sufficiently define the direction and objectives of the Company, together with the resourcing and monitoring of the achievement of the same.

The Company has a well-developed business planning process and its business plans are approved by the Board. The business plans are also used in the ORSA process.

C.6.3 Governance risk

This is the risk arising from the failure to demonstrate independent and proper stewardship of the affairs of the entity in order to safeguard the assets of the Company's shareholders and the overall interests of its stakeholders.

The Company regards a strong Governance Framework to be vital in the achieving its objectives as well as providing transparency and accountability to its various stakeholders. A system of internal control and governance has been developed using the "three lines of defence" model.

C.6.4 Group risk

This is the risk arising from other parts of the AmTrust Group, through parental influence or direct contagion.

The Company maintains a good relationship with its ultimate parent and expects that, at all times, it will remain suitably apprised of all of the material risks within the group that may, if crystallised, have negative impact upon the business strategy and/or cause detriment to its customers.

Regular meetings with the AmTrust Group risk department. The AmTrust Group CEO also holds approved person status under the SMF regime.

Although the Company is part of the wider AmTrust Group, it is a separate regulated entity under the UK PRA and is managed accordingly in terms of capital adequacy, risk management, governance, compliance and infrastructure.

C.6.5 Solvency risk

This is the risk that the entity fails to maintain adequate levels of capital resources of sufficient quality and quantity in order to carry out its business objectives and in order to meet all domestic and international regulatory considerations regarding the capital resource requirements.

The Company ensures it is solvent at all times through monitoring of solvency position, management accounts, solvency forecasting in ORSA and prior to any strategic decision making.

C.6.6 Use of derivatives

The company has no derivatives.

C.7 Any other information

None noted.

Valuation for Solvency Purposes

Section D

D Valuation for Solvency Purposes

The table below shows the valuation on a Solvency II basis of AMIL's assets and liabilities as at 31 December 2019.

Category	Solvency II (£'000)	UK GAAP (£'000)	Variance
Deferred Acquisition Costs	-	1,360	(1,360)
Deferred Tax Asset	487	487	-
Property, plant & equipment held for own use	11	11	-
Holdings in related undertakings, including participations	3,882	3,388	494
Investment Bonds	87,926	87,340	586
Collective Investments Undertakings	42	42	-
Reinsurance recoverables	2,543	10,953	(8,410)
Insurance and intermediaries receivables	312	4,495	(4,183)
Reinsurance receivables	35	1,360	(1,325)
Receivables (trade, not insurance)	52	52	-
Cash and cash equivalents	5,886	4,128	1,758
Any other assets, not elsewhere shown	-	575	(575)
TOTAL ASSETS	**101,176**	**114,191**	**(13,015)**
Technical provisions - non-life (excluding health)	41,797	50,910	(9,113)
Reinsurance payables	118	3,018	(2,900)
Payables (trade, not insurance)	7,068	5,309	1,759
TOTAL LIABILITIES	**48,983**	**59,237**	**(10,254)**
Excess of Assets over Liabilities	**52,193**	**54,954**	**(2,761)**

D.1 Assets

As a general principle, the Company's assets and liabilities are valued differently when calculating own funds (net equity on a Solvency II basis) and when preparing annual accounts for filing at Companies House. The former applies the valuation rules from the Solvency II Directive, and the latter applies valuation rules under Generally Accepted Accounting Principles ('GAAP') in the UK.

The valuation rules from the Solvency II Directive use International Financial Reporting Standards ('IFRS') as a starting position with various changes applied to move to an economic balance sheet position. UK GAAP is largely equivalent to the accounting principles applied under IFRS, although differences do exist.

This section highlights the way the Company values its assets and liabilities using the Solvency II valuation principles and, where relevant, explains any material differences to the UK GAAP valuation approach followed in its last reported financial statements.

D.1.1 Deferred acquisition costs

Deferred acquisition costs are costs relating to contracts in force at the balance sheet date which are carried forward to subsequent periods, in relation to unexpired periods of risk. In accordance with Article 12 of the Solvency II Delegated Acts, deferred acquisition costs are valued at zero under Solvency II.

D.1.2 Deferred tax asset

The deferred tax asset in the UK GAAP balance sheet has been recognised up to the limit of estimated recoverability which is lower than the amount calculated based on the amount of carried forward tax losses and other timing differences. Therefore, no additional deferred tax has been considered for valuation differences in the value of assets between the UK GAAP and Solvency II.

D.1.3 Property, plant and equipment held for own use

Under Solvency II the valuation of property, plant and equipment should be a reliable estimate for the amount which the assets could be exchanged between knowledgeable willing parties in an arm's length transaction.

Less than £0.1m is held within plant and equipment and, as a result, management do not believe that using depreciated cost would generate a materially incorrect position against the market value.

D.1.4 Investments (other than assets held for index-linked and unit-linked contracts)

The Company has an investment portfolio made up of corporate and government bonds.

The Company elects to carry its investments at fair value. The UK GAAP accounting designation is "available for sale", which takes fair value adjustments through equity. These assets are managed and their performance evaluated on a fair value basis.

The fair values of these financial instruments are based on quoted prices as at the balance sheet date.

According to the valuation rules contained within Article 75 of Directive 2009/138/EC this method can be consistently applied under Solvency II and therefore, no adjustments are made to the UK GAAP position.

D.1.5 Investments in subsidiaries and participations

In accordance with Delegated Regulation (EU) 2015/35 Article 13, the Company is valuing its holdings in related undertakings, in accordance with the following order of hierarchy:

- Valued based on quoted prices in active markets where available;
- Where quoted prices in active markets are not available, valued on an adjusted equity method (based on Solvency II valuation of underlying net assets or, for related undertakings other than insurers where this is not practicable, based on IFRS with the deduction of goodwill and intangibles); and
- For related undertakings other than subsidiaries, where quoted prices in active markets are not available and where it is not possible to apply an adjusted equity method, an alternative valuation method (e.g. mark to model) may be used.

As the Company's only related undertaking, AMSL, is not listed, it is valued on the adjusted equity method.

AMSL is a subsidiary other than an insurance entity, hence the adjusted equity method means using the excess of assets over liabilities using International Accounting Standards excluding any value in goodwill or intangibles (Article 13(5)). For this purpose, the entity has assumed the UK GAAP position is a reasonable approximation for IFRS.

As equity holdings, the investments attract equity and concentration risk charges as appropriate.

Category (£'000)	UK GAAP	Reclassification Adjustment	Valuation Adjustment	Solvency II
Corporate Bonds	87,157	586	-	87,743
Government Bonds	183	-	-	183
Participations	3,388	-	494	3,882

Accrued interest on bonds is shown in the combined bond value under Solvency II, rather than separately on the face of the balance sheet as with UK GAAP.

Investment in subsidiary (participation) is shown using the adjusted equity method under Solvency II versus historic cost under UK GAAP.

D.1.6 Reinsurance recoverables

Refer to section D.2 Technical provisions below.

D.1.7 Insurance debtors and creditors

Insurance debtors and creditors are held are held at amortised cost under UK GAAP, due to the short-term nature of these payables this is a reasonable approximation of fair value.

An adjustment is made to these balances for the impact of future premiums (including commissions and reinsurance as appropriate). Future premiums relate to the future collection or payment of cash relating to premiums and commissions which are dealt with as part of the wider technical provision calculation.

Future premiums relating to business bound but not incepted at the period close are not included within the UK GAAP accounts. As a result, this future premium is booked through the technical account.

Category (£'000)	UK GAAP	Reclassification Adjustment	Valuation Adjustment	Solvency II
Insurance and intermediaries receivables	4,495	(4,183)	-	312

D.1.8 Reinsurance receivables

Reinsurance receivables relate to reinsurance profit commission receivable, based on the underlying performance of the insurance business under an earned premium, UK GAAP approach.

An adjustment is made to this balance under Solvency recalculating the receivable based on future discounted cash flows.

Category (£'000)	UK GAAP	Reclassification Adjustment	Valuation Adjustment	Solvency II
Reinsurance receivables	1,360	(1,325)	-	35

D.1.9 Receivables (trade, not insurance)

All other debtors and creditors are held are held at amortised cost under UK GAAP, due to the short-term nature of these payables this is a reasonable approximation of fair value.

D.1.10 Cash and cash equivalents

Cash and cash equivalents comprise cash with banks and considered to be held at fair value under Solvency II.

D.1.11 Any other assets, not elsewhere shown

D.1.12 This relates to accrued interest on bonds, refer to section D.1.3.

D.2 Technical Provisions

On a Solvency II basis, the total net technical provisions, including the risk margin, were £39m compared to £51m on a statutory basis, a decrease of 31%. The technical provisions are the best liabilities and risk margin. As the Company is a mono-line insurer, the below table relates to its only line of business, credit and suretyship.

Technical Provisions	£'000
Gross Best Estimate	
Claims Provisions	28,385
Premium Provisions	9.,785
Risk Margin	3,626
Gross Technical Provisions	**41,796**
Net Best Estimate	
Claims Provisions	27,842
Premium Provisions	7,820
Risk Margin	3,593
Net Technical Provisions	**39,255**

D.2.1 Methodology and main assumptions

The Company's actuarial function calculates the technical provisions, considering the following elements:

- Claims projections;
- Expense projections;
- Premium in-flows and out-flows;
- Reinsurance recoveries; and
- Risk margin.

D.2.1.1 Claims projections

The Company's actuarial function calculates claims projection using the outputs from our stochastic economic capital model. The capital model projects claims to ultimate over a range of economic scenarios. Since the end of 2018, we are no longer using the stochastic model directly to calculate the claims cashflows. Instead we are using the outputs from the quarterly reserving exercises and applying an ENID loading that is calibrated from the most recent stochastic economic model run. For claims provisions (relating to incurred events), the case reserves have the additional ENID loading applied from the stochastic economic model. The premium provisions (relating to future events) are based on the losses generated by the stochastic economic model, combined with updates to allow for the runoff of the unearned premium reserves and the risk-in-force, as well as using the pricing loss ratios for the more recent book years where there is a greater level of uncertainty. The claims patterns used to calculate the cashflows are also based on the stochastic model outputs. These cashflows are then discounted using risk-free yield curves.

D.2.1.2 Expense projections

The Company's actuarial function projects the expenses attributable to the in-force business at the valuation date. The calculation of the expense total is based on the expense base for the prior year reducing using a run-off factor for the following 3 years. There is then a single payment after the 3 years to cover the costs of transferring the administration of the outstanding liabilities. These expenses are then discounted using risk-free yield curves.

D.2.1.3 Premium in-flows and out-flows

The majority of our business is single up-front premium, except for our German and Swedish business which are paid annually and quarterly respectively.

We project the future premium for this business using standard lapse and amortisation assumptions used elsewhere throughout the business.

Since the Company is now in run-off, there is no future premium to be received for BBNI business.

Finally, we have a 33% quota share arrangement on all business written between 2011 and 2018 and this cession is increased to 50% for business written in 2019 driven by the AmTrust Group's strategy of protecting its longer tail risk. For this business, we allow for the reinsurance premium payable to the reinsurers in calculating the net technical provisions.

D.2.1.4 Reinsurance recoveries

Our reinsurance program comprises the aforementioned quota share reinsurance, and two aggregate excess-of-loss ("XoL") treaties on our Italian business.

We calculate the reinsurance recoveries using the expected losses calculated for the gross technical provisions. The quota share recoveries are a simple proportion of the claims from our 2011 to 2019 business. The XoL recoveries are assumed to be far enough out-of-the-money that any expected recoveries are immaterial.

The recoveries are discounted using risk-free yield curves.

D.2.1.5 Risk margin

We have opted to use a fixed percentage of net claims and premium provision for our risk margin. The fixed percentage is 9.5%, which was calibrated using the full-method calculation when Solvency II came into force.

D.2.1.6 Uncertainty in technical provisions

The uncertainty in the value of the technical provisions arises from three main areas:

- Future performance of the in-force business;
- Expenses of the legal entity; and
- Future revenue streams.

D.2.1.7 Future performance of the in-force business

D.2.1.7.1 Economics

The economic capital model used an economic scenario generator which produced stochastic economic forecasts around a deterministic forecast in each of our territories. This deterministic base case is uncertain to varying degrees in each country, with several factors giving rise to significant uncertainty in the European economic outlook, e.g. Brexit, upcoming elections, etc. This uncertainty is allowed for by using the outputs of the economic capital model to calibrate the ENID loadings on technical provisions.

D.2.1.7.2 Settlement activity

We actively pursue settlements with many of our clients, either on tranches of highly delinquent loans for our larger lenders (partial settlements) or full commutations with our smaller lenders in runoff. The amount of these settlements can vary from the value of reserves in the technical provisions, which creates uncertainty in the ultimate cashflows relating to these parts of the Company.

D.2.1.7.3 Model risk

Parts of our overall portfolio are subject to a higher degree of model risk, e.g. the countries with lower volumes of performance data (Germany, Portugal, Spain, Sweden), and our younger books which have less development and therefore, rely on benchmarking to prior years.

The first example of small data volume in specific countries is self-mitigating to a degree – the lower the volume of data, the less material to the overall value of technical provisions.

The second example accounts for more uncertainty, although our underwriting standards have been consistent for several years now since late 2009 onwards which would lead us to expect consistent performance relative to the economic outlook.

D.2.1.7.4 Ireland runoff

The Irish central bank introduced their Mortgage Arrears Resolution Process ("MARP") in 2013, which sets out rules for lenders to deal with their non-performing loan portfolios. The main impact was to force lenders to implement long-term sustainable workout solutions for delinquent loans, rather than "kicking the can" down the road.

At around the same time, we entered a settlement agreement with our sole remaining lender in Ireland which clearly specifies the circumstances that lead to a claim event, and the quantum of that claim. This has reduced the inherent uncertainty in the level of reserves we need to hold for Ireland.

D.2.1.8 Expense of the legal entity

Since the Company is now in run-off, the current expense base is expected to reduce over time as the costs relating to new business reduce. The expectation in the calculation of expenses in technical provisions is that the expenses will continue reducing over the next 3 years, with a final one-off payment to cover the settlement of the liabilities. We have adopted a conservative view of expenses at year end 2019.

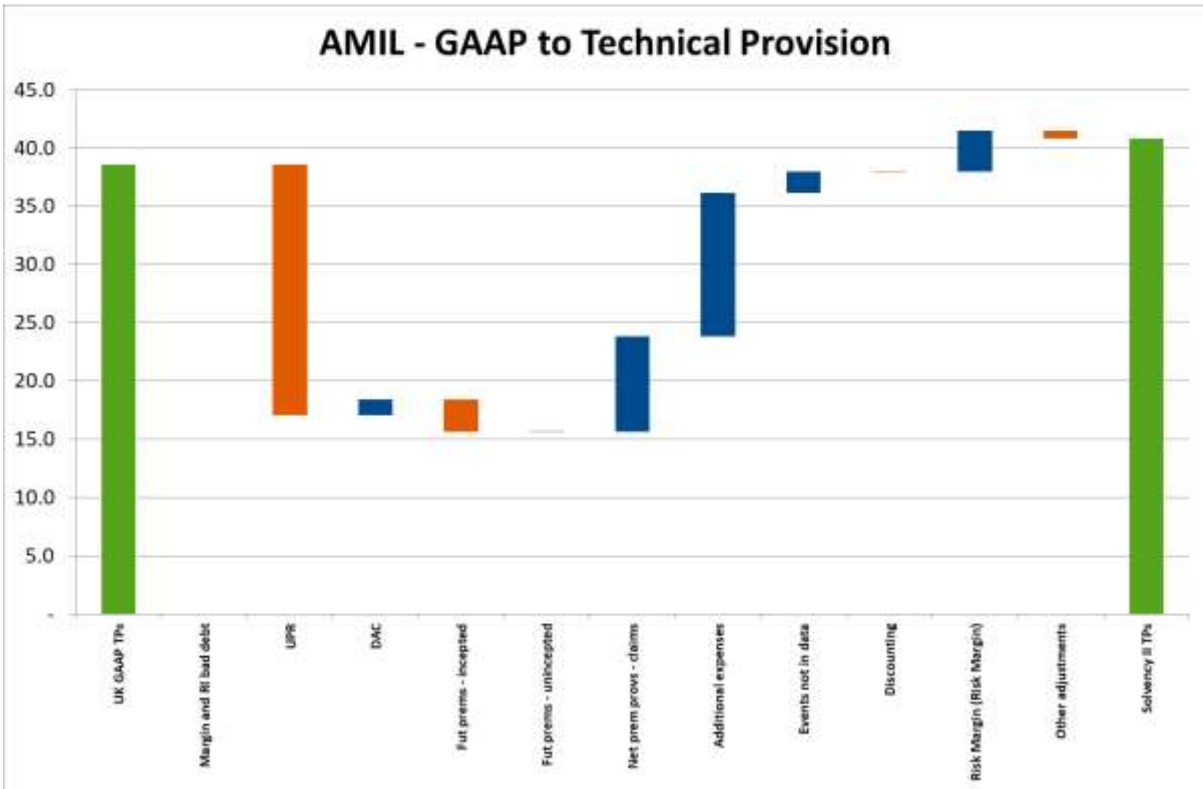
D.2.1.9 Future revenue streams

Future revenue comes from regular premium business in Germany and Sweden. The uncertainty arises from future lapse rates and amortisation of the loans.

D.2.2 Differences between Solvency II valuation and financial statements

Solvency II technical provisions are set according to very different principles to UK GAAP technical provisions.

The chart and table below shows the impact of the differences in the bases, methods and assumptions between the two regimes.



Note: The above waterfall chart walks the UK GAAP gross technical provisions to Solvency II net technical provisions.

D.2.2.1 Margin for prudence and reinsurer bad debt

The Company does not hold any margin for prudence or provisions for reinsurer bad debt in our UK GAAP reserves. Our counterparties are all highly rated and we do not feel any such margin is appropriate

D.2.2.2 Unearned premium reserve ("UPR")

Under Solvency II, the UPR has been replaced by the premium provisions.

The UPR consists of future incurred claims, future expenses and future profits.

The premium provisions contain the best estimate for future incurred claims and expenses, less future premiums receivable, i.e. profits are recognised on inception of the insurance business.

D.2.2.3 Deferred acquisition costs ("DAC")

Under Solvency II, there is no allowance for DAC.

D.2.2.4 Future premiums – incepted contracts

Under Solvency II, the premium provisions allow for future premium receivable. This item related to the premium from our regular premium business in Germany and Sweden – the rest of our business receives single upfront premium.

D.2.2.5 Future premiums – unincepted contracts

Under Solvency II, you need to reserve for business you have committed to write in the future, not just business that has already incepted.

Since the Company is in run-off, there is no unincepted new business remaining.

D.2.2.6 Net premium provision – claims component only

The Company calculates the best estimate for future incurred claims using loss ratios from the economic capital model updated for changes in UPR and RIF, as described above in section D.2.1.1.

D.2.2.7 Additional expenses

Under UK GAAP, the expenses for the in-force business are the loss adjustment expenses ("LAE") in the loss reserves and the expenses part of the UPR.

Under Solvency II we project expenses as described above in section D.2.1.2.

Therefore, this additional expense item is the total Solvency II expenses less LAE (UPR having already been removed in a previous step).

D.2.2.8 Events not in data

Under Solvency II, we are required to calculate the best estimate, defined as the probability-weighted average of future cashflows, taking account of the time value of money.

We have adopted the approach that the deterministic outcomes from the reserving exercise and the runoff of UPR and RIF are used to calculate the base level of technical provisions. There is then an ENID loading applied which is calibrated using the additional losses from the stochastic economic capital model when it was most recently updated for the claims provisions.

For the premium provisions, the loss ratios that apply to the remaining risks are calculated based on a blend of the stochastic economic capital model and the loss ratios from the pricing model, which tend to be higher in recent years where the outcomes are more uncertain.

D.2.2.9 Discounting

Technical provisions are discounted at a risk-free rate under Solvency II. Under UK GAAP, there is no discounting allowed.

D.2.3 Reinsurance recoverables

The Company has both quota-share and XoL reinsurance programs in place as at the end of 2016.

D.2.3.1 Quota-share reinsurance

We have placed the quota-share reinsurance with a pool of highly-rated ("A-" or above) reinsurers for each underwriting year since 2011, ceding 33.33% each year. This increases to ceding 50% from 2019.

Due to the low loss ratios experienced on all business since 2011, the quota-share reinsurance recoveries in our technical provisions are small in relation to the overall value of the technical provisions.

D.2.3.2 Aggregate excess-of-loss reinsurance

We have two XoL treaties in place, covering extreme losses in Italy. The first treaty covers business written in 2010 and prior years. The second treaty covers business written from 2011-2018. In both cases, cover was initially placed to cover losses between the 80th and 99.5th percentiles. Since that time, the business has matured sufficiently for there to be no recoverables in our technical provisions for either treaty.

D.2.4 Material changes in assumptions for technical provisions

Since the previous reporting period, we have made no material changes in our assumptions.

D.3 Other liabilities

D.3.1 Insurance & intermediaries payables

Insurance creditors are held at amortised cost under UK GAAP, due to the short-term nature of these payables this is a reasonable approximation of fair value.

D.3.2 Payables (trade, not insurance)

All other creditors are held at amortised cost under UK GAAP, due to the short-term nature of these payables this is a reasonable approximation of fair value.

D.3.3 Reinsurance payables

Under UK GAAP reinsurance payables comprise deferred ceding commission and reinsurance cash premiums payable.

Reinsurance creditor payable is held at amortised cost under UK GAAP, due to the short-term nature of this payables this is a reasonable approximation of fair value.

Under Solvency II an adjustment is made removing the deferred ceding commission which is based on the UK GAAP accrual basis. These cash flows are dealt with in calculating the reinsurance technical provisions, using discounted cash flows under Solvency II.

Category (£'000)	UK GAAP	Reclassification Adjustment	Valuation Adjustment	Solvency II
Reinsurance payables	3,108	(2,900)	-	118

D.3.4 Other

At present no further adjustments are made to the UK GAAP balance sheet to move to Solvency II.

Due to the company's large carry forward tax losses, and loss making experience between 2008 – 2015, no deferred tax assets have been recognised in accordance with IAS12 accounting principles.

D.4 Alternative methods for valuation

The Company does not use any alternative methods for valuation.

D.5 Any other information

Contingent Liabilities:

The Company may become liable for future claims in the event of the insolvency of the relevant lender. The Company is unable to quantify this contingent exposure, although the probability of any future liability is deemed extremely remote.

Under a settlement agreement with the lender in question the Company agreed to pay a capped amount of claims under the master policy. Since the loans were part of a securitization and the lender did not want to interrupt the payments into the securitization, the Company and the lender agreed to keep the terms of the master policy unchanged and have the lender accept all liability for claims payments in excess of the settlement amount. Therefore, the Company continues to pay claims as normal under the master policy even though the claims paid to date are far in excess of the settlement amount and is being reimbursed for these excess payments. Should the lender default on the settlement agreement, the Company would remain liable under the terms of the master policy for payment to the investors. The Company has letters of comfort from the lender's parent companies should the lender become bankrupt and unable to honour its payment obligation to the Company under the settlement agreement.

Capital Management

Section E

E Capital Management

E.1 Own funds

The Company's capital management objective is to maintain sufficient capital to protect the interests of all of its customers, investors, regulators and trading partners. The Company maintains a prudent buffer over the SCR.

The Company's capital position is kept under constant review and is reported quarterly to the Board and to the PRA as part of Solvency II reporting.

AEL manages its Own Funds with the objective of always being able to satisfy both the MCR and the SCR plus a buffer. The target ratio for available capital in excess of the Solvency II SCR is agreed and signed off by the Board. There have been no significant changes to the capital management objectives over the period of this report.

E.1.1 Composition of Own Funds

31 December 2019	£'000
Ordinary share capital – Tier 1	35,254
Reconciliation reserve - Tier	16,453
An amount equal to the value of net deferred tax assets – Tier 3	487
Own funds	**52,193**

Note, of the above Own Funds, more than 99% are Tier 1, are eligible towards the Company's SCR and MCR.

None of the Company's Own Funds are subject to transitional arrangements. We have no Ancillary Own Funds. There are no ring-fenced funds and no deductions are made from Own Funds, nor is there any restriction affecting the availability and transferability of Own Funds within the Company.

There are material differences between equity in the UK GAAP financial statements, and the excess of assets over liabilities under Solvency II:

31 December 2019	£'000
Total reserves and retained earnings from UK GAAP Financials	54,954
Differences arising from SII Valuation of assets	(13,015)
Differences arising from SII Valuation of technical provisions	9,113
Differences arising from SII Valuation of other liabilities	1,141
Own funds per Solvency II	**52,193**

E.1.2 Transitional Arrangements

None of the Company's Own Funds are subject to transitional arrangements. AMIL has no Ancillary Own Funds. There are no ring-fenced funds and no deductions are made from Own Funds, nor is there any restriction affecting the availability and transferability of Own Funds within the Company.

E.2 Solvency capital requirement and minimum capital requirement

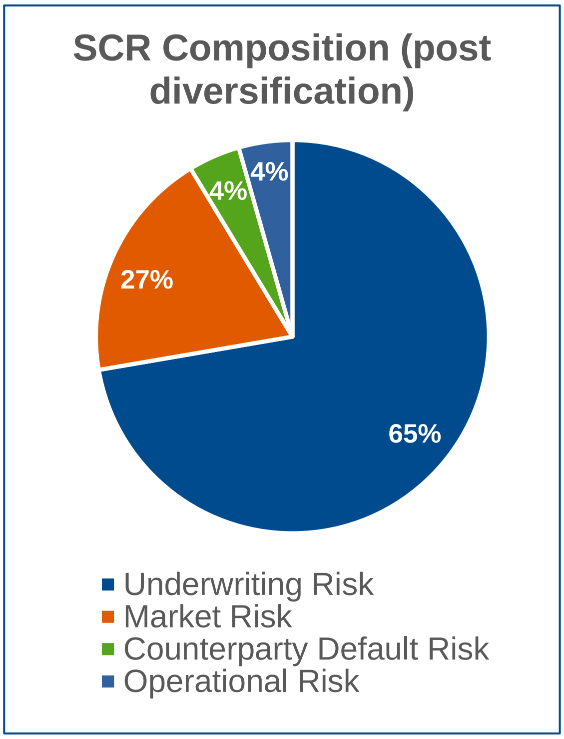
AMIL calculates its SCR and MCR using tools developed internally. These results then feed into an off-the-shelf system (SolvencyTool) to contribute to the parent group's consolidated SCR and MCR.

31 December 2019	Capital Requirement (£'000)	Solvency Ratio (%)
SCR	31,177	168%
MCR	7,794	670%

The key inputs to the Company's MCR calculation were the net best estimate and technical provisions calculated as a whole, and the net written premiums in the last twelve months for credit and suretyship class of business only.

E.2.1 Solvency Capital requirement

Risk Category	SF SCR 4Q19 SII Balance Sheet (£'000)
Market Risk	10,454
Counterparty Default Risk	1,467
Non-Life Underwriting Risk	24,835
Undiversified Basic SCR	36,901
Diversification credit	6,720
Basic SCR	30,035
Total Operational Risk	1,142
Standard Formula SCR	31,177
Available Capital	52,193
Capital Margin	22,016
Solvency Ratio	**168%**



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

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

E.4 Difference between the standard formula and the internal model used

The Company is a standard formula firm.

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

The Company has been in compliance with the MCR and SCR throughout the reporting period. The Company expects to maintain compliance throughout the business planning period.

E.6 Any other information

None noted.

Annex

Quantitative Reporting Templates

S.02.01: Balance sheet

Assets		Solvency II value
		C0010
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	
Deferred tax assets	R0040	486,860
Pension benefit surplus	R0050	
Property, plant & equipment held for own use	R0060	11,498
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	91,849,438
Property (other than for own use)	R0080	
Holdings in related undertakings, including participations	R0090	3,881,512
Equities	R0100	0
Equities — listed	R0110	
Equities — unlisted	R0120	
Bonds	R0130	87,926,095
Government Bonds	R0140	182,737
Corporate Bonds	R0150	87,743,358
Structured notes	R0160	
Collateralised securities	R0170	
Collective Investments Undertakings	R0180	41,831
Derivatives	R0190	
Deposits other than cash equivalents	R0200	
Other investments	R0210	
Assets held for index-linked and unit-linked contracts	R0220	
Loans and mortgages	R0230	0
Loans on policies	R0240	
Loans and mortgages to individuals	R0250	
Other loans and mortgages	R0260	
Reinsurance recoverables from:	R0270	2,542,519
Non-life and health similar to non-life	R0280	2,542,519
Non-life excluding health	R0290	2,542,519
Health similar to non-life	R0300	
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	0
Health similar to life	R0320	
Life excluding health and index-linked and unit-linked	R0330	
Life index-linked and unit-linked	R0340	
Deposits to cedants	R0350	
Insurance and intermediaries receivables	R0360	311,627
Reinsurance receivables	R0370	35,483
Receivables (trade, not insurance)	R0380	52,116
Own shares (held directly)	R0390	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	
Cash and cash equivalents	R0410	5,886,500
Any other assets, not elsewhere shown	R0420	
Total assets	**R0500**	101,176,040

Liabilities		Solvency II value
Technical provisions — non-life	R0510	41,797,119
Technical provisions — non-life (excluding health)	R0520	41,797,119
Technical provisions calculated as a whole	R0530	
Best Estimate	R0540	38,243,419
Risk margin	R0550	3,553,700
Technical provisions — health (similar to non-life)	R0560	0
Technical provisions calculated as a whole	R0570	
Best Estimate	R0580	
Risk margin	R0590	
Technical provisions — life (excluding index-linked and unit-linked)	R0600	0
Technical provisions — health (similar to life)	R0610	0
Technical provisions calculated as a whole	R0620	
Best Estimate	R0630	
Risk margin	R0640	
Technical provisions — life (excluding health and index-linked and unit-linked)	R0650	0
Technical provisions calculated as a whole	R0660	
Best Estimate	R0670	
Risk margin	R0680	
Technical provisions — index-linked and unit-linked	R0690	0
Technical provisions calculated as a whole	R0700	
Best Estimate	R0710	
Risk margin	R0720	
Other technical provisions	R0730	
Contingent liabilities	R0740	
Provisions other than technical provisions	R0750	
Pension benefit obligations	R0760	496,115
Deposits from reinsurers	R0770	
Deferred tax liabilities	R0780	
Derivatives	R0790	
Debts owed to credit institutions	R0800	
Financial liabilities other than debts owed to credit institutions	R0810	
Insurance & intermediaries payables	R0820	
Reinsurance payables	R0830	117,823
Payables (trade, not insurance)	R0840	4,902,688
Subordinated liabilities	R0850	0
Subordinated liabilities not in Basic Own Funds	R0860	
Subordinated liabilities in Basic Own Funds	R0870	
Any other liabilities, not elsewhere shown	R0880	1,668,921
Total liabilities	R0900	48,982,667
Excess of Assets over Liabilities	**R1000**	52,193,373

AmTrust International

S.05.01: Premiums, claims and expenses by line of business

		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	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written																		
Gross — Direct Business	R0110									3,610,758								3,610,758
Gross — Proportional reinsurance accepted	R0120																	0
Gross — Non-proportional reinsurance accepted	R0130																	0
Reinsurers' share	R0140									1,796,318								1,796,318
Net	R0200	0	0	0	0	0	0	0	0	1,814,440	0	0	0	0	0	0	0	1,814,440
Premiums earned																		
Gross — Direct Business	R0210									7,695,928								7,695,928
Gross — Proportional reinsurance accepted	R0220																	0
Gross — Non-proportional reinsurance accepted	R0230																	0
Reinsurers' share	R0240									4,030,195								4,030,195
Net	R0300	0	0	0	0	0	0	0	0	3,665,733	0	0	0	0	0	0	0	3,665,733
Claims incurred																		
Gross — Direct Business	R0310									293,201								293,201
Gross — Proportional reinsurance accepted	R0320																	0
Gross — Non-proportional reinsurance accepted	R0330																	0
Reinsurers' share	R0340									40,406								40,406
Net	R0400	0	0	0	0	0	0	0	0	252,795	0	0	0	0	0	0	0	252,795
Changes in other technical provisions																		
Gross — Direct Business	R0410																	0
Gross — Proportional reinsurance accepted	R0420																	0
Gross — Non-proportional reinsurance accepted	R0430																	0
Reinsurers' share	R0440																	0
Net	R0500	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Expenses incurred	R0550	0	0	0	0	0	0	0	0	5,207,545	0	0	0	0	0	0	0	5,207,545
Administrative expenses																		
Gross — Direct Business	R0610									989,419								989,419
Gross — Proportional reinsurance accepted	R0620																	0
Gross — Non-proportional reinsurance accepted	R0630																	0
Reinsurers' share	R0640																	0
Net	R0700	0	0	0	0	0	0	0	0	989,419	0	0	0	0	0	0	0	989,419
Investment management expenses																		
Gross — Direct Business	R0710									195,732								195,732
Gross — Proportional reinsurance accepted	R0720																	0
Gross — Non-proportional reinsurance accepted	R0730																	0
Reinsurers' share	R0740																	0
Net	R0800	0	0	0	0	0	0	0	0	195,732	0	0	0	0	0	0	0	195,732
Claims management expenses																		
Gross — Direct Business	R0810																	0
Gross — Proportional reinsurance accepted	R0820																	0
Gross — Non-proportional reinsurance accepted	R0830																	0
Reinsurers' share	R0840																	0
Net	R0900	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Acquisition expenses																		
Gross — Direct Business	R0910									3,246,071								3,246,071
Gross — Proportional reinsurance accepted	R0920																	0
Gross — Non-proportional reinsurance accepted	R0930																	0
Reinsurers' share	R0940									1,606,184								1,606,184
Net	R1000	0	0	0	0	0	0	0	0	1,639,887	0	0	0	0	0	0	0	1,639,887
Overhead expenses																		
Gross — Direct Business	R1010									2,382,507								2,382,507
Gross — Proportional reinsurance accepted	R1020																	0
Gross — Non-proportional reinsurance accepted	R1030																	0
Reinsurers' share	R1040																	0
Net	R1100	0	0	0	0	0	0	0	0	2,382,507	0	0	0	0	0	0	0	2,382,507
Other expenses	R1200																	
Total expenses	R1300																	5,207,545

S.05.02: Premiums, claims and expenses by country

		Home Country	Top 5 countries (by amount of gross premiums written) — non-life obligations					
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
	R0010	GB: United Kingdom	IT: Italy	DE: Germany	SE: Sweden	ES: Spain	IE: Ireland	Total Top 5 and home country
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross — Direct Business	R0110	537,562	2,306,650	709,969	60,716			3,614,896
Gross — Proportional reinsurance accepted	R0120							0
Gross — Non-proportional reinsurance accepted	R0130							0
Reinsurers' share	R0140	264,480	978,755	553,083				1,796,318
Net	R0200	273,082	1,327,895	156,886	60,716	0	0	1,818,579
Premiums earned								
Gross — Direct Business	R0210	62,250	6,530,944	1,016,275		9,101	28,685	7,647,255
Gross — Proportional reinsurance accepted	R0220							0
Gross — Non-proportional reinsurance accepted	R0230							0
Reinsurers' share	R0240	-50,947	2,260,361	19,911				2,229,325
Net	R0300	113,198	4,270,582	996,364	0	9,101	28,685	5,417,930
Claims incurred								
Gross — Direct Business	R0310	-28,627	568,084	-262,727	-31,507	66,651	24,755	336,628
Gross — Proportional reinsurance accepted	R0320							0
Gross — Non-proportional reinsurance accepted	R0330							0
Reinsurers' share	R0340	-6,448	60,649	-14,762				39,439
Net	R0400	-22,179	507,435	-247,966	-31,507	66,651	24,755	297,189
Changes in other technical provisions								
Gross — Direct Business	R0410							0
Gross — Proportional reinsurance accepted	R0420							0
Gross — Non-proportional reinsurance accepted	R0430							0
Reinsurers' share	R0440							0
Net	R0500	0	0	0	0	0	0	0
Expenses incurred	R0550	3,455,582	985,158	228,312	864	14,166	28,779	4,712,861
Other expenses	R1200							
Total expenses	R1300							4,712,861

S.17.01: Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	Total Non-Life obligation
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	R0010	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Direct business	R0020																	0
Accepted proportional reinsurance business	R0030																	0
Accepted non-proportional reinsurance	R0040																	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050																	0
Technical provisions calculated as a sum of BE and RM																		
Best Estimate																		
Premium provisions																		
Gross — Total	R0060	0	0	0	0	0	0	0	0	9,767,032	0	0	0	0	0	0	0	9,767,032
Gross — Direct Business	R0070									9,767,032								9,767,032
Gross — accepted proportional reinsurance business	R0080																	0
Gross — accepted non-proportional reinsurance business	R0090																	0
Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	R0100	0	0	0	0	0	0	0	0	1,956,684	0	0	0	0	0	0	0	1,956,684
Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses	R0110									1,956,684								1,956,684
Recoverables from SPV before adjustment for expected losses	R0120																	0
Recoverables from Finite Reinsurance before adjustment for expected losses	R0130																	0
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140									1,956,684								1,956,684
Net Best Estimate of Premium Provisions	R0150	0	0	0	0	0	0	0	0	7,810,348	0	0	0	0	0	0	0	7,810,348
Claims provisions																		
Gross — Total	R0160	0	0	0	0	0	0	0	0	28,476,387	0	0	0	0	0	0	0	28,476,387
Gross — Direct Business	R0170									28,476,387								28,476,387
Gross — accepted proportional reinsurance business	R0180																	0
Gross — accepted non-proportional reinsurance business	R0190																	0
Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	R0200	0	0	0	0	0	0	0	0	585,835	0	0	0	0	0	0	0	585,835
Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses	R0210									585,835								585,835
Recoverables from SPV before adjustment for expected losses	R0220																	0
Recoverables from Finite Reinsurance before adjustment for expected losses	R0230																	0
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240									585,835								585,835
Net Best Estimate of Claims Provisions	R0250	0	0	0	0	0	0	0	0	27,890,552	0	0	0	0	0	0	0	27,890,552
Total Best estimate — gross	R0260	0	0	0	0	0	0	0	0	38,243,419	0	0	0	0	0	0	0	38,243,419
Total Best estimate — net	R0270	0	0	0	0	0	0	0	0	35,700,900	0	0	0	0	0	0	0	35,700,900
Risk margin	R0280									3,553,700								3,553,700
Amount of the transitional on Technical Provisions																		
TP as a whole	R0290																	0
Best Estimate	R0300																	0
Risk margin	R0310																	0
Technical provisions - total																		
Technical provisions - total	R0320	0	0	0	0	0	0	0	0	41,797,119	0	0	0	0	0	0	0	41,797,119
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default — total	R0330	0	0	0	0	0	0	0	0	2,542,519	0	0	0	0	0	0	0	2,542,519
Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total	R0340	0	0	0	0	0	0	0	0	39,254,600	0	0	0	0	0	0	0	39,254,600
Line of Business: further segmentation (Homogeneous Risk Groups)																		
Premium provisions — Total number of homogeneous risk groups	R0350																	
Claims provisions — Total number of homogeneous risk groups	R0360																	
Cash-flows of the Best estimate of Premium Provisions (Gross)																		
Cash out-flows																		
Future benefits and claims	R0370																	0
Future expenses and other cash-out flows	R0380																	0
Cash in-flows																		
Future premiums	R0390																	0
Other cash-in flows (incl. Recoverable from salvages and subrogations)	R0400																	0
Cash-flows of the Best estimate of Claims Provisions (Gross)																		
Cash out-flows																		
Future benefits and claims	R0410																	0
Future expenses and other cash-out flows	R0420																	0
Cash in-flows																		
Future premiums	R0430																	0
Other cash-in flows (incl. Recoverable from salvages and subrogations)	R0440																	0
Percentage of gross Best Estimate calculated using approximations	R0450																	
Best estimate subject to transitional of the interest rate	R0460																	0
Technical provisions without transitional on interest rate	R0470																	0
Best estimate subject to volatility adjustment	R0480																	0
Technical provisions without volatility adjustment and without others transitional measures	R0490																	0

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S.19.01: Non-life insurance claims

Basis:	2: Underwriting year

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

	Development year												
Year	0	1	2	3	4	5	6	7	8	9	10 & +	In Current year	Sum of years (cumulative)
Prior											465,545	465,545	465,545
N-9	0	5,849	256,460	115,487	48,916	20,291	785,062	0	551,382	24,268		24,268	1,807,717
N-8	0	0	8,009	10,025	0	86,611	119,872	119,872	21,148			21,148	365,538
N-7	0	0	0	47,159	169,986	0	110,002	0				0	327,147
N-6	0	0	0	11,983	23,602	28,129	0					0	63,714
N-5	0	0	0	12,840	3,579	0						0	16,419
N-4	0	0	0	8,348	0							0	8,348
N-3	0	0	0	0								0	0
N-2	0	0	0									0	0
N-1	0	22,185										22,185	22,185
N	0											0	
											Total	533,147	3,076,614

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

	Development year											
Year	0	1	2	3	4	5	6	7	8	9	10 & +	Year end (discounted data)
Prior											17,547,450	0
N-9	0	0	0	0	0	0	0	0	0	917,629		0
N-8	0	0	0	0	0	0	0	0	658,008			0
N-7	0	0	0	0	0	0	0	210,722				0
N-6	0	0	0	0	0	0	157,831					0
N-5	0	0	0	0	0	109,102						0
N-4	0	0	0	0	167,850							0
N-3	0	0	0	277,237								0
N-2	0	0	96,972									0
N-1	0	74,418										0
N	0											0
											Total	0

S.23.01: Own funds

		Total	Tier 1 — unrestricted	Tier 1 — restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Ordinary share capital (gross of own shares)	R0010	35,253,965	35,253,965			
Share premium account related to ordinary share capital	R0030	0				
Initial funds, members' contributions or the equivalent basic own — fund item for mutual and mutual-type undertakings	R0040	0				
Subordinated mutual member accounts	R0050	0				
Surplus funds	R0070	0				
Preference shares	R0090	0				
Share premium account related to preference shares	R0110	0				
Reconciliation reserve	R0130	16,452,549	16,452,549			
Subordinated liabilities	R0140	0				
An amount equal to the value of net deferred tax assets	R0160	486,860				486,860
Other items approved by supervisory authority as basic own funds not specified above	R0180	0				

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

		Total
		C0010
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	

Deductions		Total	Tier 1 — unrestricted	Tier 1 — restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Deductions for participations in financial and credit institutions	R0230	0				

		Total	Tier 1 — unrestricted	Tier 1 — restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Total basic own funds after deductions	R0290	52,193,373	51,706,513	0	0	486,860

Ancillary own funds		Total	Tier 2	Tier 3
		C0010	C0040	C0050
Unpaid and uncalled ordinary share capital callable on demand	R0300	0		
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual — type undertakings, callable on demand	R0310	0		
Unpaid and uncalled preference shares callable on demand	R0320	0		
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0		
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	0		
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	0		
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	0		
Supplementary members calls — other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	0		
Other ancillary own funds	R0390	0		
Total ancillary own funds	**R0400**	0	0	0

		Total	Tier 1 — unrestricted	Tier 1 — restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Total available own funds to meet the SCR	**R0500**	52,193,373	51,706,513	0	0	486,860
Total available own funds to meet the MCR	**R0510**	51,706,513	51,706,513	0	0	

		Total	Tier 1 — unrestricted	Tier 1 — restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Total eligible own funds to meet the SCR	**R0540**	52,193,373	51,706,513	0	0	486,860
Total eligible own funds to meet the MCR	**R0550**	51,706,513	51,706,513	0	0	

		C0010
SCR	**R0580**	31,177,296
MCR	**R0600**	7,794,324
Ratio of Eligible own funds to SCR	**R0620**	167.41%
Ratio of Eligible own funds to MCR	**R0640**	663.39%

Reconciliation reserve		C0060
Excess of Assets over Liabilities	R0700	52,193,373
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	35,740,825
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	**R0760**	16,452,549

		C0060
Expected profits included in future premiums (EPIFP) — Life business	R0770	
Expected profits included in future premiums (EPIFP) — Non- life business	R0780	2,423,447
Total Expected profits included in future premiums (EPIFP)	**R0790**	2,423,447

S.25.01: Solvency Capital Requirement — Only SF

					Only relevant for public disclosure	
Article 112	Z0010	2: Regular reporting				
		Net solvency capital requirement	Gross solvency capital requirement	Allocation from adjustments due to RFF and Matching adjustments portfolios	Simplifications	USP
		C0030	C0040	C0050	C0120	C0090
Market risk	R0010	10,453,804	10,453,804	0		
Counterparty default risk	R0020	1,467,073	1,467,073	0		
Life underwriting risk	R0030	0	0	0		
Health underwriting risk	R0040	0	0	0		
Non-life underwriting risk	R0050	24,834,775	24,834,775	0		
Diversification	R0060	-6,720,473	-6,720,473			
Intangible asset risk	R0070	0	0			
Basic Solvency Capital Requirement	R0100	30,035,179	30,035,179			

Calculation of Solvency Capital Requirement		C0100
Adjustment due to RFF/MAP nSCR aggregation	R0120	0
Operational risk	R0130	1,142,117
Loss-absorbing capacity of technical provisions	R0140	0
Loss-absorbing capacity of deferred taxes	R0150	0
Capital requirement for business operated in accordance with Art. 4 of Directive	R0160	0
Solvency Capital Requirement excluding capital add-on	**R0200**	**31,177,296**
Capital add-ons already set	R0210	0
Solvency capital requirement for undertakings under consolidated method	**R0220**	**31,177,296**
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	0
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	0
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	0
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	0
Diversification effects due to RFF nSCR aggregation for article 304	R0440	0
Method used to calculate the adjustment due to RFF/MAP nSCR aggregation	R0450	2: Simplification at risk sub-module level
Net future discretionary benefits	R0460	0
Below this line only groups need to hand in information		
Minimum consolidated group solvency capital requirement	R0470	0
Information on other entities		
Capital requirement for other financial sectors (Non-insurance capital requirements)	R0500	0
Capital requirement for other financial sectors (Non-insurance capital requirements) — Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	R0510	0
Capital requirement for other financial sectors (Non-insurance capital requirements) — Institutions for occupational retirement provisions	R0520	0
Capital requirement for other financial sectors (Non-insurance capital requirements) — Capital requirement for non-regulated entities carrying out financial activities	R0530	0
Capital requirement for non-controlled participation requirements	R0540	0
Capital requirement for residual undertakings	R0550	0
Overall SCR		
SCR for undertakings included via D and A	R0560	0
Solvency Capital Requirement	**R0570**	**31,177,296**

Calculation of loss absorbing capacity of deferred taxes

		C0109
Approach based on average tax rate	R0590	3: Not applicable as LAC DT is not used (in this case R0600 to R0690 are not applicable)

		Before the shock	After the shock	LAC DT
		C0110	C0120	C0130
DTA	R0600	0	0	
DTA carry forward	R0610	0	0	
DTA due to deductible temporary differences	R0620	0	0	
DTL	R0630	0	0	
LAC DT	R0640			0
LAC DT justified by reversion of deferred tax liabilities	R0650			0
LAC DT justified by reference to probable future taxable profit	R0660			0
LAC DT justified by carry back, current year	R0670			0
LAC DT justified by carry back, future years	R0680			0
Maximum LAC DT	R0690			0

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S.28.01: 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	**6,319,059**

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	0	0
Income protection insurance and proportional reinsurance	R0030	0	0
Workers' compensation insurance and proportional reinsurance	R0040	0	0
Motor vehicle liability insurance and proportional reinsurance	R0050	0	0
Other motor insurance and proportional reinsurance	R0060	0	0
Marine, aviation and transport insurance and proportional reinsurance	R0070	0	0
Fire and other damage to property insurance and proportional reinsurance	R0080	0	0
General liability insurance and proportional reinsurance	R0090	0	0
Credit and suretyship insurance and proportional reinsurance	R0100	35,700,900	0
Legal expenses insurance and proportional reinsurance	R0110	0	0
Assistance and proportional reinsurance	R0120	0	0
Miscellaneous financial loss insurance and proportional reinsurance	R0130	0	0
Non-proportional health reinsurance	R0140	0	0
Non-proportional casualty reinsurance	R0150	0	0
Non-proportional marine, aviation and transport reinsurance	R0160	0	0
Non-proportional property reinsurance	R0170	0	0

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

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation — guaranteed benefits	R0210	0	
Obligations with profit participation — future discretionary benefits	R0220	0	
Index-linked and unit-linked insurance obligations	R0230	0	
Other life (re)insurance and health (re)insurance obligations	R0240	0	
Total capital at risk for all life (re)insurance obligations	R0250		0

		C0070
Overall MCR calculation		
Linear MCR	R0300	6,319,059
SCR	R0310	31,177,296
MCR cap	R0320	14,029,783
MCR floor	R0330	7,794,324
Combined MCR	R0340	7,794,324
Absolute floor of the MCR	R0350	0
Minimum Capital Requirement	**R0400**	**7,794,324**

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