

AmTrust Specialty Limited

Solvency and Financial Condition Report
For the year ended 31 December 2025



AmTrust Specialty



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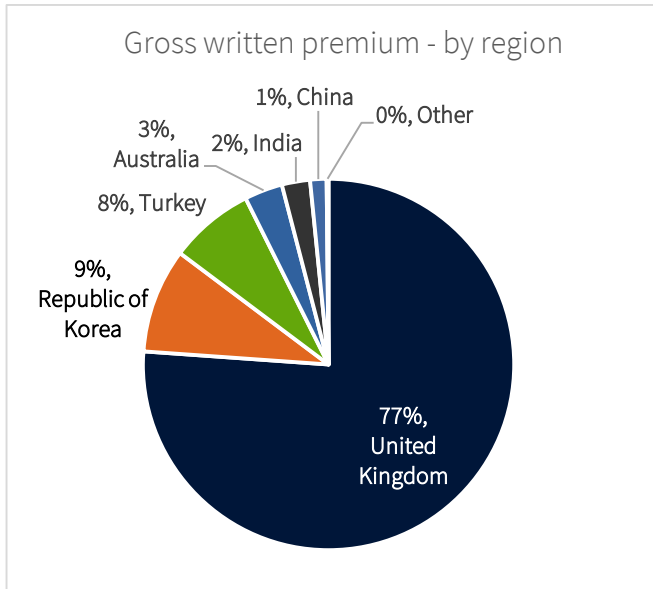
Summary

Overview of the Company and Context of this Report

Business Model

AmTrust Specialty Limited (change of name from AmTrust Europe Limited ('AEL') on 1 February 2025) ('ASL' or the 'Company') is a UK-registered insurance company, which writes multiple lines of business across the UK, Asia Pacific, Australia and the Americas. Its primary markets are shown in the chart below.

The Company's primary underwriting activities are within the following material lines of business:



- General liability
 - Professional indemnity
- Miscellaneous financial loss
 - Warranty
- Legal expenses
- Fire and other damage to property
 - Property
- Other
 - Mortgage and credit

The Company is a member of the AmTrust Financial Services Inc. group ('AmTrust Group'), a privately held company since 29 November 2018. The AmTrust Group is a multinational property and casualty insurer specialising in coverage for small businesses.

Material Changes to the Business Model

ASL saw 2025 as an opportunity for multiline growth, with Mortgage & Credit and Warranty being particularly well placed, as well as risk reviews that have realigned the volume targets for Property and Legal Expenses, while still maintaining underwriting quality and bottom-line focus. ASL's high level strategic summary for 2025 was as follows:

- A focus on steady growth primarily in the existing core lines.
- Close control over the number of delegated authority arrangements maintaining solid control over the portfolio.
- Focus on entity wide commitments to strengthen culture, diversity and inclusion.
- Continued embedding of key processes and governance.
- A continued focus on Conduct with particular focus on Consumer Duty and vulnerable customers.
- Improved use of data for better risk segmentation and review of competitive position.

The Company's core strategy is to generate sustainable profitability by writing selected Specialty lines, as an integrated part of the AmTrust Group of insurance businesses, but with stand-alone resilience as a separate, regulated legal entity. The Company operates in sub-lines of large lines of business that require detailed knowledge and a sophisticated level of underwriting.

During the year the Company continued to focus on growth opportunities in the five core active classes of business. It has also completed a Sector Analysis and Competition review as part of the regular assessment of the market. In 2025 the Company continued to focus on improving the profitability of its business in five core lines (warranty, legal expenses, professional lines, property and mortgage and credit).

The Directors' aim is to implement a strategy of maximising the Company's overall return on equity while diversifying its lines of business so that no one class represents a significant driver of income and profitability. This will result in a diverse range of non-correlated insurance products and help to provide protection against volatilities in insurance risk.



The Company maintained its key reinsurance quota share arrangements in 2025:

- A 50% quota share with an ‘AA-’ Standard and Poors (‘S&P’) rated global third party reinsurer was renewed for all new business written with effect from 1 July 2025 with the exception of business related to mortgage and credit and part of our Legal Expenses book, which have its own third party quota share or excess treaty arrangements, and certain lines of business in which the Company has exited;
- In 2022, the Company entered into a reinsurance arrangement to achieve economic finality on its legacy book (business underwritten 2019 and prior) and run-off book with an A rated, related group, insurer, with additional underwriting years added since. This reinsurance arrangement was extended in July 2025 to cover business underwritten in 2022, and today this arrangement covers all legacy book and all underwriting years to 2022. This arrangement is referred to as the loss-portfolio transfer (‘LPT’) throughout in this document.
- The Company also continues to buy excess of loss protection on most lines of business.

Business Performance

2025	Total
	£'000
Gross premiums written	419,939
Reinsurers’ share	219,324
Net premiums written	200,615
Gross premiums earned	396,062
Reinsurers’ share	218,306
Net premiums earned	177,756
Gross claims incurred	246,704
Reinsurers’ share	151,278
Net claims incurred	95,426
Net operating expenses	72,357
Net technical result	9,973

The Company’s net technical result in 2025 was a profit of £10.0m (2024: profit of £6.1m).

Further information on the Company’s business and performance is included in section A.

N.B. The LPT has been recognised on a net basis through claims incurred in the table opposite.

Solvency UK

As a regulated insurance company, the Company is subject to the ‘Solvency UK’ regulatory rules and principles, which came into effect on 31 December 2024. Solvency UK is a regulatory regime which is designed to set a 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 was 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 Prudential Regulation Authority (PRA) 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 2025.

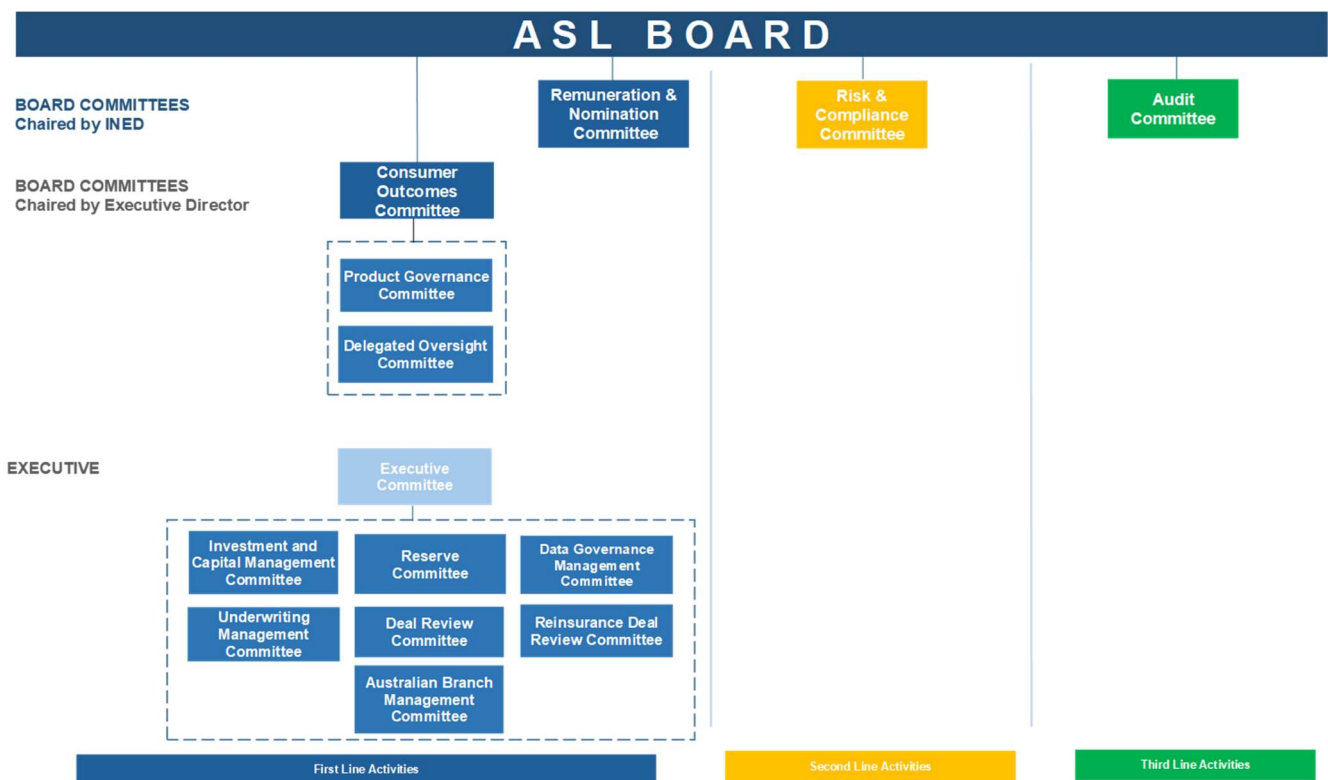


Systems of Governance

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 Company’s key committees are depicted below within the three lines of defence model. 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 the Company’s business model (2nd and 3rd lines).



Further information on the system of governance is included in section B.

Risk Profile

The Company calculates its required capital from a regulatory (Solvency UK) Standard Formula capital perspective by reference to certain risk categories that it is exposed to within its business model. The main risks that the Company is exposed to are:

- Underwriting risk;
- Market risk; and
- Credit risk.

The Company has built a stochastic model which is used to evaluate its insurance risk. Currently, capital is assessed as part of the ORSA process and is based on regulatory capital requirements.

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 and Compliance Committee on behalf of the Board.



Underwriting Risk

The Company's largest risk exposure is in respect of underwriting risk, which is broken down into two main components: premium risk and reserve risk. Premium risk is the risk that premiums are insufficient to cover the value of claims made; and reserve risk is the risk that on-going claims are settled at a higher value than previously expected.

The Company manages its exposure to underwriting risk through various Management Committees (Deal Review, Underwriting and Reserve), the Risk and Compliance Committee and the Board.

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 and foreign exchange risk.

The Company's material exposures to market risk are interest rate and spread risk on its bond portfolio, foreign exchange risk on its currency exposures and concentration and spread risk on intra-group loans.

The Company manages its exposure to market risk primarily through the Investment and Capital Management Committee, Risk and Compliance Committee and the Board.

Credit Risk

Credit risk is the potential loss arising principally from adverse changes in the financial condition of intermediaries who sell the Company's policies, the issuers of fixed maturity securities and the financial condition of the Company's reinsurers.

The Company is subject to material risk exposures with respect to its reinsurers, banks and intermediary counterparties. The Company's largest credit risk exposures are to one of its reinsurers, AILL (40% of total exposure) and to one of its banking partners, Lloyds Banking Group Plc (6% of total exposure). The exposure to the historic AILL quota share is fully collateralised and the new reinsurance arrangement with AILL is on a funds withheld basis. The Swiss Re quota share agreement is on a reserves withheld basis, reducing the net exposure.

The Company manages its exposure to credit risk primarily through the Investment and Capital Management Committee, Risk and Compliance Committee and the Board.

Other Risks

The Company is also exposed to the following other risks:

- Liquidity risk;
- Operational risk; and
- Legal and regulatory risk.

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

Valuation for Solvency Purposes

Under Solvency UK valuation principles, items in the Company's balance sheet are valued at the amount for which the assets and liabilities could be exchanged between knowledgeable willing parties in an arm's length transaction. This differs from the valuation methods used in the Company's financial statements, which are based on Generally Accepted Accounting Principles ('GAAP') in the UK.

As at 31 December 2025, the Company's own funds were valued at £217.2m under Solvency UK, compared with £204.6m under UK GAAP.

Further detail on the valuation for solvency purposes is included in section D.



Capital Management

The Company's capital management objective is to maintain sufficient capital to safeguard its ability to continue as a going concern and to protect the interests of its stakeholders while also efficiently deploying capital and managing risk to sustain ongoing business development. The Company maintains a prudent buffer over the Solvency Capital Requirement ("SCR").

The Company calculates its SCR using the Standard Formula. The Company does not use any Undertaking Specific Parameters ("USPs") allowed under Solvency UK.

Capital Requirements	2025	Coverage	2024	Coverage
<i>As at 31 December</i>	£'000	%	£'000	%
Own funds	217,242		207,557	
SCR	115,891	187%	130,135	159%
MCR	42,640	509%	38,460	540%

The increase in Own Funds from 2024 to 2025 reflects a positive UK GAAP result offset by a reduction in the gain on conversion of the balance sheet from UK GAAP to Solvency UK principles. The increase in SCR coverage from 159% in 2024 to 187% in 2025 is a function of the increase in Own Funds and a reduction in the SCR of £14.2m. The decrease in the SCR is mainly the result of lower Non-Life Underwriting Risk because of the application of excess of loss reinsurance on the Property book and increased benefit of the Loss-Absorbing Capital of Deferred Taxes offset by increased Market Risk primarily due to planned asset duration increases and increased Counterparty Default Risk due to the timing of debtor settlement around the period-end. The SCR coverage remains within the Board's risk appetite, and SCR movements are explained further in section E.2.3.

The Company's SCR split by risk module as of 31 December 2025 and 2024 are shown in the table below.

SCR by Risk Module	2025	2024	Variance	
<i>As at 31 December</i>	£'000	£'000	£'000	%
Health NSLT underwriting risk	0	0	0	0%
Non-Life underwriting risk	93,572	104,955	(11,383)	(11%)
Market risk	33,368	26,925	6,443	24%
Counterparty default risk	14,919	12,989	1,930	15%
Undiversified Basic SCR	141,859	144,869	(3,010)	(2%)
Diversification credit	(26,543)	(22,966)	(3,577)	16%
Basic SCR	115,316	121,903	(6,587)	(5%)
Operational risk	15,470	16,122	(653)	(4%)
Loss-absorbing capacity of deferred taxes	(14,895)	(7,890)	(7,005)	89%
Standard Formula SCR	115,891	130,135	(14,244)	(11%)

Further information on capital management can be found in section E.



Directors' Statement of Responsibilities in Respect of the Solvency and Financial Condition Report

The Directors acknowledge their responsibility for preparing the Solvency and Financial Condition Report in all material respects in accordance with the PRA rules.

The Directors 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
- It is reasonable to believe that the Company has continued so to comply with the PRA Rules subsequently and will continue so to comply in the future.

Approved on behalf of the Board by:

B Whitmee (Director)

8th April 2026





Report of the independent external auditor to the Directors of AmTrust Specialty Limited ('the Company') pursuant to Rule 4.1(2) of the External Audit Part of the PRA Rulebook applicable to Solvency II firms

Report on the Audit of the relevant elements of the Solvency and Financial Condition Report

Opinion

Except as stated below, we have audited the following documents prepared by the Company as at **31 December 2025**:

- The 'Valuation for Solvency Purposes' and 'Capital Management' sections of the Solvency and Financial Condition Report of the Company as at **31 December 2025 ('the Narrative Disclosures subject to audit')**; and
- Company templates IR.02.01.02, IR.17.01.02, IR.23.01.01, IR.25.04.21 and IR.28.01.01 (**'the Templates subject to audit'**).

The Narrative Disclosures subject to audit and the Templates subject to audit are collectively referred to as the **'relevant elements of the Solvency and Financial Condition Report'**.

We are not required to audit, nor have we audited, and as a consequence do not express an opinion on the Other Information which comprises:

- The 'Summary', 'Business and Performance', 'System of Governance' and 'Risk Profile' sections of the Solvency and Financial Condition Report;
- Company templates IR.05.02.01, IR.05.04.02 and IR.19.01.21; and
- The written acknowledgement by management of their responsibilities, including for the preparation of the Solvency and Financial Condition Report (**'the Responsibility Statement'**).

To the extent the information subject to audit in the relevant elements of the Solvency and Financial Condition Report includes amounts that are totals, sub-totals or calculations derived from the Other Information, we have relied without verification on the Other Information.

In our opinion, the information subject to audit in the relevant elements of the Solvency and Financial Condition Report of AmTrust Specialty Limited as at 31 December 2025 is prepared, in all material respects, in accordance with the financial reporting provisions of the Prudential Regulation Authority ('PRA') Rules.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)), including ISA (UK) 800 (*Revised*) *Special Considerations – Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks* and 'ISA (UK) 805 (*Revised*) *Special Considerations - Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement*'. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the relevant elements of the Solvency and Financial Condition Report* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the relevant elements of the Solvency and Financial Condition Report in the UK, including the FRC's Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Conclusions relating to going concern

In auditing the relevant elements of the Solvency and Financial Condition Report, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the Solvency and Financial Condition Report is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- performing enquiries of management to identify risks or events that may impact the Company's ability to continue as a going concern. We also read minutes of meetings of the Board and its committees to assess whether any events or conditions are present that may cast significant doubt on the Company's ability to continue as a going concern;
- confirming our understanding of management's going concern assessment process and obtaining management's assessment which covers the period of 12 months from when the Solvency and Financial Condition Report is authorised for issue;
- considering the solvency and liquidity position of the Company under different stress testing scenarios.
- Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of 12 months from when the relevant elements of the Solvency and Financial Condition Report are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Emphasis of matter – basis of accounting and restriction on use

We draw attention to the 'Valuation for Solvency Purposes' and 'Capital Management' sections of the Solvency and Financial Condition Report, which describe the basis of accounting. The Solvency and Financial Condition Report is prepared in compliance with the financial reporting provisions of the PRA Rules, and therefore in accordance with a special purpose financial reporting framework. The Solvency and Financial Condition Report is required to be published, and intended users include but are not limited to the Prudential Regulation Authority. As a result, the Solvency and Financial Condition Report may not be suitable for another purpose.

This report is made solely to the Directors of the Company in accordance with Rule 2.1 of the External Audit Part of the PRA Rulebook for Solvency II firms. Our work has been undertaken so that we might report to the Directors those matters that we have agreed to state to them in this report and for no other purpose.

Our opinion is not modified in respect of these matters.

Other information

The Directors are responsible for the Other Information contained within the Solvency and Financial Condition Report.

Our opinion on the relevant elements of the Solvency and Financial Condition Report does not cover the Other Information and we do not express an audit opinion or any form of assurance conclusion thereon.



Our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the relevant elements of the Solvency and Financial Condition Report, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the relevant elements of the Solvency and Financial Condition Report themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Solvency and Financial Condition Report

The Directors are responsible for the preparation of the Solvency and Financial Condition Report in accordance with the financial reporting provisions of the PRA Rules.

The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of a Solvency and Financial Condition Report that is free from material misstatement, whether due to fraud or error.

In preparing the Solvency and Financial Condition Report, the Directors are responsible for assessing the Company's ability to continue in operation, disclosing as applicable, matters related to its ability to continue in operation and using the going concern basis of accounting unless the Directors either intend to cease to operate the Company, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the relevant elements of the Solvency and Financial Condition Report

It is our responsibility to form an independent opinion as to whether the relevant elements of the Solvency and Financial Condition Report are prepared, in all material respects, with the financial reporting provisions of the PRA Rules.

Our objectives are to obtain reasonable assurance about whether the relevant elements of the Solvency and Financial Condition Report are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decision making or the judgement of the users taken on the basis of the relevant elements of the Solvency and Financial Condition Report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.



- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are the relevant elements of company law and tax legislation, and the financial reporting framework. Our consideration of other laws and regulations that may have a material effect on the financial statements included permissions and supervisory requirements of the regulators of the Company which include the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA).
- We understood how AmTrust Specialty Limited is complying with those frameworks by making enquiries of management, internal audit, and those responsible for legal and compliance matters. We also reviewed correspondence between the Company and insurance regulatory bodies, reviewed minutes of the Board and Risk committees; and gained an understanding of the Company's governance.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the controls that the Company has established to address risks identified, or that otherwise seek to prevent, deter, or detect fraud.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved making enquiries of those charged with governance, internal audit, and senior management for their awareness of any non-compliance of laws or regulations.

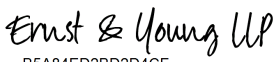
The Company operates in the insurance industry, which is a highly regulated environment. As such, we considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities, which included the use of specialists where appropriate.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's Report on the Solvency and Financial Condition Report.

Report on Other Legal and Regulatory Requirements

In accordance with Rule 4.1(3) of the External Audit Part of the PRA Rulebook for Solvency II firms, we are required to consider whether the Other Information is materially inconsistent with our knowledge obtained in the audit of AmTrust Specialty Limited's statutory financial statements. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Signed by:


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Ernst & Young LLP

London

8 April 2026

Business and Performance

Section A



A Business and Performance

A.1 Business

A.1.1 Name and Legal Form of Undertaking

AmTrust Specialty Limited is a company limited by shares (Company Number 01229676).

The Company's registered address is as follows:

AmTrust Specialty Limited
Exchequer Court,
33 St Mary Axe
London
EC3A 8AA

A.1.2 Supervisory Authority

The Company is authorised and regulated by the Prudential Regulation Authority ('PRA').

The PRA's registered address is as follows:

Prudential Regulation Authority,
20 Moorgate, London,
EC2R 6DA
Telephone: 020 7601 4444
E-Mail: PRA.FirmEnquiries@bankofengland.co.uk

The Company 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,
London,
E20 1JN

A.1.3 External Auditor

The Company is audited by Ernst & Young LLP, whose UK office is located at:

Ernst & Young LLP,
25 Churchill Place,
Canary Wharf,
London,
E14 5EY



A.1.4 Shareholders of Qualifying Holding in the Undertaking

The Company is a wholly owned subsidiary of AIL which is a UK Limited Company.

AIL is the UK holding company for the AmTrust Group's International insurance operations, whose principal entities are: ASL, and Car Care Plan Holdings, including Motors Insurance Company Limited. AIL also owns several ancillary service companies worldwide.

AIL's registered address is as follows:

AmTrust International Limited
Exchequer Court,
33 St Mary Axe
London
EC3A 8AA

The Company's ultimate parent is Evergreen Parent GP, LLC, a Delaware registered US limited liability company as general partner of Evergreen Parent LP, a Delaware registered US limited partnership (together 'Evergreen').

Evergreen's registered address is as follows:

Corporation Trust Center,
1209 Orange Street
Wilmington, DE, 19801

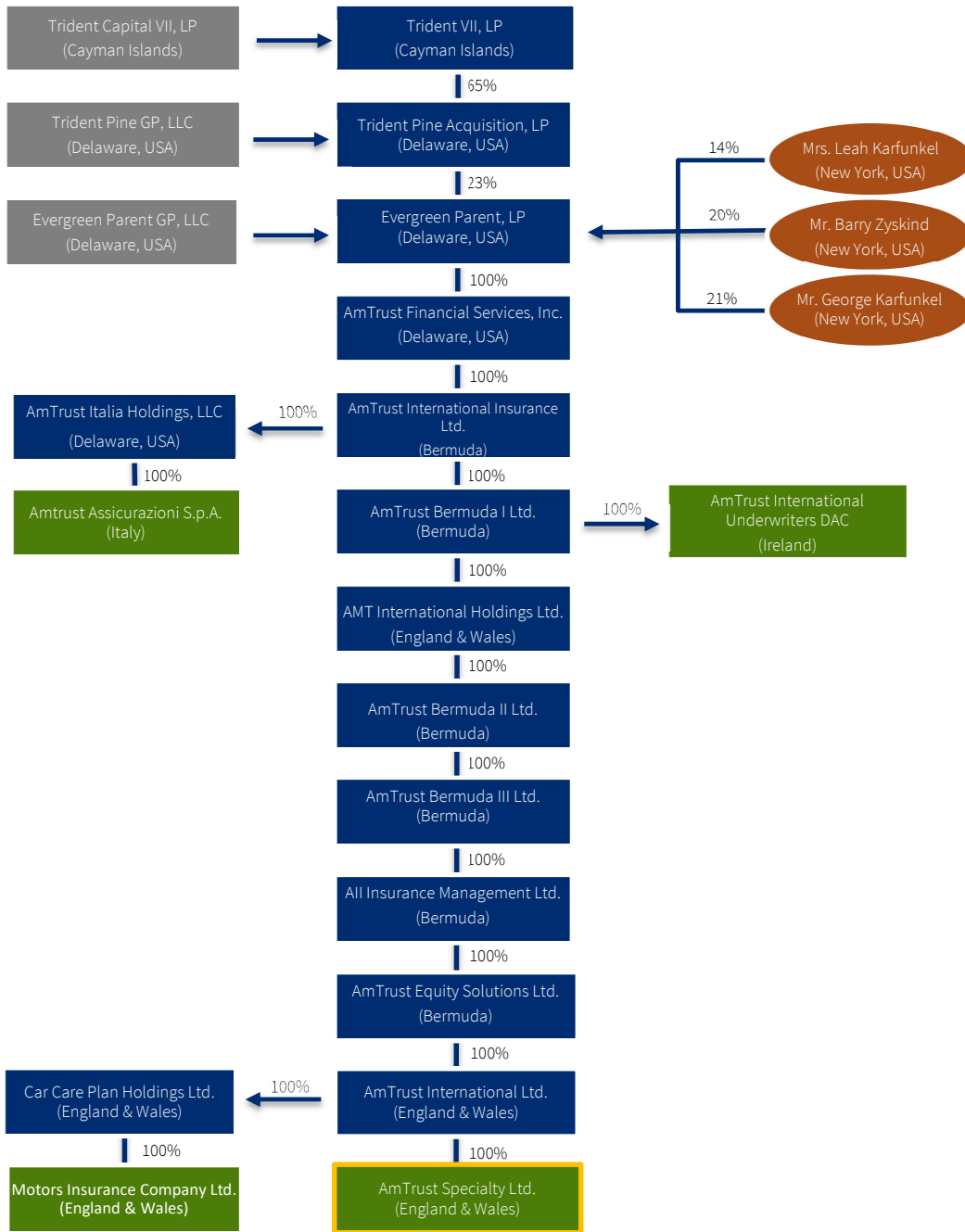
The name and location of each controller in the firm and proportion of ownership interest held is set out in the following structure chart.

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 insurance group specialising in small to medium sized businesses. With extensive underwriting experience and a prestigious 'A-' (Excellent) Financial Size 'XV' rating from A.M. Best for most of its insurance companies. 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 profitable 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 primarily includes 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 the Company sits within the wider AmTrust Group.



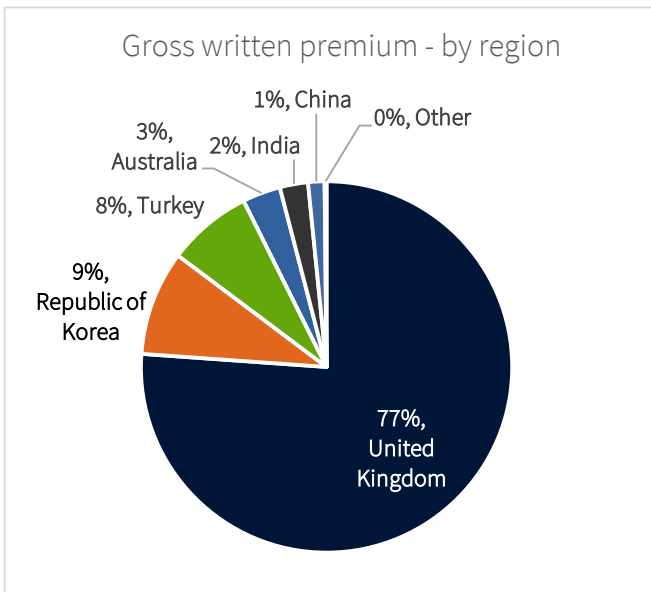
Key:

- Insurance company
- General partner controlling indicated entities
- Individual with controlling stake in indicated entities
- Group company



A.1.6 Material Lines of Business and Geographical Areas in which the Company Conducts Business

The principal activity of the Company is the underwriting of general insurance business across the UK, Turkey, Asia Pacific, Australia and the Americas. Its primary markets are shown in the chart below.



The Company's primary underwriting activities are within the following material lines of business.

A.1.6.1. Warranty

The Company offers a variety of warranty products including, but not limited to, motor, electrical device, home emergency and plant and equipment. The portfolio is balanced between coverholder-managing general agent ('MGA') arrangements and reinsurance/contractual liability insurance policies ('CLIPs'); taking into account the conduct and compliance resources required to manage the business effectively. The majority of the portfolio is dedicated to consumer programmes, typically where the general public are purchasing insurable products from the Company's clients. The Company also offers warranties on commercial plant and machinery, where customers are small or large businesses.

Profitability in sub-segments has been steady, supported by receipt and analysis of detailed performance information. The Company's aim is to manage a smaller number of higher premium accounts, targeting a balanced portfolio mix in relation to short- and long-term risks.

A.1.6.2. Legal Expenses

The Company's legal expenses portfolio consists of a wide variety of products that fall into before the event ('BTE'), commercial and personal after the event ('ATE') and litigation funding business segments. The Company predominately utilises coverholder-MGAs to write BTE legal expenses business; and mainly distributes directly or via brokers without delegation for ATE and Litigation Funding business. These products are primarily targeted at consumer and commercial customers. Distribution varies for different products and is primarily focused in the UK, Canada and Australian markets.

This business continues to be a specific area of growth and will continue to be so for the foreseeable future; and as an 'A-' rated insurer, the Company is well positioned to take advantage of this market. The Company has a broad range of experience and skills that have allowed the development of innovative solutions suited to its current customer base. Across segments, the Company's strategic objective is to be the leading provider, ensuring competitive edge is maintained through quality underwriting, providing a bespoke rather than commoditised service where possible and ensuring distribution is well considered.

Profitability in sub-segments has been steady. The markets for BTE and commercial ATE are highly competitive, whilst the personal ATE market has consolidated following government reforms.



A.1.6.3. Professional Lines ('PL')

The Company's PL product protects professionals against their legal liability for claims arising as a result of negligence during the course of carrying out their professional duties. The Company distributes PL through brokers, binders and an AmTrust Group owned MGA, Collegiate Management Services Limited. These products almost exclusively target UK SMEs. The Company targets UK domiciled firms.

The Company has been focused on growing the PL book where appropriate, albeit paying appropriate attention to the conduct risk associated with the SME client base. The Company has continued to improve the renewal book through underwriting and risk selection.

A.1.6.4. Property

The Company offers a wide range of specialist property insurance products, all of which are currently underwritten by coverholder-MGAs. The company has grown this line of business in 2025 through adding new coverholders and increasing the volume in existing arrangements. The company is now established in a number of smaller sub-segments of the market such as caravan, residential let (commercial and retail), tenants' contents, and unoccupied property insurance.

The Company also writes commercial property insurance covering predominantly small to medium size commercial premises and targets at a mixture of retail and SME commercial customers. In addition, the Company writes products on a direct / reinsurance basis writing predominately excess of loss commercial property business for corporate customers.

The majority of the Company's customers are based in the UK.

The sub-segments of caravan and residential let continue to be niches in the market that the Company will continue to focus and have proved to be consistently profitable. The Company's strategic aim in the property insurance market is to grow its presence in existing niche segments where it operates (e.g. unoccupied, caravan) paying appropriate attention to the conduct risk associated with its client base.

A.1.6.5. Mortgage and Credit ('M&C')

The Company's M&C products protect banks, building societies and consumers. The Company transacts the mortgage products directly; whilst the credit products are provided in conjunction with delegated partners through brokers. The Company's target mortgage insurance channels are mainly small to medium-sized banks and building societies in the UK and globally through reinsurance contracts in non-EEA countries. The Company's target credit customers are consumers purchasing income protection products within the UK as an insurer and other markets via reinsurance arrangements.

Profitability in sub-segments has been steady and remains an attractive market for the Company. We expect Mortgage and Credit and Warranty markets to continue to offer opportunity to grow our top line.

A.1.6.6. Surety

The Company has now exited this line of business, and no new business is expected in 2026. In 2025, the Company participated in reinsurance inwards business from Latin America ('LATAM'). In line with the Company's risk appetite both quota share, and excess of loss reinsurance is used to protect the account. The account is overseen by a professional team including lawyers, economists and accountants. The LATAM business is classified under the M&C business line.

A.1.6.7. Structural Defects

The Company elected to exit the structural defects market in 2019 and issued notice of termination on its remaining contracts. All accounts were terminated during 2019 except for one, which terminated in March 2020. This is long-tail business with up to ten years cover, so premiums relating to this business will continue to be earned up until 2030.



A.2 Underwriting Performance

A.2.1 Material Lines of Business

2025	General liability	Miscellaneous financial loss	Legal expenses	Fire and other damage to property	Other Solvency UK classes	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Gross premiums written	61,779	136,225	76,342	122,443	23,150	419,939
Reinsurers' share	33,671	70,383	38,219	66,571	10,480	219,324
Net premiums written	28,108	65,842	38,123	55,872	12,670	200,615
Gross premiums earned	79,987	93,669	74,725	124,906	22,775	396,062
Reinsurers' share	50,397	50,838	35,718	70,542	10,811	218,306
Net premiums earned	29,590	42,831	39,007	54,364	11,964	177,756
Gross claims incurred	32,869	56,807	91,722	56,296	9,010	246,704
Reinsurers' share	22,042	27,162	66,134	28,807	7,133	151,278
Net claims incurred	10,827	29,645	25,588	27,489	1,877	95,426
Net operating expenses	11,288	20,082	6,005	27,211	7,771	72,357
Net technical result	7,475	(6,896)	7,414	(336)	2,316	9,973

2024	General liability	Miscellaneous financial loss	Legal expenses	Fire and other damage to property	Other Solvency UK classes	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Gross premiums written	70,160	92,315	112,082	132,522	24,504	431,583
Reinsurers' share	36,831	45,137	51,624	78,947	11,688	224,227
Net premiums written	33,329	47,178	60,458	53,575	12,816	207,356
Gross premiums earned	94,116	79,463	98,127	117,745	19,144	408,595
Reinsurers' share	57,591	42,781	55,988	67,372	11,223	234,955
Net premiums earned	36,525	36,682	42,139	50,373	7,921	173,640
Gross claims incurred	44,642	42,683	75,475	53,014	6,376	222,190
Reinsurers' share	29,513	17,962	49,421	26,682	3,137	126,715
Net claims incurred	15,129	24,721	26,054	26,332	3,239	95,475
Net operating expenses	13,807	15,326	10,084	26,306	6,547	72,070
Net technical result	7,589	(3,365)	6,001	(2,265)	(1,865)	6,095

The Company made a technical profit in 2025 of £10.0m (2024: profit of £6.1m) as it continues to grow its core business lines within a benign loss environment. Gains were reported in General Liability (2025: £7.5m) and Legal Expenses (2025: £7.4m), with losses reported in Miscellaneous Financial Loss (2025: £6.9m), and Fire and Other Damage to Property (2025: £0.3m).

Net premiums written in 2025 were down by £6.7m versus prior year, which is primarily driven by reduction in Legal Expenses (2025: £22.3m) and General Liability (2025: £5.2m), offset by growth in Miscellaneous Financial Loss (2025: £18.7m) and Fire and Other Damage to Property (2025: £2.3m). Net premiums earned were up by £4.1m in 2025, primarily driven by growth in Miscellaneous Financial Loss (2025: £6.1m) and Fire and Other Damage to Property (2025: £4.0m), offset by a reduction in General Liability (2025: £6.9m) and Legal Expenses (2025: £3.1m).

Net claims incurred decreased by £0.1m versus prior year at £94.4m in 2025 (2024: £95.5m).

Net operating expenses increased by £0.3m versus prior year at £72.4m in 2025 (2024: £72.1m).

N.B. The LPT has been recognised on a net basis through claims incurred in the tables above.



A.2.2 Material Geographic Areas

Performance in the top six countries in which the Company operates is summarised in the table below.

2025	United Kingdom	Republic of Korea	Turkey	Australia	India	China	Other Countries	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Gross premiums written	322,211	38,530	31,346	14,053	10,291	6,110	(2,602)	419,939
Reinsurers' share	175,055	19,468	16,836	3,854	5,356	3,058	(4,303)	219,324
Net premiums written	147,156	19,062	14,510	10,199	4,935	3,052	1,701	200,615
Gross premiums earned	326,334	14,968	20,446	11,830	13,242	3,947	5,295	396,062
Reinsurers' share	184,574	7,713	11,318	6,594	6,833	3,476	(2,202)	218,306
Net premiums earned	141,760	7,255	9,128	5,236	6,409	471	7,497	177,756
Gross claims incurred	202,180	11,929	8,233	331	10,830	2,375	10,826	246,704
Reinsurers' share	127,759	6,474	5,063	799	7,319	657	3,207	151,278
Net claims incurred	74,421	5,455	3,170	(468)	3,511	1,718	7,619	95,426
Net operating expenses	52,833	2,900	7,153	1,207	129	800	7,335	72,357
Net technical result	14,506	(1,100)	(1,195)	4,497	2,769	(2,047)	(7,457)	9,973

2024	United Kingdom	Republic of Korea	Canada	Australia	India	Turkey	Other Countries	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Gross premiums written	343,828	26,244	18,431	12,507	12,328	6,528	11,717	431,583
Reinsurers' share	191,840	13,318	(1,025)	6,132	6,164	3,264	4,534	224,227
Net premiums written	151,988	12,926	19,456	6,375	6,164	3,264	7,183	207,356
Gross premiums earned	334,189	11,033	13,333	14,807	6,232	5,446	23,555	408,595
Reinsurers' share	194,431	5,590	5,464	9,876	3,116	2,723	13,755	234,955
Net premiums earned	139,758	5,443	7,869	4,931	3,116	2,723	9,800	173,640
Gross claims incurred	182,469	9,862	2,616	13,866	0	7	13,370	222,190
Reinsurers' share	107,714	5,743	1,048	10,228	0	7	1,975	126,715
Net claims incurred	74,755	4,119	1,568	3,638	0	0	11,395	95,475
Net operating expenses	59,683	2,448	3,745	507	787	1,693	3,207	72,070
Net technical result	5,320	(1,124)	2,556	786	2,329	1,030	(4,802)	6,095

The geographical split shown in net premiums written in the above tables reflect the changes in business mix, including the growth of written premiums in key markets like in the Republic of Korea, Turkey and Australia, and market risk assessment in the UK and Canada. In total the year-on-year movement is a decrease of £6.7m to £200.6m, which is explained by:

- The United Kingdom decreased by £4.8m to £147.2m (2024: £152.0m), due to the movements in core business lines, including Property;
- Korea increased to £19.1m (2024: £12.9m), resulting from an increase in inwards reinsurance in Warranty;
- Turkey has increased by £11.2m to £14.5m (2024: £3.3m), resulting from new business in the Warranty line of business;
- Australia increased by £3.8m to £10.2m (2024: £6.4m), because of increased Legal Expenses business in that country;
- India decreased by £1.3m to £4.9m (2024: £6.2m), reflecting a reduction in M&C business written in that country;
- China increased by £2.2m to £3.1m (2024: £0.9m), because of increased Warranty business; and
- Canada decreased by £14.4m to £5.1m (2024: £19.5m), due to a reduction in Legal Expenses business.

N.B. The LPT has been recognised on a net basis through claims incurred in the tables above.



A.3 Investment Performance

The Company has an investment portfolio consisting of bonds (corporate and government), an equity participation, property and a loan to an affiliate.

The management of the bond portfolio and the equity participation is outsourced to another company within the AmTrust Group which has a dedicated team of investment managers. The investment managers follow investment management guidelines set by the Company, adherence to which is monitored by the Investment and Capital Management Committee and the Board.

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

2025	Bonds and equity	Property	Investment in subsidiaries	Other Investments	Total
	£'000	£'000	£'000	£'000	£'000
Net income from investments	20,270	308	0	2,242	22,820
Unrealised gain/(loss) on investments	6,655	0	0	0	6,655
Realised gain on sale of investments	6,729	1,186	0	(133)	7,782
Investment management and other expenses	(4,423)	0	0	(987)	(5,410)
Total	29,231	1,494	0	1,122	31,847

2024	Bonds and equity	Property	Investment in subsidiaries	Other Investments	Total
	£'000	£'000	£'000	£'000	£'000
Net income from investments	11,440	325	0	2,703	14,468
Unrealised gain/(loss) on investments	8,413	0	0	0	8,413
Realised gain on sale of investments	4,353	0	0	9	4,362
Investment management and other expenses	(1,416)	0	0	(29)	(1,445)
Total	22,790	325	0	2,683	25,798

Net income from the bond and equity investments recorded a gain in the year primarily due to an improved year on year return on investments and unrealised and realised gains on sale of investments (£29.2m gain in 2025 versus £22.8m gain in 2024). This represents interest income, net of investment expenses of £20.3m (2024: £11.4m), unrealised gains of £6.7m (2024: £8.4m) and realised gains of £6.7m (2024: £4.4m).

The property investment is a building in Nottingham. During 2025, the Company occupied and rented out the remaining floors to other local businesses, before disposing of the building prior to the period end. This generated rental income of £0.3m in 2025 (2024: £0.3m) and a gain on disposal of £1.2m.

A.4 Performance of Other Activities

During 2025 the Company was a lessor in relation to its investment property portfolio, which was disposed of during the year. The related rental income and gain on disposal has been reflected as income on property in the investment performance analysis in section A.3.

A.5 Any Other Information

None noted.

System of Governance

Section B

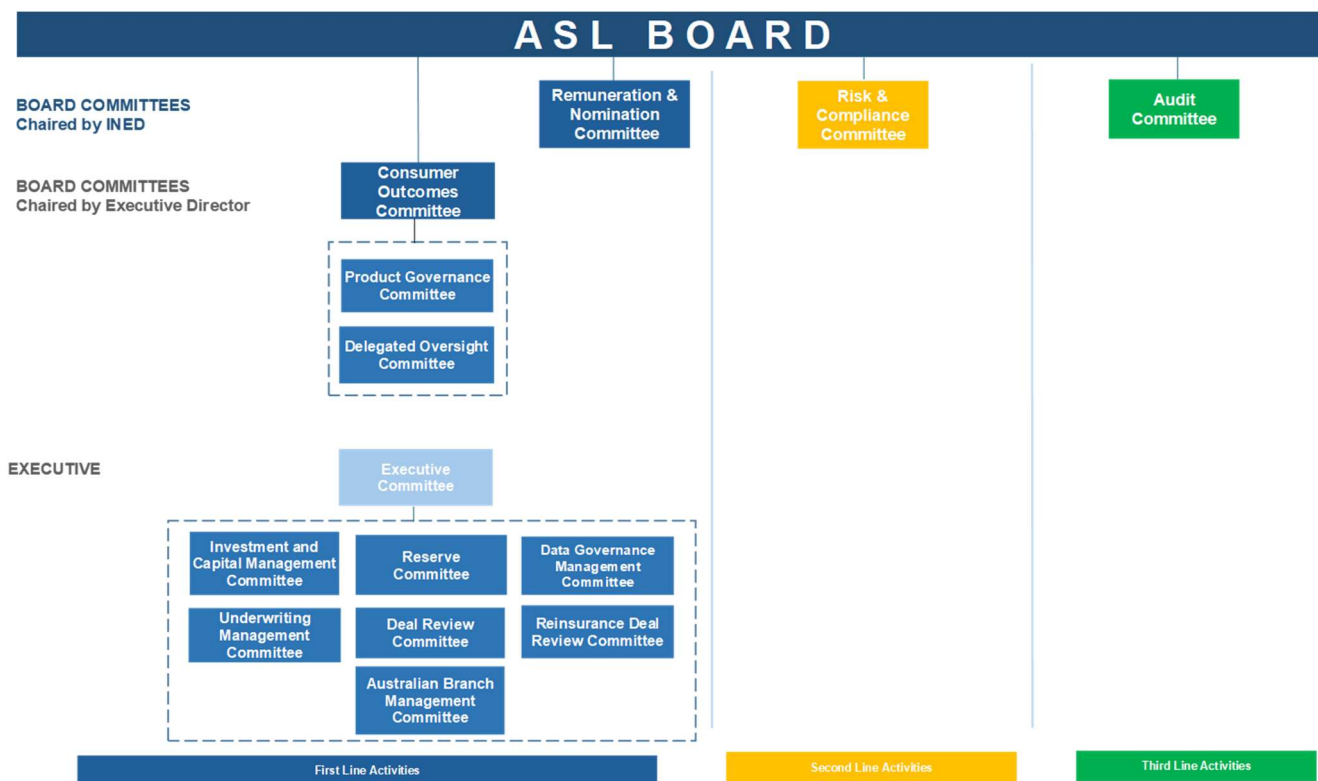


B System of Governance

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 practices are implemented in a proportional manner. 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 putting an appropriate risk management framework in place to ensure risks across the first line are identified, measured, managed, monitored and reported. 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 and B.5 and B.6 respectively.

B.1.1.2 Board Responsibilities

The Board currently includes an independent Non-Executive Chair, three other independent Non-Executive Directors (‘INEDs’), two Non-Executive Directors (‘NEDs’) and two Executive Directors. The Company’s Board meets at least 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 ALL 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 effective systems are in place for the periodic and timely reporting to the Board on important matters concerning the Company;
- 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;
- Developing the Company's culture; and
- Assessing whether the Company is delivering good outcomes for customers and reviewing and approving an annual assessment confirming compliance with Consumer Duty regulation.

The Company maintains comprehensive Statements of Responsibilities for each key executive and the Chair for the Board, Audit Committee, Remuneration and Nomination Committee and the Risk and Compliance Committee. The following sections summarise some of the key responsibilities.

B.1.1.3 The Role of the Chair

The Chair 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 directors;
- 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 NEDs 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 and other internal controls and systems of risk management are robust and effective.

B.1.1.5 The Role of the Executive Directors

The role of the Executive Directors includes the following key elements:

- To bring internal operational and business understanding to the Board's activities; and
- To play their part in relation to developing and implementing strategy and performance, identifying and managing risks and management of resources.



B.1.1.6 The Role of the Chief Executive Officer

The Chief Executive Officer ('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 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 Managers and Certification Regime ('SMCR');
- 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 for the Board.

B.1.1.7 The Role of the Chief Financial Officer

The Chief Financial Officer ('CFO') manages the Company's financial resources, reporting to the Board and its committees on the Company's financial affairs. The CFO leads and reports to the Board on:

- The development and implementation of financial strategy, financial planning (including capital, investments and solvency) and reporting (including regulatory financial reporting);
- The financial business-planning model including profit and loss, balance sheet and cash flow;
- The monitoring and ongoing improvement of business plans, budgets, cash flow forecasts and solvency margins and the performance of stress testing; and
- Solvency, liquidity and credit to ensure regulatory requirements and Board approved risk appetites are adhered to.

B.1.1.8 Board Composition

During the year, the Board consisted of eight members, including the Chair of the Board, as follows:

Board Member	Board Role	1 st Line			2 nd Line	3 rd Line
		Board	Consumer Outcomes	Remuneration & Nomination	Risk & Compliance	Audit
Chair of The Board	Independent	Chair		Chair	X	X
INED	Independent	X		X	X	Chair
INED	Independent	X		X	Chair	X
INED	Independent	X		X	X	X
NED	Group Role	X		X		
NED	Group Role	X				
CEO	Executive	X	Chair			
CFO	Executive	X				

B.1.2 Responsibilities and Reporting Lines

B.1.2.1 First Line Board Appointed Committees

B.1.2.1.1 Remuneration and Nominations Committee

The key purpose of this committee is to approve the Company's performance review arrangements, including criteria for any performance-related pay elements, as well as to lead the process for Board appointments and make recommendations to the Board. The key responsibilities of the committee span the following areas:



- Remuneration;
- Nominations;
- Pension and Other Benefits Arrangements;
- Performance Evaluation;
- Succession Planning;
- People and Culture;
- Policy and Risk Metrics; and
- Legal and Regulatory matters relevant to the remit of the committee.

The committee consists of five members: four INEDs (one of whom is the Chair of the committee) and an AmTrust International Group NED, the Head of AmTrust International.

The Chair is responsible for overseeing the performance of the committee and the oversight of the development and implementation of the Company's remuneration policies and practices.

B.1.2.1.2 Consumer Outcomes Committee

The Consumer Outcomes Committee oversees the conduct of business across the entirety of the Company's operations, to ensure appropriate management of conduct risk and safeguard the needs of the Company's customers. The key responsibilities of this committee are to:

- Monitor the performance of the Company and its delegated partners against the firm's Conduct Risk Appetite and Customer Outcome Statements;
- Approve the onboarding and renewal of "high" risk-rated delegated partners;
- Approve or revert new and existing insurance products that are rated as having a "high" risk rating;
- Maintaining oversight of the Company's Delegated Authority and Product Governance Frameworks, and making recommendations for improvements to these frameworks;
- Take appropriate action, including escalation to the Board, where the committee judges the Company to be outside of its stated risk appetite or unaligned to its Customer Outcomes Statements; and
- Review the conduct MI suite against risk appetite.

The committee consists of seven members: the CEO (the Chair), Chief Operating Officer ("COO"), Head of Claims, Chief Risk and Compliance Officer ("CRCO"), Head of Compliance, and General Counsel.

B.1.2.2 Consumer Outcomes Sub-Committees

There are two sub-committees in place to support the Consumer Outcomes Committee in discharging its duties. The committees are as follows:

- Delegated Oversight Committee – chaired by the Chief Operations Officer
- Product Governance Committee – chaired by the Chief Operations Officer

B.1.2.2.1 Delegated Oversight Committee

The purpose of the committee is to oversee the Company's delegation of underwriting, claims and complaints handling authority and the partners to whom the Company delegates, or aims to delegate, authority.

The committee members are:

- Chief Operations Officer (Chair)
- Head of Delegated Oversight;
- Head of Claims Governance and Partnerships;
- Head of Compliance Advice;
- Head of Underwriting Performance; and
- Head of Operational Risk and Resilience

B.1.2.2.2 Product Governance Committee

The key purpose of the committee is to oversee the Company's product risk assessment and review customer outcomes across the customer journey, challenging whether evidence demonstrates delivery of fair outcomes. The committee reviews the performance of the Company's products against its Conduct Risk Appetites and Customer Outcome Statements. It also reviews, approves or escalates new or existing products depending on their residual risk rating.



The committee consists of six members:

- Chief Operations Officer (Chair)
- Head of Delegated Oversight;
- Head of Claims Governance and Partnerships Complaints Manager
- Head of Underwriting Performance
- Head of Compliance Advice; and
- Complaints Manager

B.1.2.3 First Line Management Committees

B.1.2.3.1 Executive Committee

The key purpose of the committee is to support the CEO in delivering the Company's strategic goals and objectives. The key responsibilities of the committee are to develop and implement strategy, operational plans, policies, procedures and budgets, as well as to assess and monitor operational and financial performance and control risks, and to advise on prioritisations and allocation of resources.

The committee members are: the CEO, CFO, CRCO, COO, CCO, Head of IT and General Counsel.

There are several sub-committees in place to support the Executive Committee in discharging its duties. These committees are chaired by members of the Company's Executive Management team. The committees are as follows:

- Deal Review Committee – chaired by the CEO;
- Underwriting Management Committee – chaired by the CEO;
- Investment and Capital Management Committee – chaired by the CFO;
- Reserve Committee – chaired by the CFO; and
- Data Governance Management Committee – chaired by the Head of Data Governance
- Reinsurance Deal Review Committee – chaired by the AmTrust International CFO.

Each committee is governed by approved terms of reference and meets at least quarterly. Details of the responsibilities and membership of each committee is set out below.

B.1.2.3.2 Deal Review Committee

The purpose of the committee is to review and approve new or renewing programmes that exceed the underwriting authority limits granted to underwriters as well as programmes that are likely to cause the Company to exceed its annual Board approved Business Plan, either at the entity level or by line of business.

The committee members are: the CEO, CRCO, General Counsel, CFO, COO, Head of Claims and the Head of Capital Management.

B.1.2.3.3 Underwriting Management Committee

The key responsibilities of the committee are to:

- Monitor underwriting performance and pricing adequacy of each line of business against the approved risk appetite and business plan and report any exceptions to the Executive Committee;
- Monitor reinsurance programme adequacy and usage;
- Monitor adherence to the Company's underwriting policies, guidelines, authorities, processes and procedures and report any exceptions to the Executive Committee and/or the Conduct Committee as appropriate;
- Monitor the insurance and reinsurance underwriting risk profile and exposures at risk and aggregate level and the steps that have been taken to monitor and control such exposures;
- Monitor claims movements and large losses;
- Monitor bordereau receipt and processing;
- Monitor credit risk associated with underwriting, including counterparty default risk and credit exposures;
- Monitor Independent Expert Review reports and recommended actions; and
- Escalate issues in accordance with the approved Business Plan Escalation Matrix.

The committee members are: the CEO, Head of Pricing, COO, Head of Claims and CFO. The lead underwriters for the core lines of business are regular attendees.



B.1.2.3.4 Investment and Capital Management Committee

The key responsibilities and duties of the committee are to:

- Supervise the day-to-day stewardship of invested assets by its appointed internal and external investment managers;
- Establish the investment strategy, policies and procedures, and monitor these according to the Company's agreed risk appetite and risk tolerances supporting the Risk Management and Compliance functions;
- Make recommendations to the Executive Committee for those items requiring their consultation and approval or for further recommendation to the Board;
- Review the credit quality of the collateral posted by AILL each quarter;
- Review, approve and / or monitor capital model development, capital results and forecasts; and
- Ensure that the Company's capital remains within the risk appetite approved by the Board.

The committee members are: the CFO, CRCO, Head of Capital Management, Chief Actuary and CEO.

B.1.2.3.5 Reserve Committee

The key responsibilities of the committee are to:

- Ensure the Company books appropriate loss ratios on a gross and net basis (i.e. after reinsurance) and hence maintains appropriate levels of reserves;
- Ensure the accuracy of the Company earning patterns and hence maintains appropriate levels of reserves;
- Determine and recommend reserving methodology for the business underwritten by the Company;
- Ensure the reserving process for the Company is effective in providing the Board with the agreed level of comfort that the reserves in the Financial Statements are appropriate;
- Ensure the process is conducted in accordance with agreed timelines; and
- Ensure that the process for establishing the SII technical provisions is appropriate.

The Company maintains an Actuarial function that projects an independent actuarial estimate of the reserves for each class of business. These are presented at the committee to challenge management's view of the reserves. The discussions and challenges around the reserve setting process are formally minuted.

The committee consists of four members: the CFO, CEO, CRCO, and Financial Controller.

B.1.2.3.6 Data Governance Management Committee

The committee is responsible for managing the Company's data in a responsible, proportionate manner in order to protect and enhance the value of the Company. This includes:

- Setting and communicating clear minimum standards;
- Defining accountability for source data and key activities including data handovers;
- Providing a mechanism for monitoring adherence to the related requirements;
- Alignment to AIL's Data Management Policy;
- Ensuring all data quality regulatory requirements are met; and
- Reviewing and reporting data errors and assessing their likely probability and impact.

The committee membership includes the CFO, CEO, COO, Head of Claims, Head of IT, Chief Actuary and Head of Capital Management.

B.1.2.3.7 Reinsurance Deal Review Committee

The committee is responsible for reviewing and approving new or renewing programmes within authority limits or for recommendation to the Board.

The committee membership includes the CEO, CFO and CRCO.



B.1.2.4 Second Line Board Committees

B.1.2.4.1 Risk and Compliance Committee

The key duties and responsibilities of the committee in relation to risk management are to:

- Oversee all aspects of the Company's risk management and support the Board in the implementation of a robust risk management framework, including identifying, monitoring and managing risks to assist the Board in the delivery of the strategic objectives and business plans; and
- Advise the Board on the risk strategy, including risk appetite and tolerance levels, and to ensure that the risk management framework is appropriate and adequately resourced.

The key duties and responsibilities of the committee in relation to compliance are to:

- Oversee and advise the Board on the current compliance exposures of the Company and ensure implementation of the annual Compliance Plan;
- Review the Company's systems and controls around prevention and detection of fraud, anti-money laundering and bribery in accordance with regulatory requirements; and
- Oversee the adequacy of resourcing of the Compliance function.

The committee consists of four members: the Chair of the Board and the three INEDs.

B.1.2.5 Third Line Board Committees

B.1.2.5.1 Audit Committee

The key purpose of the committee is oversight of the integrity of the Company's financial reporting, the external and internal audit processes and internal financial controls.

The key responsibilities of the committee are to:

- Oversee the Company's policies and processes for financial and prudential regulatory reporting, and ensure the propriety and effectiveness of internal and external audit arrangements;
- Monitor the effectiveness of the internal financial controls regarding financial reporting;
- Approve the Internal Audit Plan, and receive reports from Internal Audit on the effectiveness of internal controls;
- Monitor the statutory audit of the annual financial statements, in particular, its performance, taking into account, where applicable, any findings and conclusions of the Financial Reporting Council, pursuant to Article 26(6) of the Statutory Audit Regulation;
- Make a recommendation for the appointment of the external audit firm;
- Review and monitor the external auditor's qualifications and independence;
- Review and monitor the suitability of the provision of non-audit services to the Company in accordance with Article 5 of the Statutory Audit Regulation;
- Review and monitor compliance by the Company with legal and regulatory requirements relating to audit and financial reporting functions; and review and monitor the Company's internal audit function; and
- Review the adequacy and security of the Company's arrangements for its employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The committee ensures that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action.

The committee consists of four members: the Chair of the Board and the three INEDs.

B.1.3 Changes in the System of Governance

Since year end, the Head of Compliance has been appointed as Chair of the Product Governance Committee, the Chief Underwriting Officer has been appointed as Chair of the Deal Review Committee and a member of the Executive Committee and Conduct Committee.

B.1.4 Remuneration Policy

The Remuneration and Nomination Committee is responsible for the adoption and oversight of a fit for purpose Remuneration Policy for the Company. The Committee is authorised to review and approve the remuneration plans and programmes that fall within the Remuneration Policy. These are typically either defined at the AIL Group level or follow the



AmTrust Group principles with variation as appropriate to the Company and with regard to prevailing regulatory and/or legislative requirements.

B.1.4.1 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 include 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 UK employees;
- No member of the committee is involved in deliberations or decision making on his/her own pay or the pay of the other members of the committee; and
- Pay must be affordable and sustainable with any remuneration awards not threatening the Company's ability to maintain an adequate capital base.

B.1.4.2 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 (financial and non-financial) as appropriate for the role with assessment (including values-based competencies) and reward frameworks designed to drive desired behaviours, including advancing the Company's culture, risk management and complying with the requirements of the applicable regulatory regimes;
- All variable pay programmes allow for no awards to be made based upon either individual and/or business performance;
- The variable pay structures 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 three years; and
- All programmes allow flexibility and discretion to ensure alignment to risk and performance of the business with provisions (as applicable to the business and/or population) enabling management and the Committee to make a downward adjustment to proposed awards at either aggregate or individual level in line with the performance of either the individual or business and increased exposure to current or future risk. Management or the Committee may also prevent the vesting of some or all of a tranche of a deferred award in the event of proven misconduct or significant risk management failure.

B.1.4.3 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.

B.1.5 Material Transactions with Shareholders, Persons with Significant Influence and Board Members

The Company renewed its reinsurance treaty with AILL covering any claims deterioration on the 2022 and prior underwriting books of business as well as any policies defined as Run Off by the Company. This transaction at the end of 2025 benefits from a funds withheld contractual arrangement for 100% of the exposure.



B.1.6 Adequacy of the System of Governance

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

B.2 Fit and Proper Requirements

The Company is committed to employing individuals with the necessary skills, expertise and integrity to fulfil the role, duties and responsibilities for which they are employed in order to protect the interests of the policyholders, shareholders and other stakeholders.

In particular, the Company ensures that it is satisfied that a person performing a Senior Management Function ('SMF') or Certified Person role always meets the following requirements:

- 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 their key function effectively and in accordance with any relevant regulatory requirements, and to enable sound and prudent management of the Company.

When assessing whether members of the Board are fit and proper, the Company takes account of the respective duties allocated to individual members to ensure appropriate diversity of qualifications, knowledge and relevant experience to ensure that the undertaking is managed and overseen in a professional manner, noting that the Board should collectively possess appropriate qualifications, experience and knowledge about at least:

- Insurance and financial markets;
- Business strategy and business models;
- 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, skills and competencies. Appropriate financial and criminal checks are carried out prior to recruitment of an individual and during the course of their employment as applicable to the role, 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 with a periodic formal re-assessment conducted for any role holders where there is a regulatory requirement to do so. Performance of the Board is also assessed annually through the Board performance review process.

Office Holders and employees have a duty to advise the Company of any circumstances that might affect their fitness and propriety. Appropriate actions and notifications will be made to the Board and regulator as applicable to the remit fulfilled by the post-holder.

B.3 Risk Management System Including the Own Risk and Solvency Assessment

B.3.1 Risk Management Strategy

The Board is ultimately responsible for ensuring the effectiveness of the risk management system, setting the Company's risk appetite and approving the main risk management strategies and policies. Each risk category is assigned to a member of the Executive Committee, who has overall responsibility for the ongoing maintenance of the control framework utilised to manage the risk. The risk management department co-ordinates risk management activities within the Company through the Risk Management Framework, which consists of procedures to identify, measure, manage, monitor and report risk.

B.3.2 The Risk Management Function

The key function holder for the risk management function is the CRCO.

The risk management process at the Company begins with the strategy and corresponding risk appetites set by the Board. Using a "top-down" approach, the Risk Management function forms an understanding of how inherent risk is created and managed within the business model.

A detailed risk register is maintained by the risk management function and kept up to date through an ongoing process. Regular reporting against the risk appetite is conducted through a set of carefully selected metrics, which inform the Board



on a quarterly basis of the status of the risk profile of the company. The controls that correspond to each risk are regularly tested through a programme of monitoring.

Annual formal assessments of the Company's Regulatory Capital are performed via the Own Risk and Solvency Assessment ('ORSA') process (see section B.3.4 below), and the capital position is stressed to test for the Company's resilience to unexpected events. The ORSA process brings together all aspects of risk management and capital management.

Through risk management's various reporting mechanisms, the Board is kept informed of the current risk profile of the company. The business strategy and risk strategy are reviewed at least annually in light of the Company's risk profile. The key aspects of its risk management processes are as follows:

B.3.2.1 Risk and Control Self-Assessments

Risk and Control Self Assessments ('RCSAs') are performed by each department, under the oversight of the Risk Management function. Risks and controls are recorded in the Company's risk register. All risks are given an inherent, residual and target rating, using a risk matrix. Each risk is assigned an owner, who is responsible for assessing the risk and reviewing and challenging control effectiveness. Each key control is also assigned an owner, who is responsible for ensuring the control is adequately designed, documented and operating effectively. RCSAs are reviewed regularly, with an in-depth review meeting with the Risk Management function at least annually.

In addition to this process, all employees are encouraged to report any additional risk to the Risk Management function as soon as possible after it is identified.

B.3.2.2 Emerging Risks

The Company has developed an Emerging Risk Framework with the objective of identifying new, unforeseen or changing risks whose potential for harm or loss is not fully known. Emerging Risks are assessed and measured based on their perceived severity and how quickly the expected exposure is likely to occur. This in turn determines the intensity of monitoring, investigation and actions required. The Risk Management function maintains a log of all identified emerging risks and associated action plans and provides quarterly updates to the Risk and Compliance Committee.

B.2.3.3 Annual Strategic Planning

The Company's Board and senior management team, including the CRCO, attend a business planning session to review the Company's strategy and develop a business plan taking into consideration the Company's strategic issues, market challenges and business opportunities. A "top-down" risk assessment is performed as part of the review. Conclusions are summarised in a presentation that is approved by the Board.

B.3.2.4 Climate Change

The Risk Management function has developed a framework to identify, measure, manage, monitor and report upon the financial impact to the Company resulting from climate change, including the expected impact of the population's perception of these risks along with logical market activity.

By assessing the inherent risk attached to a set of defined key risk categories, the Company identifies core risk factors that have a high or moderate inherent risk and develops a proportionate strategy, including relevant risk appetites and metrics.

As part of this framework, ASL also considers disclosures relating to climate change in various documents that capture the Company's risk profile, including the ORSA.

B.3.2.5 Risk Appetites

Risk appetites and associated thresholds are set out in ASL's Risk Appetite Statement, along with actions required following a material breach of appetite limits. This includes risk appetites for climate change risk through the above framework. Risk appetites and supporting metrics are reviewed and approved by the ASL Board at least annually.

B.3.2.6 Stress and Scenario Testing

Stress tests are applied to the Company's business plan at least annually. The Company's Risk Management and Capital Management functions work collaboratively to consider a range of scenarios based on the risks identified in the RCSAs and the top-down risk assessment. The scenarios that produce the largest losses are further stressed, to produce Reverse Stress Tests ('RSTs') to determine the point at which the Company would fail.



Stress tests are performed whenever there is a material change in risk profile, which would include, but is not limited to: material change to reinsurance agreements; entry into a new class of business; change in investment policy; and purchase of a subsidiary by the Company.

B.3.2.7 Incident Reporting and Escalation

The Company operates an Incident Reporting and Escalation Framework designed to capture operational risk events for the purpose of analysis, reporting and improvement of internal controls.

Once identified, incidents are reported to the Risk Management function and recorded in the risk management information system. Incidents are reviewed by the Risk Management function and an action plan put in place. Incidents are escalated to the appropriate level, depending on their severity. An overview of incidents recorded during each quarter is included in the CRCO's report to the Risk and Compliance Committee.

Risks that are not already recognised in the risk management information system will be recorded, to ensure that the risk register is as comprehensive as possible.

B.3.2.8 Controls and Compliance Monitoring

The operational effectiveness of key controls is assessed through the RCSA performed by the Risk Management function as well as through audits, reviews, SOX testing and other monitoring activities performed by Internal Audit, Compliance and other functions within the Company. Key controls are prioritised for regular assessment, with the remainder of the control framework being subject to annual or biennial assessment as a minimum.

B.3.2.9 Stochastic Modelling

The Company has built a stochastic model which is used to evaluate its Insurance Risk. Currently, capital is assessed as part of the ORSA process and is based on regulatory capital requirements.

B.3.2.10 Capital Allocation

The Company has developed a framework to assess the relative performance of its classes of business. The framework considers each line of business in detail, including the market environment, the combined ratio and the Return on Capital based on the Standard Formula SCR.

B.3.2.11 Recovery and Resolution Plans

The Company maintains recovery and resolution plans, which are reviewed annually. The Recovery Plan aims to prevent the business from failing while it is a going concern and includes: triggers at which point the plan would be invoked; example scenarios that would cause the triggers to be breached; and a set of management actions which can be used to restore the solvency and liquidity position and allow the Company to continue its operations. The objective of the Resolution Plan is to ensure the Company is resolved in an orderly manner in the event it is no longer considered viable. The plan includes identification of critical economic functions; key dependencies between entities and functions; and preferred resolution strategies and their implications. Both plans are formulated with input from the Capital Management function.

B.3.2.12 Risk Reporting

The Risk Management function report quarterly to the Risk and Compliance Committee through the CRCO report. The report includes updates on the outputs of the above processes, including: performance against risk appetites through agreed metrics; updates on new and evolving emerging risks; updates on new and evolving incidents; and any risk issues identified during the quarter.

The Company completes its full ORSA process (culminating in a full-scope ORSA Report) annually or whenever there is a material change in its risk profile or capital projections. The report, which documents the output of the process, is approved by the ASL Board and is shared with the regulator.

Finally, the CRCO produces a report, at least annually, for the Remuneration and Nomination Committee with respect to the alignment of remuneration policies with the risk appetite and risk culture objectives of the Company.



B.3.3 Risk Exposure

The significant risks to which the Company is exposed are covered in more detail in section C of this report. The Company has developed a stochastic capital model to evaluate its Insurance Risk, which will be used in setting its Solvency Risk Appetite. The Board determines the Company's risk appetite as a 1-in-10 probability of the regulatory solvency ratio falling below 100% over a 1-year time horizon. The Solvency Risk Appetite is then set in terms of the solvency ratio required to be held over the Standard Formula SCR to achieve this, based on the expected losses at that percentile determined by the capital model. The calculations and results of this calibration are set out in the ORSA report.

B.3.4 Own Risk and Solvency Assessment

The Own Risk and Solvency Assessment ('ORSA') brings together the ERM processes described above, enabling the Board to assess, monitor, manage, and report the short and long-term risks that the Company faces or may face and to determine the Own Funds necessary to ensure the Company's overall solvency needs are always met.

The ORSA process flows directly from the Board's approval of the Company's strategy and business plans, which ensures that the ORSA is embedded in strategy and decision-making. Risks identified through the RCSA process and the "top-down" risk assessment form the basis of stress test scenarios, which are approved by the Board. This allows the Company to test risks to its strategy.

The Company completes its full ORSA process annually following the approval by the Board of its strategy and business plan, or whenever there is a material change in its risk profile or capital projections. Changes in risk profile are monitored through the quarterly risk appetite reporting process. The ORSA report, which documents the output of the process, is approved by the Board. Periodic risk opinions in addition to the full annual report ensure the currency of the annual ORSA report by reflecting significant changes to the business and / or execution of the business plan.

The Company determines its overall solvency needs by determining its projected regulatory capital requirements and adding a loading to this figure. This combined with stress and scenario testing gives the Board comfort that the Company has sufficient capital resources to fulfil its strategy.

B.4 Internal Control System

Internal control is integral to risk management and the principal means by which risk is managed.

Primary responsibility for the identification, monitoring, control and reporting of significant risk rests with the heads of the various business functions on an on-going basis. Risk and control owners are identified for all significant risks and controls. The ERM framework ensures that these risks and controls are reviewed on a regular basis.

The system of internal control constitutes the first and second lines of the "three lines of defence" risk management model (referred to above).

The Internal Audit function is responsible for auditing the control environment as part of the internal audit plan agreed by the Audit Committee.

On behalf of the Board, the Audit Committee and the Risk and Compliance Committee regularly review the Company's system of internal controls. The review covers all controls, including financial, operational and compliance controls, completeness and accuracy of data and the risk management process. Necessary actions are taken to remedy any significant control failings or weaknesses identified.

B.4.1 Compliance Function

The key function holder for compliance oversight is the Head of Compliance. The Company has a dedicated compliance team that undertake advisory and monitoring activity.

The function provides second line oversight, challenge and advice in accordance with the compliance terms of reference and the annual Compliance Plan, with the Head of Compliance advising on regulatory matters and leading the management of the relationship with the FCA.

Management of the PRA relationship and associated actions are overseen by the UK General Counsel. Compliance supports this work where appropriate.

The objectives of the compliance function are to:



- Advise the Company on the identification and management of its regulatory risks including those relating to Consumer Duty;
- Monitor the effectiveness in relation to regulatory matters of the first line of defence functions; and
- Provide appropriate Compliance training where required.

Compliance provide horizon scanning and regulatory intelligence gathering in relation to new and/or updated FCA or PRA regulations.

The Compliance function maintains its independence by way of the SMF16 Head of Compliance who has unfettered access to the Chair of the Risk and Compliance Committee and other non-executive directors.

B.5 Internal Audit Function

The key function holder for the Internal Audit function is the Head of Internal Audit.

The Internal Audit function is a global AmTrust Group function which reports independently to each entity's Audit Committee. Internal Audit provides senior management and the Audit Committees with information, analysis and recommendations about the adequacy, effectiveness and sustainability 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 Management 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

The key function holder for the Actuarial function is the Chief Actuary.

The Chief Actuary is a qualified actuary and a member of the Institute and Faculty 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, Head of Pricing or an appropriate representative is a member of or attends the Underwriting Management Committee, the Investment and Capital Management Committee, the Reserve Committee and the Audit 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 duties.

The Actuarial function has the following specific responsibilities:

- Production of the technical provisions in accordance with Solvency UK 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;
- Expressing an 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 and assumptions or any external actuarial models used;
- Working with underwriters to provide support on product performance;
- Providing input to the Underwriting Management Committee as appropriate;
- Providing assistance in the preparation of the Business Plan including independent input into the planned ultimate loss ratios for each line of business;
- Providing inputs into the calculation 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 assist in quantifying the risks identified;
- Modelling the Insurance risk faced by the Company; and
- Opining on the Technical Provisions, the Underwriting Policy and the Reinsurance arrangements.

Annually, the Chief Actuary prepares and submits an Actuarial Function Report to the Board that sets out the Actuarial function's work in the above areas and in particular expresses an opinion on underwriting policy and reinsurance adequacy in accordance with Solvency UK requirements.

B.7 Outsourcing

Outsourcing is an important aspect of the Company's business model and is governed by an Outsourcing Policy, approved by the Company's Board, which sets out how the Company oversees and manages the risk associated with outsourcing effectively and proportionately.

Critical and important outsourcers are those functions that are performed by external or intra-group providers, which are essential to the Company's operations, and without which, the Company would be unable to deliver its services to policyholders. It includes all arrangements within the definition of material outsourced arrangements as set out by the PRA in SS2/21.

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 to monitor the Company's compliance obligations under the regulatory system.

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

- A risk assessment, materiality assessment and due diligence is undertaken for a prospective provider in order to identify the potential operational, conduct and regulatory risks that may be associated with the placement of the outsourced function to specific provider(s);
- Formal and documented approach for the appointment of delegated partners;
- Each material outsourced arrangement undergoes thorough regular auditing, and monitoring processes with clear routes of escalation available if issues are uncovered;
- Each material supplier is approved by the Board;
- Formal management and monitoring of intra-group service level agreements with regular reporting on performance against agreed service level agreements; and
- Independent internal monitoring is provided by the Risk Management, Compliance and Internal Audit functions. Monitoring findings are reported to the Risk and Compliance Committee or the Audit Committee as appropriate.

The Company outsources a range of critical and important activities both within the Group and externally. Intra-group arrangements include the provision of finance, actuarial, legal, HR, internal audit, IT, operations, and investment management activities. These activities are carried out by entities within group in UK, Europe and USA.

The Company also delegates authority to bind insurance within predetermined terms as well as handle claims and complaints for specific classes of business to delegated partners predominantly based in the UK. The provision of data centre and data storage services is outsourced to external third parties within the UK.



The Company does not outsource any of the four key functions (as defined by Solvency UK) outside of the Group.

B.8 Any Other Information

None noted.

Risk Profile

Section C



C Risk Profile

Overview of Risk Exposure

The Company is exposed to a broad landscape of risks. These include core risks that are taken as part of the Company’s insurance operations and are quantified in the Company’s Standard Formula model. In addition to these modelled risks, the Company is exposed to further risks that arise from undertaking business, including liquidity, strategic, regulatory and reputational risk.

Measures Used to Assess Risks

The Company uses the Solvency UK Standard Formula to calculate all the components of its SCR. The table below shows the mapping of the risks covered by the Standard Formula to the Company’s risk taxonomy.

Mapping of ASL Risk Categories to SF risks per ASL Risk Management Policy

Risk	Sub-categories	SF risk type
1 Market	<ul style="list-style-type: none"> Equity, Property, Interest Rate (IR), Spread, FX 	<ul style="list-style-type: none"> Equity, Property, IR, Spread, FX, Concentration
2 Credit	<ul style="list-style-type: none"> Investments and Intra-group counterparties Intermediaries, Banks Reinsurers, Collateral, Funds Withheld 	<ul style="list-style-type: none"> Spread Counter-party default
3 Underwriting	<ul style="list-style-type: none"> Volume, Exposure, Pricing Segments and Concentration 	<ul style="list-style-type: none"> Non-life & Health (premium, lapse, CAT)
4 Reserving	<ul style="list-style-type: none"> Reserving 	<ul style="list-style-type: none"> Reserve risk
5 Operational	<ul style="list-style-type: none"> Processes, Data, Cyber security and Systems Conduct, Financial Crime Outsourcing People 	<ul style="list-style-type: none"> Operational risk
6 Liquidity	<ul style="list-style-type: none"> Liquidity 	
7 Legal, Strategic	<ul style="list-style-type: none"> Legal and regulatory Execution and Governance 	<ul style="list-style-type: none"> Not included in SCR calculation These are risks for which insurers do not typically hold capital
8 Group, Solvency	<ul style="list-style-type: none"> Group Solvency 	

Quantification of Modelled Risks by Risk Category

The table below sets out the quantification as at 31 December 2025 of the Company’s modelled risk categories and the related movements over the preceding twelve months. The figures represent the loss for each risk category that is likely to be exceeded only once in two hundred years. Due to diversification, the total risk of the Company is lower than the sum of the individual categories.



ASL SCR Risk Source	One Year Regulatory SCR (£'000)			
	2025	2024	Change (Y/Y)	% change
Health NSLT underwriting risk	0	0	0	0%
Non-Life underwriting risk	93,572	104,955	(11,383)	(11%)
Market risk	33,368	26,925	6,443	24%
Counterparty default risk	14,919	12,989	1,930	15%
Undiversified Basic SCR	141,859	144,869	(3,010)	(2%)
Diversification credit	(26,543)	(22,966)	(3,577)	16%
Basic SCR	115,316	121,903	(6,587)	(5%)
Operational risk	15,470	16,122	(653)	(4%)
Loss-absorbing capacity of deferred taxes	(14,895)	(7,890)	(7,005)	89%
Standard Formula SCR	115,891	130,135	(14,244)	(11%)
MCR	42,640	38,460	4,180	11%
Own Funds	217,242	207,557	9,685	5%
Ratio of Own Funds to SCR	187%	159%	28%	

C.1 Underwriting Risk

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

The Company uses a suite of risk appetite metrics to monitor its exposure to underwriting risk that are evaluated each quarter. These include volume of premium underwritten by class of business and any deterioration in prior year reserves.

C.1.1 Material Risk Exposures

The Company is exposed to premium risk (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 Company's material underwriting risk exposure comes from the PL, Property and Legal Expenses lines of business. These lines of business accounted for approximately 66% of the Company's total GWP for 2025. The SCR quantifies the potential for adverse development as part of the calculation of the premium and reserve risk.

Overall, ASL's non-life underwriting risk exposure decreased over 2025. The application of excess of loss reinsurance on the property book has resulted in decreased exposure to Catastrophe Risk and the execution of the LPT with AILL, an "A-" rated affiliated reinsurance company domiciled in Bermuda caused a reduction in the Company's non-life premium and reserve risk, although this was tempered somewhat by increasing budgeted premium volumes during 2025.

The Company continues to benefit from the execution of the reinsurance arrangement with AILL which significantly reduces the risk of volatility in prior year development, reducing the Company's exposure to reserve risk. The transaction is on a funds withheld basis as at 31 December 2025. This mitigates the associated increased credit risk of the related receivables, given that the funds remain with the Company.

C1.2 Material Risk Concentrations

The Company's underwriting risk exposure is concentrated in the legal expenses, property and PL lines of business. Approximately 66% of the Company's 2025 GWP is attributable to these lines of business.

There is also a geographic concentration of underwriting risk with 77% of business written in the UK, although business written outside of the UK is growing as a proportion of ASL's GWP. Most Property and PL business is written in the UK.

C1.3 Material Risk Mitigation

The Company takes on underwriting risks to generate a return. The Company aims to write (re)insurance business in areas where the major, composite insurers have neither focus nor predominance, and where the Company can develop long-term relationships with its clients. All business should be written in line with the underwriting guidelines.



This risk is mitigated through a range of management controls. The Actuarial Pricing team review new business to determine that rates are adequate. Within underwriting teams, a peer review also takes place. 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. For capacity to write new business, the Company uses a 50% whole account quota share with a global third-party reinsurer rated “AA-” by Standard & Poors. The current contract ends on 30 June 2026, although the Company intends to renew. On its back book, the Company has quota share arrangements and the reinsurance arrangement with AILL. The LPT significantly reduces the risk of volatility in prior year development, reducing the Company’s exposure to reserve risk.

ASL’s underwriting criteria and exposure management tools help reduce concentration in any one area and the potential impacts of a natural catastrophe. ASL also underwrite a diverse range of products, as shown in section A, further reducing any potential concentration of risk.

The Company has also developed a framework which assesses loss exposure from several risk factors relating to the changing global climate.

Reserving risk is overseen by the Reserve Committee. The Actuarial function project an independent actuarial estimate of the reserves for each class of business. These are presented at the committee to challenge Management’s view of the reserves.

C1.4 Risk Sensitivities

The Company has performed a series of sensitivity tests on its solvency position; these are shown in section C.7.

C1.5 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 Company identifies and measures 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.

Investments are reviewed quarterly through the Investment and Capital Management Committee and at the Risk and Compliance Committee.

C.2.1 Material Risk Exposures

The Company’s material exposures to market risk relate to interest rate risk and spread risk on its bond portfolio, foreign exchange risk on its currency exposures and concentration and spread risk due to intra-group loans.

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 may have an adverse impact on the bond portfolio and drive the value of the bonds down. Whereas, widening credit spreads would also negatively impact the value of the bond portfolio.

Property comprises less than 5% of the investment portfolio and does not pose any material risk to the business.

The Company manages its foreign exchange risk against its functional currency, which is presented in Pounds Sterling. Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the entity’s functional currency. This applies both to assets and liabilities held directly by the Company.

C.2.2 Material Risk Concentrations

The Company’s material exposures to market risk relate to interest rate and spread risk on its investment portfolio and foreign exchange risk on its currency exposures.



C.2.3 Material Risk Mitigation

The Company invests primarily in fixed rate government and corporate bonds. The Company has limited appetite for investments in equities and no appetite for complex investments such as derivatives. By investing in assets where the risk can be properly identified, the Company fulfils the Prudent Person principle.

Investment management is outsourced to another company within the AmTrust Group. A set of Investment Management Guidelines are in place which governs the investment management process, adherence to which is monitored by the Investment and Capital Management Committee.

The Company invests in property occupied or part-occupied by the Company or other entities within the AmTrust Group but has no appetite to invest in properties that it does not occupy or intend to occupy in future, at least in part.

The Company monitors interest rate risk by tracking the 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. The Company seeks to mitigate the currency risk by matching the estimated foreign currency denominated liabilities with assets denominated in the same currency. The Company's currency matching strategy is well protected against depreciation of Pounds Sterling.

C.2.4 Risk Sensitivities

The Company has performed a series of sensitivity tests on its solvency position; these are shown in section C.7.

C.2.5 Other Material Information

None noted.

C.3 Credit Risk

Credit risk is the potential loss arising principally from adverse changes in the financial condition of intermediaries that sell the Company's policies, the issuers of fixed maturity securities, banks with which the Company holds cash and the financial condition of intra-group and third-party reinsurers.

Management identifies and measures key credit risk exposure by monitoring the credit rating of banks, reinsurers and bonds, exposure to individual external reinsurer counterparties and banks and credit extended to intermediaries compared with limits set by the Finance function.

C.3.1 Material Risk Exposures

The Company is subject to material risk exposures with respect to its reinsurers, banks and bond counterparties.

C.3.2 Material Risk Concentrations

The Company's primary exposure is to credit risk in relation to material accounts with its Reinsurance counterparties: AILL (£57.1m or 40% of the Company's total exposure).

The Company is exposed to general economic, business and industry conditions. Adverse general economic conditions may cause, among other things, significant reductions in available capital and liquidity from banks and other credit providers. The Company's largest bank exposure is to Lloyd's Bank (£8.9m or 6% of the Company's total exposure).

The Company's largest corporate bond exposure is to Metropolitan Life Global Funding, making up 2.3% of the investment portfolio (excluding cash). Other large bond exposures are to Toronto Dominion Bank, Banco Santander SA, John Deere Bank SA and Morgan Stanley.

C.3.3 Material Risk Mitigation

To reduce the Company's exposure to reinsurance credit risk, the financial condition of reinsurers is evaluated, and reinsurance is placed with companies and syndicates that are believed to be financially sound. The large exposure to the AILL quota share is fully collateralised and the reinsurance arrangement with AILL is on a funds withheld basis. The Swiss Re quota share contract that renewed on 1 July 2025 is on a reserves withheld basis, reducing the net exposure. 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 a financial strength rating of "A-" or better by the



Company's nominated external credit assessment institutions ('ECAIs'), sufficient Solvency UK (or equivalent) Solvency Ratio or the posting of acceptable collateral.

To reduce credit risk, the Company performs ongoing evaluations of its counterparties' financial condition.

Credit risk related to the issuers of fixed maturity securities is addressed by investing primarily in corporate or government bonds that are rated "A-" or better by the Company's nominated ECAIs. Exposure is limited by the employment of diversification policies that limit the credit exposure to any single issuer.

The Company manages the levels of credit risk it accepts by reviewing exposures regularly and reporting to management of significant counterparty exposures. Credit limits are also in place for certain counterparties as is deemed appropriate within the Company.

Exposures to banks are limited to those are rated "A-" or higher by the Company's nominated ECAIs, except where required for business reasons, typically in jurisdictions where there are no "A-" rated banks available. In this case exposures are kept to a minimum.

C.3.4 Risk Sensitivities

The Company has performed a series of sensitivity tests on its solvency position; these are shown in section C.7.

C.3.5 Other Material Information

None noted.

C.4 Liquidity Risk

Liquidity risk is the risk that the Company is unable to meet its payment obligations, when due, at a reasonable cost. The Company aims to maintain sufficient liquid assets to be able to meet its liabilities as they fall due.

The Company calculates a liquidity ratio based on comparing current assets with liabilities, to monitor and manage liquidity. Cash flow patterns are continuously monitored and liquidity is controlled by maintaining sufficient cash and highly marketable securities to maintain liquidity risk at acceptably low levels.

The liquidity ratio compares current liabilities with assets, but assets are subject to an allowance based on how liquid they are.

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, the Company increases the frequency of its cashflow forecast updates and increases cash holdings when deemed appropriate to ensure it is able to honour all eligible obligations to all of its 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 property.

C.4.3 Material Risk Mitigation

The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. It manages these positions to minimise the risk of significant deterioration of the investment portfolio while earning profitable returns from those investments. This is monitored through the Investment and Capital Management Committee and risk appetite metric reporting.

The Company invests mainly in government and corporate bonds, which are normally highly liquid, 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 enough cash and highly rated marketable securities to fund claim payments and operations.

C.4.4 Risk Sensitivities

The Company has performed a series of sensitivity tests on its solvency position; these are shown in section C.7.



C.4.5 Other Material Information

None noted.

C.5 Operational Risk

Operational risk is the risk of loss arising from inadequate or failed internal processes, people and systems, or external events. It arises out of actions undertaken, or events occurring, within the Company, brokers, investment management companies or outsourced agencies and individuals.

The Company has risk management processes in place, such as third-party audit, internal audit, controls testing, project management, RCSA, and data governance to assess and monitor operational risk exposures.

C.5.1 Material Risk Exposures

The Company is exposed to operational risk through several avenues, such as IT, data, outsourcing, underwriting, reinsurance, fraud and conduct.

As a result of limitations inherent in all control systems, it is not possible to fully prevent fraud or errors from occurring. Judgments in decision-making can be faulty, and breakdowns may occur through simple human error. The Company looks to minimise such errors and risk through its internal risk and control framework.

In addition, any ineffectiveness in internal controls could have a material adverse effect on the Company's business. For instance, failure to maintain pricing disciplines and robust underwriting controls; poor quality Management Information or IT systems to capture data and business performance; failure to identify appropriate opportunities in a soft insurance cycle and prolonged competition; a potential reduction of control over the actions of third parties operating on its behalf (outsourcing).

Following the COVID-19 pandemic, the Company has adopted a hybrid working model i.e. a combination of office and remote working, having demonstrated its ability to continue its operations remotely and provide services and products to its customers. The Company continues to monitor and manage the additional operational risks associated with this mode of working, including reliance on IT and communications.

C.5.2 Material Risk Concentrations

The Company's material risk concentrations are in IT and outsourcing.

The majority of the Company's core lines are sold through independent third-party brokers, agents, retailers or administrators, many of whom the Company has worked with for several years, in particular in the legal expenses, property and warranty lines of business.

IT is an integral aspect of the Company's day-to-day business operations and as such, any system failure can pose a serious threat to operations.

C.5.3 Material Risk Mitigation

The Company does not seek to take on operational risk to generate a return. However, it recognises that some degree of operational risk is an unavoidable consequence of pursuing its strategic objectives and carrying out its day-to-day operations. It therefore seeks to mitigate this risk through its corporate governance and internal control mechanisms, due diligence and business continuity.

All the Company's material operational risks are captured within its Risk Register. The Risk Management function carries out a regular RCSA 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 performed a series of sensitivity tests on its solvency position; these are shown in section C.7.

C.5.5 Other Material Information

None noted.



C.6 Other Material Risks

C.6.1 Legal and Regulatory Risks

Legal and regulatory risks are the risks 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 these risks through its corporate governance and internal control mechanisms. Awareness of the risks and the Company's control mechanisms are maintained through its policies and procedures framework and training programs.

C.6.2 Strategic Risk

Strategic risk arises from the Company's failure to sufficiently define its direction and objectives, 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

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

The Company regards a strong governance framework to be vital in 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 Other Group Risks

Other Group risks arise from the Company's interaction with or reliance on other parts of the AmTrust Group, through parental influence, changes in overall credit rating, 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 AmTrust Group that may, if crystallised, have a negative impact upon its business strategy and/or cause detriment to its customers. Furthermore, the Board stays informed of the current and emerging risks at the AmTrust Group through the NEDs who sit on the Board.

C.6.5 Solvency Risk

Solvency Risk is the risk that the Company fails to maintain adequate levels of capital resources of sufficient quality and quantity 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 its solvency position, the production of financial accounts and quarterly solvency forecasting (including the annual ORSA process) and prior to any strategic decision making.

C.6.6 Reputational Risk

Reputational Risk relates to potential losses of the Company resulting from damages to the Company's reputation, which could be manifested in terms of lost revenue; increased operating, capital or regulatory costs; or destruction of shareholder value.

The Company manages reputational risk by operating to high standards across its business activities, and continuously monitoring feedback from its key stakeholders, including customers and regulators.



C.7 Any Other Information

C.7.1 Risk Sensitivities

The Company has performed sensitivity tests to show the impact on the SCR, Own Funds and SCR coverage ratio. These are independent stresses to individual risks, although in practice risks may occur in combination, but the impact would differ from the combination of impacts of the individual stresses. No future management actions, which could mitigate the impacts shown, have been taken into account. The impacts of each stress are non-linear and the results shown should not be used to extrapolate the effects of larger or smaller changes in the assumptions.

The Company has performed the following sensitivity tests on its solvency position.

Test	SCR/change		Own funds/change		Solvency ratio/change	
	£'m	£'m	£'m	£'m	%	%
<i>As at 31 December 2025</i>						
Solvency position	115.9		217.2		187.4%	
Large Claim Event	120.5	4.6	209.3	(7.9)	173.7%	(13.7%)
TP Assumption Change	116.7	0.8	214.9	(2.3)	184.2%	(3.2%)
Currency Increase	116.3	0.4	217.2	0.0	186.8%	(0.6%)
Currency Shock	115.0	(0.9)	220.5	3.3	191.8%	4.4%
Concentration Increase	115.9	0.0	217.2	0.0	187.4%	0.0%
Type 2 Increase	116.6	0.7	217.1	(0.1)	186.3%	(1.1%)
Duration Increase	119.2	3.3	217.2	0.0	182.3%	(5.1%)
Duration Decrease	113.2	(2.7)	217.2	0.0	191.9%	4.5%
Property Shock	115.9	0.0	217.1	(0.1)	187.3%	(0.1%)
RI Balance & Investments	116.2	0.3	217.2	0.0	187.0%	(0.4%)
Yield Curve Upshock	118.8	2.9	202.5	(14.7)	170.5%	(16.9%)
Yield Curve Downshock	113.7	(2.2)	230.2	13.0	202.7%	15.3%
RI Downgrade	117.4	1.5	217.1	(0.1)	185.0%	(2.4%)
Reinsurance exposure deterioration	116.7	0.8	217.1	(0.1)	186.2%	(1.2%)

The tests with the largest effect on the solvency ratio are the yield curve upshock and downshock. The Company has robust investment procedures in place, as described in section B.1.2.3.4.

Valuation for Solvency Purposes

Section D



D Valuation for Solvency Purposes

This section highlights the way the Company's assets and liabilities are valued differently when calculating own funds (net equity on a Solvency UK basis) and when preparing its statutory accounts. The former applies the valuation rules from the PRA Rulebook, and the latter applies valuation rules under Generally Accepted Accounting Principles ("GAAP") in the UK.

The valuation rules from the PRA Rulebook 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.

The tables below show the valuation on a Solvency UK basis of the Company's assets and liabilities as at 31 December 2025. Under Solvency UK, certain assets and liabilities are categorised differently from their classification under UK GAAP. Therefore, the presentation of them in this section may differ from the UK GAAP statutory accounts. Where this is the case, it is noted in the relevant section below.

	Statutory Accounts Value	Reclassification Adjustments	Valuation Adjustments	Solvency UK Value
	£'000	£'000	£'000	£'000
Assets				
Deferred acquisition costs	77,652		(77,652)	0
Deferred tax assets	36		(36)	0
Property, plant and equipment held for own use	1,038		418	1,456
Investments (other than assets held for index linked and unit-linked contracts):				
Equities:				
Equities - unlisted	6,217			6,217
Bonds:				
Government bonds	332,972			332,972
Corporate bonds	305,017			305,017
Collective Investments Undertakings	9,328			9,328
Loans and mortgages	31,125		1	31,126
Reinsurance recoverables from:				
Non-life and health similar to non-life	636,347	(219,303)	(76,753)	340,291
Deposits to cedants	78			78
Insurance and intermediaries receivables	353,130	(342,551)		10,579
Reinsurance receivables	99,862	4,561		104,423
Receivables (trade, not insurance)	2,423	8,200		10,623
Cash and cash equivalents	9,317			9,317
Any other assets, not elsewhere shown	6,357		(4,068)	2,289
Assets	1,870,899	(549,093)	(158,090)	1,163,716



	Statutory Accounts Value	Reclassification Adjustments	Valuation Adjustments	Solvency UK Value
	£'000	£'000	£'000	£'000
Liabilities				
Technical provisions – non-life	906,696	(275,960)	(630,736)	0
Best estimate – non-life			515,663	515,663
Risk margin – non-life			9,398	9,398
Deposits from reinsurers	374,974			374,974
Deferred tax liabilities	0		4,168	4,168
Provisions other than technical provisions	7,961			7,961
Insurance and intermediaries payables	73,853	(58,390)		15,463
Reinsurance payables	281,774	(214,743)	(67,031)	0
Any other liabilities, not elsewhere shown	21,010		(2,163)	18,847
Total liabilities	1,666,268	(549,093)	(170,701)	946,474
Excess of assets over liabilities	204,631	0	12,611	217,242

Going Concern

The Company has considerable financial resources and a balanced book of business. After review of the key performance indicators, financial and solvency (as determined under the Solvency UK regime) forecasts and budgets, and the key risks as outlined in section C, the Directors have a reasonable expectation that the Company has adequate resources available to continue in operational existence for at least the following 12 months from the date of the approval of the SFCR.

Management prepares a number of risk assessment documents which are reviewed by the Board and shared with the PRA as appropriate. These documents also consider the Company's responses to mitigate these risks. No significant shortfalls are currently considered to exist in the Company's governance and controls environment.

The Directors have evaluated the results of the assessments conducted by management, including stresses and believe that the going concern basis of preparing the 31 December 2025 financial statements is appropriate.

D.1 Assets

D.1.1 Deferred Acquisition Costs

	Statutory Accounts Value	Reclassification Adjustments	Valuation Adjustments	Solvency UK Value
	£'000	£'000	£'000	£'000
Assets				
Deferred acquisition costs	77,652		(77,652)	0

Deferred acquisition costs are valued at nil for Solvency UK purposes. Instead, all cashflows related to expenses due to servicing recognised insurance obligations are considered in the best estimate technical provisions.

D.1.2 Deferred Tax Asset

	Statutory Accounts Value	Reclassification Adjustments	Valuation Adjustments	Solvency UK Value
	£'000	£'000	£'000	£'000
Assets				
Deferred tax asset	36		36	0

Deferred taxation is provided in full on timing differences which result in an obligation at the date of this report to pay more tax, or a right to pay less tax, at a future date. These timing differences have resulted in a deferred tax asset in the statutory accounts.



As a result of adjusting the UK GAAP balance sheet to an economic balance sheet for Solvency UK, additional gains and losses are created within the Company. The Solvency UK framework permits deferred tax balances to be created on the differences between the tax base of assets and liabilities and the value based on Solvency UK principles.

The adjustments at the year-end resulted in an overall increase in the tax base of net assets and therefore a valuation adjustment to reduce the deferred tax asset, and reflect the resulting deferred tax liability, has been made at the appropriate rate.

D.1.3 Property, Plant and Equipment Held

	Statutory Accounts Value	Reclassification Adjustments	Valuation Adjustments	Solvency UK Value
Assets	£'000	£'000	£'000	£'000
Property, plant and equipment held for own use	1,038		418	1,456

Under Solvency UK the valuation methodology for property, plant and equipment is to use a reliable estimate for the amount which the assets could be exchanged between knowledgeable willing parties in an arm's length transaction.

Within the UK GAAP annual accounts, property held for own use is valued at fair market value less accumulated depreciation. The latest valuation was performed as part of the year end process for 31 December 2025.

The fair market value which the Company's property is carried at within the UK GAAP accounts is considered to be a consistent valuation methodology to the Solvency UK guidelines. As the fair value is not arrived at using a quoted market price, nor adjusted quoted market price, the valuation technique is considered an alternative valuation method under Solvency UK. This is described in more detail section D.4.1 below.

D.1.4 Investments

D.1.4.1 Bonds and Equity Securities

	Statutory Accounts Value	Reclassification Adjustments	Valuation Adjustments	Solvency UK Value
Assets	£'000	£'000	£'000	£'000
Bonds:				
Government bonds	332,972			332,972
Corporate bonds	305,017			305,017
Equities:				
Equities – unlisted	6,217			6,217
Collective Investments Undertakings	9,328			9,328

The Company's investment portfolio consists primarily of corporate and government bonds.

The Company elects to carry its investments at fair value through the profit and loss account at inception. These assets are managed and their performance evaluated on a fair value basis, and information about their fair values is provided internally to key management personnel on a regular basis including the Board and the Investment and Capital Management Committee.

Investments are classified into three tiers of fair value hierarchy based on the characteristics of inputs available in the marketplace. The following valuation hierarchy is used:

- **Level 1** – Quoted market prices in active markets for the same assets.



- **Level 2** – Quoted market prices in active markets for similar assets with adjustments to reflect differences. The adjustments reflect factors specific to the asset including the condition or location of the asset, the extent to which inputs relate to items that are comparable with the asset and the volume or level of activity in the markets within which the inputs are observed.
- **Level 3** – Alternative valuation methods which make use of relevant market inputs including:
 - Quoted prices for identical or similar assets which are not active;
 - Inputs other than quoted prices that are observable for the asset, including interest rates and yield curves observable at commonly quoted intervals, implied volatilities and credit spreads; and
 - Market-corroborated inputs, which may not be directly observable but are based on or supported by observable market data.

For the purposes of the above, active markets are determined by trading volumes which allow pricing information to be provided on an ongoing basis.

At 31 December 2025, the Company had £13.4m of Level 1 investments, £633.9m of Level 2 investments and £6.2m of Level 3 investments.

No adjustment is made to move accrued interest which is included for both UK GAAP and Solvency UK purposes within the value of the bonds.

Collective investments undertakings of £9.3m and corporate bonds of £2.3m classified as such in the table above are presented as cash and cash equivalents in the UK GAAP statutory accounts. Their presentation as collective investments undertakings and corporate bonds is appropriate under Solvency UK.

D.1.5 Loans and Mortgages

	Statutory Accounts Value	Reclassification Adjustments	Valuation Adjustments	Solvency UK Value
Assets	£'000	£'000	£'000	£'000
Loans and mortgages	31,125		1	31,126

Loans and mortgages are measured at amortised cost using the effective interest method for UK GAAP and at fair value using the income approach through the discounted cash flow method for the purpose of Solvency UK.

Therefore, a small valuation adjustment was made to loans and mortgages at the balance sheet date in line with the Company's discounted cash flow method of valuation for loans and mortgages.

At 31 December 2025, the loans and mortgages balance relates to a loan made to an AmTrust group counterparty. To mitigate any credit risk to this counterparty, the loan is fully collateralised by cash funds and investments held in a segregated, third-party administered trust account for the benefit of the Company.

The Company does not have any mortgages as at 31 December 2025.

D.1.6 Reinsurance Recoverables

	Statutory Accounts Value	Reclassification Adjustments	Valuation Adjustments	Solvency UK Value
Assets	£'000	£'000	£'000	£'000
Reinsurance recoverables from:				
Non-life and health similar to non-life	636,347	(219,303)	(76,753)	340,291

Reinsurance recoverables are valued as part of technical provisions and separated out for disclosure purposes on the Solvency UK balance sheet. Most reinsurance cover is provided by quota share contracts and the recoverables are calculated as a fixed proportion of the gross liabilities. For the non-proportional cover, the recoverable amount has been estimated judgementsly, by class, based on the attachment point and limits of each contract and a review of the historical recoveries made under each contract.



An adjustment is made in respect of future premiums held within reinsurance payables in the UK GAAP balance sheet. These balances are reclassified within technical provisions on the Solvency UK balance sheet.

Further valuation adjustments made to reinsurance recoverables are described within section D.2.

D.1.7 Deposits to cedants

	Statutory Accounts Value	Reclassification Adjustments	Valuation Adjustments	Solvency UK Value
Assets	£'000	£'000	£'000	£'000
Deposits to cedants	78			78

Deposits to cedants is valued at amortised cost, consistent with the approach under UK GAAP. This is not considered to be materially different from the Solvency UK valuation principle since creditor balances are short term (payable within 6 months), with no discounting impact and convertible into a cash balance.

D.1.8 Insurance and Intermediaries Receivables, Reinsurance Receivables and Non-Insurance Trade Receivables

	Statutory Accounts Value	Reclassification Adjustments	Valuation Adjustments	Solvency UK Value
Assets	£'000	£'000	£'000	£'000
Insurance and intermediaries receivables	353,130	(342,551)		10,579
Reinsurance receivables	99,862	4,561		104,423
Receivables (trade, not insurance)	2,423	8,200		10,623

Receivables relating to insurance and intermediaries, reinsurance and other trade are valued at amortised cost, consistent with the approach under UK GAAP, which is not considered to be materially different from the fair value approach under Solvency UK valuation principles, since debtor balances are short term, with no discounting impact and convertible into a cash balance.

Receivables that are not yet due are reclassified and dealt with as part of the technical provisions, described below.

There are a number of other reclassifications made between the UK GAAP balance sheet and the Solvency UK balance sheet relating to these items to correctly classify items under the Solvency UK categories.

D.1.9 Cash and Other Assets

	Statutory Accounts Value	Reclassification Adjustments	Valuation Adjustments	Solvency UK Value
Assets	£'000	£'000	£'000	£'000
Cash and cash equivalents	9,317			9,317
Any other assets, not elsewhere shown	6,357		(4,068)	2,289

Cash and cash equivalents comprise cash in hand and demand deposits with banks. Cash and cash equivalents are considered to be held at fair value.

The valuation adjustment to any other assets, not elsewhere shown relates to the derecognition of prepayments, which are excluded from the Solvency UK balance sheet.

Cash and cash equivalents excludes collective investments undertakings of £9.3m and corporate bonds of £2.3m that are classified as cash and cash equivalents in the UK GAAP statutory accounts. The presentation of cash and cash equivalents in the table above is appropriate under Solvency UK.



D.1.10 Changes made to recognition and valuation basis of assets during the year

No changes were made to the recognition and valuation basis of assets during 2025.

D.2 Technical Provisions

Technical provisions represent a valuation of the Company’s obligations towards policyholders. Under Solvency UK these are required to be calculated as the sum of:

- Best estimate equal to the probability-weighted average of all future cash-flows, taking account of the time value of money; and
- A risk margin equivalent to the amount that an insurance undertaking would be expected to require in order to take over and meet the technical provision obligations.

On a Solvency UK basis the total net technical provisions, including the risk margin, were £185m.

The following tables show a summary of the Company’s technical provisions under Solvency UK:

31 December 2025	Gross of Reinsurance (£'000)	Recoverable from Reinsurance (£'000)	Net of Reinsurance (£'000)	Risk Margin (£'000)	Total Technical Provisions (£'000)
Class					
Assistance	1,377	922	455	23	478
Credit and suretyship	(261)	(4,146)	3,885	257	4,142
Fire and other damage to property	59,754	19,489	40,265	1,473	41,738
General liability	325,645	268,887	56,758	2,066	58,824
Legal expenses	30,974	6,992	23,982	2,742	26,724
Medical expense	1	1	0	0	0
Miscellaneous financial loss	92,534	46,609	45,925	2,667	48,592
Non-proportional property reinsurance	5,639	1,537	4,102	170	4,272
Total	515,663	340,291	175,372	9,398	184,770



31 December 2024					
Class	Gross of Reinsurance (£'000)	Recoverable from Reinsurance (£'000)	Net of Reinsurance (£'000)	Risk Margin (£'000)	Total Technical Provisions (£'000)
Assistance	1,586	553	1,033	67	1,100
Credit and suretyship	948	816	132	131	263
Fire and other damage to property	54,960	17,613	37,347	1,850	39,197
General liability	377,244	315,486	61,758	3,067	64,825
Legal expenses	25,059	8,886	16,173	3,427	19,600
Medical expense	(40)	(39)	(1)	0	(1)
Miscellaneous financial loss	77,664	41,429	36,235	2,337	38,572
Total	537,421	384,744	152,677	10,879	163,556

The Company's UK GAAP Reserving Policy requires the actuarial function to calculate ultimate loss ratios including margins for prudence/uncertainty. For Solvency UK purposes the Technical Provisions exclude these margins. The loss ratios are calculated at the homogenous class of business level, which is consistent with the way the business is underwritten and managed. This provides an estimate of the expected future cash outflows from earned business and expected future cash inflows from any associated reinsurance as at the valuation date. An explicit additional margin is added based on the Reserve Committee's recommendations.

D.2.1 Underlying Uncertainties

The actuarial function has employed techniques and assumptions that it believes are appropriate for estimating the technical provisions. However, the results of these techniques are subject to uncertainty, and it should be recognised that future claim emergence is likely to deviate, perhaps materially, from the estimates. The uncertainties in the estimates for the Company are increased due to:

- The small size of some (sub)lines of business;
- The lack of development history and hence reliance on benchmarks in some classes;
- An increased reserve uncertainty on long-tailed lines of business;
- Uncertainty over the losses on remaining unearned exposures, particularly for the classes earning over extended periods such as the structural defects business or the warranty business;
- Uncertainty over the number and magnitude of potential large losses on long-tailed business;
- The existence of profit caps and profit shares for some programs which also adds to the uncertainty in aggregate estimates; and
- Any increase in unanticipated inflation potentially impacting a number of lines of business.

D.2.2 Solvency UK Related Uncertainties

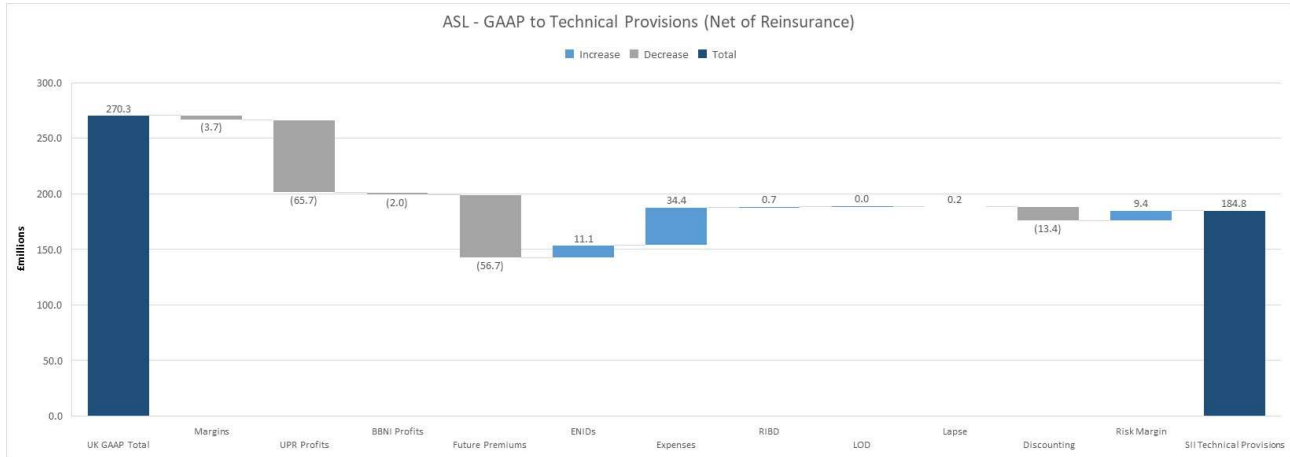
Additional uncertainties because of the Solvency UK adjustments include:

- Uncertainty over the number and magnitude of potential large losses (and catastrophes) on all business that is unexpired at the valuation date;
- Uncertainty over the provision for Events Not in Data ('ENIDs') where, by their very nature, there is no data available;
- Potential for deviation in the expected profits on un-incepted and unearned business;
- Potential for deviation in payment patterns from expectations, resulting in an over or under-estimation of the level of discount;
- Uncertainty over the volume of un-incepted business;
- Uncertainty surrounding the future premium receivable; and

- Estimation of the risk margin due to uncertainty in the run-off of the capital requirements.

D.2.3 Differences Between Solvency UK Valuation and Financial Statements

Solvency UK technical provisions are evaluated on a best estimate cash flow basis with items such as unearned premium reserves removed. The adjustments made to move the UK GAAP estimates to a Solvency UK basis are set out in sections D.2.3.1 to D.2.3.13 below:



D.2.3.1 Removal of Margins in the UK GAAP Reserves

The Board holds an additional margin above the actuarial best estimate to allow for the uncertainty in the estimates. These are removed for Solvency UK purposes.

D.2.3.2 Removal of Profit in the Unearned Premium Reserve

The full amount of unearned premiums is removed from the technical provisions. The best estimate of the claim liabilities associated with the Unearned Premium Reserve ('UPR') is added back and expected reinsurance recoveries are allowed for separately for both proportional and non-proportional reinsurance.

D.2.3.3 Recognition of Profits in Business Written Prior to, but Incepting After, the Valuation Date

The Bound But Not Incepted ('BBNI') profits reduce the technical provisions. The best estimate of the claims liabilities associated with these premiums are added to the technical provisions. Expected reinsurance recoveries are allowed for separately for both proportional and non-proportional reinsurance.

D.2.3.4 Allowance for Future Premiums

Future premium cash flows are derived from the Company's financial systems for both gross cash inflows and reinsurance cash outflows.

D.2.3.5 Allowance for Events Not in Data

Under UK GAAP, technical provisions only make allowance for items that are implicitly included within the data or are "reasonably foreseeable". Under Solvency UK, the best estimate must have reference to "all possible outcomes" including latent claims or very extreme high severity, low probability claims. The Company also makes allowance for specific events increasing this uncertainty such as the potential for a period of higher than anticipated inflation. Gross and ceded technical provisions are estimated separately.

D.2.3.6 Allowance for Expenses Required to Service the Run-Off of the Technical Provisions

All expenses expected to be incurred in running-off the technical provisions including a proportion of fixed overheads are allowed for. These have been estimated using the latest financial projections and an estimate of the expected time to run-off the technical provisions based on the estimated claims payment patterns.



D.2.3.7 Allowance for Reinsurance Bad Debt (Non-Recoverable Reinsurance)

An allowance for reinsurance bad debt is calculated by allowing for the probability of default using external credit ratings. The expected default under Solvency UK takes into account the timing of the expected payment by reinsurer and allows for a change in rating over time.

D.2.3.8 Allowance for the Future Cost of Reinsurance in Respect of Written Business

Some future reinsurance purchases will benefit business written at the valuation date and the expected cost of this spend is included in the technical provisions.

D.2.3.9 Allowance for the Impact of Policies Lapsing

Some lines of business are subject to policies lapsing (or being cancelled) before the policy has expired or a claim has been made. An allowance for this reduction in future profits (or losses) is made based on historical data.

D.2.3.10 Allowance for Discounting

This is determined by calculating the present value of the future cash flows using a defined yield curve. The yield curves (discount rates) for major currencies which are used to discount the cash flows are provided by the PRA.

D.2.3.11 Allowance for a Risk Margin

This adjustment increases the overall value of the technical provisions from the discounted best estimate to an amount equivalent to the theoretical level needed to transfer the obligations to another insurance undertaking. It is calculated based on approximating the individual risks and sub-risks within all modules and sub modules to be used for the calculation of future solvency capital requirements. The cost of capital rate applied in the calculation of the risk margin is 4.0%.

D.2.4 Differences Between Solvency UK Valuation and Financial Statements by Line of Business

The differences by line of business between net UK GAAP and net Solvency UK technical provisions are set out in the table below. Movements by line of business are because of the adjustments described in section D.2.3.

31 December 2025			
Class	Solvency UK (£'000)	UK GAAP (£'000)	Difference (£'000)
Assistance	478	534	(54)
Credit and suretyship	4,142	6,082	(1,940)
Fire and other damage to property	41,738	49,480	(7,742)
General liability	58,824	53,538	5,284
Legal expenses	26,724	83,295	(56,571)
Medical expense	0	0	0
Miscellaneous financial loss	48,592	70,389	(21,797)
Non-proportional property reinsurance	4,272	7,031	(2,759)
Total	184,770	270,349	(85,579)

D.2.5 Adjustments to Technical Provisions

The Company does not apply the Matching Adjustment, Volatility Adjustment, Transitional Risk-Free Interest Term Structure or the Transitional Deduction when calculating its Solvency UK technical provisions.

D.2.6 Reinsurance

Since mid-2019, the Company has had a 50% whole account quota share with an “AA-” Standard and Poor’s rated global third-party reinsurer with the exception of business related to the credit and suretyship Solvency UK line of business, in



particular mortgage and credit, which has its own third-party quota share arrangements, and certain lines of business in which the Company exited. This reinsurance arrangement renewed during 2025.

The Solvency UK technical provisions also make allowance for potential recoveries from non-proportional reinsurance for the professional indemnity and structural defects classes.

During 2022 a reinsurance agreement was put in place with AILL. Under this arrangement all outstanding liabilities from underwriting years 2019 and prior are reinsured. Subsequently this arrangement has been renewed in 2025 to cover the underwriting years up to 2022. In addition, the treaty also covers all underwriting years for the run-off lines of business.

D.2.7 Significant Changes in Assumptions

The most significant changes in the assumptions used to calculate the technical provisions are:

- The LPT reinsurance was renewed and hence the net liabilities for the 2022 underwriting year are now zero.
- ULRs for Legal business increased during the year owing to the First Nations business (approximately £11m NWP) that was not renewed.
- Throughout 2025 the Professional Indemnity book continued to perform better than anticipated and ULRs were reduced across many of the more mature years as a result.

D.3 Other Liabilities

D.3.1 Provisions Other than Technical Provisions

	Statutory Accounts Value	Reclassification Adjustments	Valuation Adjustments	Solvency UK Value
	£'000	£'000	£'000	£'000
Liabilities				
Provisions other than technical provisions	7,961			7,961

Included within provisions other than technical provisions are amounts due to agents for profit sharing and similar agreements. These provisions are based on management’s best estimates of the amounts due under those contracts.

D.3.2 Deferred tax liabilities

	Statutory Accounts Value	Reclassification Adjustments	Valuation Adjustments	Solvency UK Value
	£'000	£'000	£'000	£'000
Liabilities				
Deferred tax liabilities	0		4,168	4,168

Deferred taxation is provided in full on timing differences which result in an obligation at the date of this report to pay more tax, or a right to pay less tax, at a future date. These timing differences have resulted in a deferred tax asset in the statutory accounts.

As a result of adjusting the UK GAAP balance sheet to an economic balance sheet for Solvency UK, additional gains and losses are created within the Company. The Solvency UK framework permits deferred tax balances to be created on the differences between the tax base of assets and liabilities and the value based on Solvency UK principles.

The adjustments at the year-end resulted in an overall increase in the tax base of net assets. Due to the size of this increase, the Company has booked a deferred tax liability. This adjustment has been made at the appropriate rate.



D.3.3 Loans, Payables and Other Liabilities

	Statutory Accounts Value	Reclassification Adjustments	Valuation Adjustments	Solvency UK Value
Liabilities	£'000	£'000	£'000	£'000
Deposits from reinsurers	374,974			374,974
Insurance and intermediaries payables	73,853	(58,390)		15,463
Reinsurance payables	281,774	(214,743)	(67,031)	0
Any other liabilities, not elsewhere shown	21,010		(2,163)	18,847

Payables to insurance and intermediaries, reinsurance and deposits from reinsurers, as well as the other liabilities, are valued at amortised cost, consistent with the approach under UK GAAP. This is not considered to be materially different from the Solvency UK valuation principle since creditor balances are short term (payable within 6 months), with no discounting impact and convertible into a cash balance.

Management have concluded there is no material estimation uncertainty surrounding the loans, payables and other liabilities due to the nature of the liabilities, which are largely short-term and do not contain complex terms.

Insurance and intermediaries payables which are not yet due, are reclassified and dealt with as part of the technical provisions, described above. These reclassification adjustments are shown within Insurance and intermediaries payables and reinsurance payables.

The valuation adjustment to reinsurance payables is in respect of deferred reinsurance commissions, which are valued at nil for Solvency UK purposes.

The valuation adjustment to any other liabilities, not elsewhere shown relates to the derecognition of deferred revenue, which is excluded from the Solvency UK balance sheet.

D.3.4 Changes made to recognition and valuation basis of other liabilities during the year

No changes were made to the recognition and valuation basis of other liabilities during 2025.

D.4 Alternative Methods for Valuation

D.4.1 Property, Plant and Equipment Held

Within the UK GAAP annual accounts, property held for own use is valued at fair market value less accumulated depreciation. The latest valuation was performed as at 31 December 2025.

Valuations are performed by an independent, professionally qualified valuer who has applied a traditional income capitalisation method, having regard to appropriate yields to the various income streams.

The above method is used as an approximation to derive Solvency UK values.

D.4.2 Loans and Mortgages

Within the UK GAAP annual accounts, loans and mortgages are measured at amortised cost using the effective interest rate method. Under Solvency UK loans and mortgages are measured at fair value using the income approach through the discounted cash flow method.

The Solvency UK valuation has been performed with reference to contractual interest rates and discounted using the prevailing PRA risk-free interest rate term structures at the date of valuation, in line with Solvency UK guidelines.

D.5 Any Other Information

None noted.

Capital Management

Section E



E Capital Management

E.1 Own Funds

The Company's capital management objective is to maintain sufficient capital to safeguard the Company's ability to continue as a going concern and to protect the interests of its customers, investors, regulators and trading partners while also efficiently deploying capital and managing risk to sustain ongoing business development. 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 regulatory reporting.

The Company manages its Own Funds with the objective of always being able to satisfy both the Minimum Capital Requirement ('MCR') and the SCR plus a buffer. The target ratio for available capital in excess of the Solvency UK 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.

The Company prepares solvency projections for the following 3 years as part of its business planning process, which form part of the ORSA. The baseline forecasts and certain stress scenarios are updated quarterly and shared with the Risk and Compliance Committee. In addition, short-term solvency projections are calculated whenever a significant transaction is considered by the Company.

Solvency calculations are prepared following the end of each quarter and compared with available Own Funds; this is included in the risk function's report to the Risk and Compliance Committee.

The Company's capital resources are made up of Tier 1 – Unrestricted capital instruments. The Tier 1 – Unrestricted instruments included within Own Funds are comprised of fully paid ordinary share capital, fully paid share premium and the reconciliation reserve (accumulated profits on a Solvency UK valuation basis, equal to the excess of assets over liabilities excluding other basic own fund items at the reporting date). The Company has no Tier 1 – Restricted, Tier 2 or Tier 3 Own Funds.

The Company's Solvency UK Tier 1 – Unrestricted Own Funds position at the end of the year and the prior year is shown in the table below. The movement in Own Funds, and thus the movement in the reconciliation reserve given no movement in ordinary share capital or share premium, is explained in section E.2.3.

£'000	Tier 1 – Unrestricted Own Funds	
	2025	2024
Ordinary share capital	75,044	75,044
Share premium	11,642	11,642
Reconciliation reserve	130,556	120,871
Own Funds	217,242	207,557

The Company's amount of Own Funds eligible to cover its SCR as of 31 December 2025 and 2024 are listed in the tables below.

Solvency Overview, as of 31 December 2025					
£'000	Tier	Own Funds	Eligible %	Eligible Own Funds	Solvency Ratio
<i>SCR 115,891</i>	1	217,242	100%	217,242	
	2	0	0%	0	
	3	0	0%	0	
	Total	217,242		217,242	



Solvency Overview, as of 31 December 2024					
£'000	Tier	Own Funds	Eligible %	Eligible Own Funds	Solvency Ratio
SCR 130,135	1	207,557	100%	207,557	
	2	0	0%	0	
	3	0	0%	0	
	Total	207,557		207,557	

The Company's amount of Own Funds eligible to cover its MCR as of 31 December 2025 and 2024 are listed in the tables below.

Solvency Overview, as of 31 December 2025					
£'000	Tier	Own Funds	Eligible %	Eligible Own Funds	Solvency Ratio
MCR 42,640	1	217,242	100%	217,242	
	2	0	0%	0	
	3	0	0%	0	
	Total	217,242		217,242	

Solvency Overview, as of 31 December 2024					
£'000	Tier	Own Funds	Eligible %	Eligible Own Funds	Solvency Ratio
MCR 38,460	1	207,557	100%	207,557	
	2	0	0%	0	
	3	0	0%	0	
	Total	207,557		207,557	

There are certain differences between the value of Own Funds under Solvency UK and the value of Shareholder's Funds shown in the Company's UK GAAP Financial Statements. These arise due to the difference in valuation of assets and liabilities described in section D of this report. A reconciliation is shown in the table below.

	2025	2024
	£'000	£'000
Equity per financial statements	204,631	183,759
Differences in valuation of technical provision related items	18,301	28,950
Solvency UK valuation adjustments to assets and liabilities	(5,690)	(5,152)
Solvency UK Own Funds	217,242	207,557

None of the Company's Own Funds are subject to transitional arrangements. The Company does not have any Ancillary Own Funds or 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

The Company uses an off-the-shelf system, Solvency Tool, to calculate its SCR using the Standard Formula. The Company does not use any USPs. The final amount of SCR is subject to supervisory assessment.

Capital Requirements	2025	2024
	£'000	£'000
SCR	115,891	130,135
MCR	42,640	38,460

E.2.1 Solvency Capital Requirement

SCR by Risk Module	2025	2024	Variance	
	£'000	£'000	£'000	%
Health NSLT underwriting risk	0	0	0	0%
Non-Life underwriting risk	93,572	104,955	(11,383)	(11%)
Market risk	33,368	26,925	6,443	24%
Counterparty default risk	14,919	12,989	1,930	15%
Undiversified Basic SCR	141,859	144,869	(3,010)	(2%)
Diversification credit	(26,543)	(22,966)	(3,577)	16%
Basic SCR	115,316	121,903	(6,587)	(5%)
Operational risk	15,470	16,122	(653)	(4%)
Loss-absorbing capacity of deferred taxes	(14,895)	(7,890)	(7,005)	89%
Standard Formula SCR	115,891	130,135	(14,244)	(11%)

E.2.2 Minimum Capital Requirement

The Company calculates its linear MCR using the prescribed formula. This is then compared with the Absolute floor of the MCR, the MCR cap and the MCR floor. Both the cap and floor are determined using the Standard Formula SCR.

Overall MCR calculation	2025	2024
	£'000	£'000
Linear MCR	42,640	38,460
SCR	115,891	130,135
MCR cap	52,151	58,561
MCR floor	28,973	32,534
Combined MCR	42,640	38,460
Absolute floor of the MCR	3,500	3,500
Minimum Capital requirement	42,640	38,460



The inputs for the linear MCR are shown in the table below; prescribed factors are applied to these figures to calculate the linear MCR.

MCR inputs (£'000)	Net (of reinsurance) best estimate technical provision		Net (of reinsurance) written premiums in the last 12 months	
	2025	2024	2025	2024
Medical expenses	0	0	0	0
Fire and other damage to property	40,265	37,347	55,872	53,575
General liability	56,758	61,758	28,108	33,328
Credit and suretyship	3,885	132	3,703	6,285
Legal expenses	23,982	16,173	38,123	60,458
Assistance	455	1,033	590	985
Miscellaneous financial loss	45,925	36,235	65,842	47,718
Non-proportional property reinsurance	4,102	0	8,378	5,546

E.2.3 Material Change in SCR and MCR

Solvency coverage has increased to 187% at 31 December 2025 from 159% at 31 December 2024. This movement is principally due to the following factors in the year:

- Decrease in Non-Life Underwriting Risk mainly driven by a reduction in Non-Proportional Property Reinsurance Catastrophe Risk due to the application of excess of loss reinsurance at 31 December 2025, offset by an increase in Premium and Reserve exposure due to higher budgeted volumes at 31 December 2025;
- Market Interest Rate Risk and Spread Risk both increased as a result of planned increases to asset portfolio duration;
- The partial repayment of the AILL loan agreement resulted in a decrease in Market Concentration Risk;
- The level of outstanding and overdue debt increased in the year, which resulted in an increase in the Counterparty Default Risk Type 2 charge;
- Increase in the benefit of the loss-absorbing capacity of deferred taxes in 2025; and
- Solvency UK own funds increased in the year mainly due to a total UK GAAP profit of £20.9m offset by decreased profit on conversion of the balance sheet from UK GAAP to Solvency UK principles.

E.2.4 Loss-absorbing capacity of deferred taxes

The SCR has been reduced by £14.9m (2024: £7.9m) for the loss-absorbing capacity of deferred taxes. The calculated amount is based on the deferred tax liability recognised on the Solvency UK balance sheet and the extent to which losses can be carried back. The Company has performed the calculation in line with rule 6.4 of the PRA Rulebook on Solvency Capital Requirement – Standard Formula. Included within the loss-absorbing capacity of deferred taxes is £4.2m from the deferred tax liability on the Solvency UK balance sheet and £10.7m of losses carried back.

E.2.5 Standard Formula Simplifications

In calculating the Type 1 Counterparty Default Risk charge, the Company has adopted the simplification for the risk-mitigating effect of reinsurance arrangements.

E.3 Difference Between the Standard Formula and the Internal Model Used

The Company does not use an Internal Model to calculate its SCR.

E.4 Non-Compliance with the Minimum and Solvency Capital Requirements

The Company has been in compliance with the MCR and SCR throughout the reporting period.

E.5 Any Other Information

Annex

Quantitative Reporting Templates

Annex 1 – Summary of Quantitative Reporting Templates (QRTs)

The following pages contain QRTs for ASL as at 31 December 2025.

All figures are presented in thousands of pounds with the exception of ratios, which are in decimal. Please note that totals may differ from component parts due to rounding. All items disclosed are consistent with the information provided to the regulators privately.

QRT number	QRT name
IR.02.01.02	Balance sheet
IR.05.02.01	Premiums, claims and expenses by country
IR.05.04.02	Non-life income and expenditure
IR.17.01.02	Non-life technical provisions
IR.19.01.21	Non-life claim development
IR.23.01.01	Own funds
IR.25.04.21	Solvency Capital Requirement
IR.28.01.01	Minimum Capital Requirement - Only life or only non-life activity

Annex 2
IR.02.01.02.01
Balance sheet

			Solvency II value	
			C0010	
Assets	Goodwill		R0010	
	Deferred acquisition costs		R0020	
	Intangible assets		R0030	0
	Deferred tax assets		R0040	0
	Pension benefit surplus		R0050	0
	Property, plant & equipment held for own use		R0060	1,456
			R0070	653,534
	Property (other than for own use)		R0080	0
	Holdings in related undertakings, including participations		R0090	0
			R0100	6,217
	Equities			
	Equities - listed		R0110	0
	Equities - unlisted		R0120	6,217
			R0130	637,989
	Bonds			
	Government Bonds		R0140	332,972
	Corporate Bonds		R0150	305,017
	Structured notes		R0160	0
	Collateralised securities		R0170	0
	Collective Investments Undertakings		R0180	9,328
	Derivatives		R0190	0
	Deposits other than cash equivalents		R0200	0
	Other investments		R0210	0
	Assets held for index-linked and unit-linked contracts		R0220	0
			R0230	31,126
	Loans and mortgages			
	Loans on policies		R0240	0
	Loans and mortgages to individuals		R0250	0
	Other loans and mortgages		R0260	31,126
			R0270	340,291
	Reinsurance recoverables from:			
	Non-life and health similar to non-life		R0280	340,291
Life and health similar to life, excluding index-linked and unit-linked		R0315	0	
Life index-linked and unit-linked		R0340	0	
Deposits to cedants		R0350	78	
Insurance and intermediaries receivables		R0360	10,579	
Reinsurance receivables		R0370	104,423	
Receivables (trade, not insurance)		R0380	10,623	
Own shares (held directly)		R0390	0	
Amounts due in respect of own fund items or initial fund called up but not yet paid in		R0400	0	
Cash and cash equivalents		R0410	9,317	
Any other assets, not elsewhere shown		R0420	2,290	
Total assets		R0500	1,163,716	

Annex 2
IR.02.01.02.01
Balance sheet

			Solvency II value	
			C0010	
Liabilities	Technical provisions - total		R0505	525,061
		Technical provisions - non-life	R0510	525,061
		Technical provisions - life	R0515	0
	Best estimate - total		R0542	515,663
		Best estimate - non-life	R0544	515,663
		Best estimate - life	R0546	0
	Risk margin - total		R0552	9,398
		Risk margin - non-life	R0554	9,398
		Risk margin - life	R0556	0
	Transitional (TMTP) - life		R0565	0
	Other technical provisions		R0730	
	Contingent liabilities		R0740	0
	Provisions other than technical provisions		R0750	7,961
	Pension benefit obligations		R0760	0
	Deposits from reinsurers		R0770	374,974
	Deferred tax liabilities		R0780	4,168
	Derivatives		R0790	0
	Debts owed to credit institutions		R0800	0
	Financial liabilities other than debts owed to credit institutions		R0810	0
	Insurance & intermediaries payables		R0820	15,463
	Reinsurance payables		R0830	0
	Payables (trade, not insurance)		R0840	0
			R0850	0
Subordinated liabilities	Subordinated liabilities not in Basic Own Funds	R0860	0	
	Subordinated liabilities in Basic Own Funds	R0870	0	
Any other liabilities, not elsewhere shown		R0880	18,847	
Total liabilities		R0900	946,474	
Excess of assets over liabilities		R1000	217,242	

Annex 2

IR.05.02.01.01 (unaudited)

Premiums, claims and expenses by country - Home Country - non-life obligations

			Home country
			C0080
Premiums written	Gross - Direct Business	R0110	293,607
	Gross - Proportional reinsurance accepted	R0120	28,604
	Gross - Non-proportional reinsurance accepted	R0130	0
	Reinsurers' share	R0140	175,055
	Net	R0200	147,156
Premiums earned	Gross - Direct Business	R0210	300,414
	Gross - Proportional reinsurance accepted	R0220	25,920
	Gross - Non-proportional reinsurance accepted	R0230	0
	Reinsurers' share	R0240	184,574
	Net	R0300	141,760
Claims incurred	Gross - Direct Business	R0310	192,933
	Gross - Proportional reinsurance accepted	R0320	9,247
	Gross - Non-proportional reinsurance accepted	R0330	0
	Reinsurers' share	R0340	127,759
	Net	R0400	74,421
Net expenses incurred		R0550	52,833

Annex 2

IR.05.02.01.02 (unaudited)

Premiums, claims and expenses by country - Top 5 countries (by amount of gross premiums written) - non-life obligations

			Korea, Republic of	Turkey	Australia	India	China
			C0090	C0100	C0110	C0120	C0130
Premiums written	Gross - Direct Business	R0110	0	(3,894)	13,937	0	0
	Gross - Proportional reinsurance accepted	R0120	38,530	35,240	116	10,291	6,110
	Gross - Non-proportional reinsurance accepted	R0130	0	0	0	0	0
	Reinsurers' share	R0140	19,468	16,836	3,854	5,356	3,058
	Net	R0200	19,062	14,510	10,199	4,935	3,052
Premiums earned	Gross - Direct Business	R0210	0	(3,894)	11,783	0	0
	Gross - Proportional reinsurance accepted	R0220	14,968	24,340	47	13,242	3,947
	Gross - Non-proportional reinsurance accepted	R0230	0	0	0	0	0
	Reinsurers' share	R0240	7,713	11,318	6,594	6,833	3,476
	Net	R0300	7,255	9,128	5,236	6,409	471
Claims incurred	Gross - Direct Business	R0310	0	0	331	0	0
	Gross - Proportional reinsurance accepted	R0320	11,929	8,233	0	10,830	2,375
	Gross - Non-proportional reinsurance accepted	R0330	0	0	0	0	0
	Reinsurers' share	R0340	6,474	5,063	799	7,319	657
	Net	R0400	5,455	3,170	(468)	3,511	1,718
Net expenses incurred		R0550	2,900	7,153	1,207	129	800

Annex 2

IR.05.02.01.03 (unaudited)

Premiums, claims and expenses by country - Total Top 5 and home country - non-life obligations

			Total Top 5 and Home Country
			C0140
Premiums written	Gross - Direct Business	R0110	303,650
	Gross - Proportional reinsurance accepted	R0120	118,891
	Gross - Non-proportional reinsurance accepted	R0130	0
	Reinsurers' share	R0140	223,627
	Net	R0200	198,914
Premiums earned	Gross - Direct Business	R0210	308,303
	Gross - Proportional reinsurance accepted	R0220	82,464
	Gross - Non-proportional reinsurance accepted	R0230	0
	Reinsurers' share	R0240	220,508
	Net	R0300	170,259
Claims incurred	Gross - Direct Business	R0310	193,264
	Gross - Proportional reinsurance accepted	R0320	42,614
	Gross - Non-proportional reinsurance accepted	R0330	0
	Reinsurers' share	R0340	148,071
	Net	R0400	87,807
Net expenses incurred		R0550	65,022

Annex 2

IR.05.04.02.01

Non-life income and expenditure: reporting period

				All business (including annuities stemming from accepted non-life insurance and reinsurance contracts)										
				All non-life business (ie excluding annuities stemming from accepted insurance and reinsurance contracts)										
				Line of Business for: non-life insurance and accepted proportional reinsurance obligations										
				Medical expense insurance	Income protection insurance	Workers' compensati on insurance	Motor vehicle liability insurance - personal lines	Motor vehicle liability insurance - non- personal lines	Motor vehicle other motor insurance - personal lines	Motor vehicle other motor insurance - non- personal lines	Marine, aviation and transport insurance			
				C0010	C0015	C0110	C0120	C0130	C0140	C0141	C0150	C0151	C0160	
Income	Premiums written	Gross written premiums	R0110		419,939	(0)	0	0	0	0	0	0	0	
			Gross written premiums - insurance (direct)	R0111		305,846	(0)	0	0	0	0	0	0	0
			Gross written premiums - accepted reinsurance	R0113		114,093	0	0	0	0	0	0	0	0
	Net written premiums		R0160		200,615	0	0	0	0	0	0	0	0	0
	Premiums earned and provision for unearned	Gross earned premiums		R0210		396,062	(0)	0	0	0	0	0	0	0
		Net earned premiums		R0220		177,756	0	0	0	0	0	0	0	0
Expenditure	Claims incurred	Gross (undiscounted) claims incurred	R0610		246,704	63	0	0	0	0	0	0	0	
			Gross (undiscounted) direct business	R0611		194,584	(0)	0	0	0	0	0	0	0
			Gross (undiscounted) reinsurance accepted	R0612		52,120	63	0	0	0	0	0	0	0
		Net (undiscounted) claims incurred		R0690		95,426	3	0	0	0	0	0	0	0
	Net (discounted) claims incurred		R0730	95,426	95,426									
	Analysis of expenses incurred	Technical expenses incurred net of reinsurance ceded		R0910	72,357									
		Acquisition costs, commissions, claims management costs		R0985	22,993	22,993	(6)	0	0	0	0	0	0	0
	Other expenditure	Other expenses		R1140	0									
Total expenditure			R1310	194,141										

Annex 2

IR.05.04.02.01

Non-life income and expenditure: reporting period

			All business (including annuities stemming from accepted non-life insurance and reinsurance contracts)											
			All non-life business (ie excluding annuities stemming from accepted insurance and reinsurance contracts)											
			Line of Business for: non-life insurance and accepted proportional reinsurance obligations											
			Fire and other damage to property insurance - personal lines	Fire and other damage to property insurance - non-personal lines	General liability insurance				Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss		
					Employers Liability	Public & products Liability	Professional Indemnity	Other general liability						
			C0170	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260		
Income	Premiums written	Gross written premiums	R0110	98,949	23,494	0	27	61,753	0	6,308	76,342	1,396	136,225	
		Gross written premiums - insurance (direct)	R0111	98,949	23,494	0	27	61,753	0	3,993	64,559	1,396	51,676	
		Gross written premiums - accepted reinsurance	R0113	0	0	0	0	0	0	2,315	11,783	0	84,549	
	Net written premiums		R0160	45,923	9,949	0	0	28,108	0	3,703	38,123	590	65,842	
	Premiums earned and provision for unearned	Gross earned premiums		R0210	103,557	21,349	0	15,114	64,873	0	6,763	74,725	2,421	93,669
		Net earned premiums		R0220	45,988	8,376	0	(0)	29,590	0	4,019	39,007	718	42,831
Expenditure	Claims incurred	Gross (undiscounted) claims incurred	R0610	49,627	6,669	86	17,587	15,196	0	6,177	91,722	1,918	56,807	
		Gross (undiscounted) direct business	R0611	49,627	6,669	86	17,587	15,196	0	1,344	83,050	1,918	19,106	
		Gross (undiscounted) reinsurance accepted	R0612	0	0	0	0	0	0	4,832	8,672	0	37,701	
		Net (undiscounted) claims incurred	R0690	23,995	3,494	(1)	(190)	11,018	0	1,791	25,588	(331)	29,645	
	Net (discounted) claims incurred		R0730											
	Analysis of expenses incurred	Technical expenses incurred net of reinsurance ceded		R0910										
		Acquisition costs, commissions, claims management costs		R0985	13,817	180	(15)	(1,361)	2,968	0	498	(3,097)	(270)	6,134
	Other expenditure	Other expenses		R1140										
	Total expenditure		R1310											

Annex 2

IR.05.04.02.01

Non-life income and expenditure: reporting period

				All business (including annuities stemming from accepted non-life insurance and reinsurance contracts)						
				All non-life business (ie excluding annuities stemming from accepted insurance and reinsurance contracts)				Annuities stemming from non-life insurance contracts	Annuities stemming from non-life accepted reinsurance contracts	
				Line of Business for: accepted non-proportional reinsurance						
				Health	Casualty	Marine, aviation and transport	Property			
				C0310	C0320	C0330	C0340	C0525	C0545	
Income	Premiums written	Gross written premiums	Gross written premiums - insurance (direct)	R0110	0	0	0	15,447		
			Gross written premiums - accepted reinsurance	R0111						
		Net written premiums	R0113	0	0	0	15,447			
	Premiums earned and provision for unearned	Net written premiums		R0160	0	0	0	8,378		
		Gross earned premiums		R0210	0	0	0	13,592		
		Net earned premiums		R0220	0	0	0	7,229		
Expenditure	Claims incurred	Gross (undiscounted) claims incurred	Gross (undiscounted) direct business	R0610	0	0	0	851		
			Gross (undiscounted) reinsurance accepted	R0611						
		Net (undiscounted) claims incurred		R0612	0	0	0	851		
		Net (discounted) claims incurred		R0690	0	0	0	414		
	Analysis of expenses incurred	Technical expenses incurred net of reinsurance ceded		R0730					0	0
		Acquisition costs, commissions, claims management costs		R0910						
				R0985	0	0	0	4,143	0	0
	Other expenditure	Other expenses		R1140						
Total expenditure			R1310							

Annex 2

IR.17.01.02.01

Non-Life technical provisions

				Direct business and accepted proportional reinsurance					
				Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance
				C0020	C0030	C0040	C0050	C0060	C0070
Best estimate	Premium provisions	Gross	R0060	0	0	0	0	0	0
		Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	0	0	0	0	0	0
		Net Best Estimate of Premium Provisions	R0150	0	0	0	0	0	0
Claims provisions	Gross		R0160	1	0	0	0	0	0
	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default		R0240	1	0	0	0	0	0
	Net Best Estimate of Claims Provisions		R0250	0	0	0	0	0	0
Total Best estimate - gross			R0260	1	0	0	0	0	0
Total Best estimate - net			R0270	0	0	0	0	0	0
Risk margin			R0280	0	0	0	0	0	0
Technical provisions - total (best estimate plus risk margin)	Technical provisions - total		R0320	1	0	0	0	0	0
	Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total		R0330	1	0	0	0	0	0
	Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total		R0340	0	0	0	0	0	0

Annex 2

IR.17.01.02.01

Non-Life technical provisions

				Direct business and accepted proportional reinsurance					
				Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss
				C0080	C0090	C0100	C0110	C0120	C0130
Best estimate	Premium provisions	Gross	R0060	12,562	97,003	1,026	(2,173)	376	61,333
		Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	(4,636)	80,049	(133)	(6,677)	176	27,538
		Net Best Estimate of Premium Provisions	R0150	17,197	16,954	1,160	4,504	199	33,795
Claims provisions	Gross		R0160	47,192	228,642	(1,288)	33,147	1,002	31,201
	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default		R0240	24,124	188,840	(4,013)	13,669	745	19,071
	Net Best Estimate of Claims Provisions		R0250	23,068	39,802	2,726	19,478	256	12,130
Total Best estimate - gross			R0260	59,754	325,646	(261)	30,974	1,377	92,534
Total Best estimate - net			R0270	40,265	56,756	3,885	23,982	456	45,925
Risk margin			R0280	1,473	2,066	257	2,742	23	2,667
Technical provisions - total (best estimate plus risk margin)	Technical provisions - total		R0320	61,227	327,711	(4)	33,716	1,400	95,201
	Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total		R0330	19,489	268,889	(4,146)	6,992	922	46,609
	Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total		R0340	41,738	58,822	4,142	26,724	479	48,592

Annex 2

IR.17.01.02.01

Non-Life technical provisions

				Accepted non-proportional reinsurance				Total Non-Life obligation
				Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
				C0140	C0150	C0160	C0170	
Best estimate	Premium provisions	Gross	R0060	0	0	0	441	170,568
		Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	0	0	0	(971)	95,347
		Net Best Estimate of Premium Provisions	R0150	0	0	0	1,411	75,220
Claims provisions	Gross		R0160	0	0	0	5,198	345,095
	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default		R0240	0	0	0	2,507	244,944
	Net Best Estimate of Claims Provisions		R0250	0	0	0	2,691	100,151
Total Best estimate - gross			R0260	0	0	0	5,639	515,663
Total Best estimate - net			R0270	0	0	0	4,102	175,372
Risk margin			R0280	0	0	0	170	9,398
Technical provisions - total (best estimate plus risk margin)	Technical provisions - total		R0320	0	0	0	5,809	525,061
	Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total		R0330	0	0	0	1,537	340,291
	Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total		R0340	0	0	0	4,272	184,770

Annex 2

IR.19.01.21.01

Gross Claims Paid (non-cumulative) - Development year (absolute amount). Total Non-Life Business

Accident year / Underwriting year	Underwriting Year
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		0	1	2	3	4	5	6	7	8	9	10 & +
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110
Prior	R0100											24,937
N-9	R0160	9,430	29,389	30,649	20,334	8,702	10,872	13,855	13,339	20,561	12,693	
N-8	R0170	12,969	42,432	27,868	9,620	10,608	12,190	9,332	12,500	10,420		
N-7	R0180	15,539	49,517	37,351	23,630	11,042	11,956	8,642	45,469			
N-6	R0190	12,905	54,751	34,096	20,332	17,794	9,352	16,601				
N-5	R0200	11,666	44,536	19,756	14,423	22,427	7,955					
N-4	R0210	14,216	22,756	24,737	20,812	16,004						
N-3	R0220	5,855	30,122	26,154	16,124							
N-2	R0230	15,499	43,615	50,238								
N-1	R0240	18,914	62,844									
N	R0250	22,951										

Annex 2

IR.19.01.21.02

Gross Claims Paid (non-cumulative) - Current year, sum of years (cumulative). Total Non-Life Business

Accident year / Underwriting year	Underwriting Year
---	----------------------

		In Current Year	Sum of years (cumulative)
		C0170	C0180
Prior	R0100	24,937	564,179
N-9	R0160	12,693	169,824
N-8	R0170	10,420	147,941
N-7	R0180	45,469	203,146
N-6	R0190	16,601	165,831
N-5	R0200	7,955	120,762
N-4	R0210	16,004	98,525
N-3	R0220	16,124	78,255
N-2	R0230	50,238	109,352
N-1	R0240	62,844	81,758
N	R0250	22,951	22,951
Total	R0260	286,237	1,762,523

Annex 2

IR.19.01.21.03

Gross undiscounted Best Estimate Claims Provisions - Development year (absolute amount). Total Non-Life Business

Accident year / Underwriting year	Underwriting Year
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		0	1	2	3	4	5	6	7	8	9	10 & +
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300
Prior	R0100											68,708
N-9	R0160	29,382	60,987	46,009	41,644	44,248	46,778	63,008	40,991	21,097	7,546	
N-8	R0170	23,597	61,436	36,882	34,654	32,365	29,085	27,791	20,675	15,166		
N-7	R0180	48,356	71,908	64,983	59,156	53,397	35,730	26,775	20,282			
N-6	R0190	56,780	96,009	85,356	74,950	58,799	44,071	23,514				
N-5	R0200	64,364	99,214	91,292	77,967	70,046	45,707					
N-4	R0210	65,299	116,053	94,213	81,840	65,334						
N-3	R0220	71,176	97,341	81,046	62,184							
N-2	R0230	62,450	102,095	74,458								
N-1	R0240	83,925	103,639									
N	R0250	76,964										

Annex 2

IR.19.01.21.04

Gross discounted Best Estimate Claims Provisions - Current year. Total Non-Life Business

Accident year / Underwriting year	Underwriting Year
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		Year end (discounted data)
		C0360
Prior	R0100	56,700
N-9	R0160	6,960
N-8	R0170	13,043
N-7	R0180	19,182
N-6	R0190	21,642
N-5	R0200	42,847
N-4	R0210	61,755
N-3	R0220	59,561
N-2	R0230	70,213
N-1	R0240	96,727
N	R0250	72,111
Total	R0260	520,740

Annex 2

IR.19.01.21.22

Gross premium

Accident year / Underwriting year	Underwriting Year
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		Gross earned premium at reporting reference date	Estimate of future gross earned premium
		C0570	C0580
Prior	R0100		
N-9	R0160	149,809	1,377
N-8	R0170	179,252	3,159
N-7	R0180	210,288	4,990
N-6	R0190	255,345	10,065
N-5	R0200	250,416	13,543
N-4	R0210	246,026	18,783
N-3	R0220	213,506	14,569
N-2	R0230	253,264	26,841
N-1	R0240	270,758	66,084
N	R0250	141,440	186,980

Annex 2
 IR.23.01.01.01
 Own funds

			Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
			C0010	C0020	C0030	C0040	C0050
Basic own funds	Ordinary share capital (gross of own shares)	R0010	75,044	75,044		0	
	Share premium account related to ordinary share capital	R0030	11,642	11,642		0	
	Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	0	0		0	
	Subordinated mutual member accounts	R0050	0		0	0	0
	Surplus funds	R0070	0	0			
	Preference shares	R0090	0		0	0	0
	Share premium account related to preference shares	R0110	0		0	0	0
	Reconciliation reserve	R0130	130,556	130,556			
	Subordinated liabilities	R0140	0		0	0	0
	An amount equal to the value of net deferred tax assets	R0160	0				
	Other items approved by the supervisory authority as basic own funds not specified above	R0180	0	0	0	0	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		R0220	0				
Total basic own funds		R0290	217,242	217,242	0	0	0

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 IR.23.01.01.01
 Own funds

			Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
			C0010	C0020	C0030	C0040	C0050
Ancillary own funds	Unpaid and uncalled ordinary share capital callable on demand	R0300	0			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			0	
	Unpaid and uncalled preference shares callable on demand	R0320	0			0	0
	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0			0	0
	Letters of credit and guarantees	R0340	0			0	
	Letters of credit and guarantees - other	R0350	0			0	
	Supplementary members calls	R0360	0			0	
	Supplementary members calls - other	R0370	0			0	0
	Other ancillary own funds	R0390	0			0	0
Total ancillary own funds		R0400	0			0	0
Available and eligible own funds	Total available own funds to meet the SCR	R0500	217,242	217,242	0	0	0
	Total available own funds to meet the MCR	R0510	217,242	217,242	0	0	
	Total eligible own funds to meet the SCR	R0540	217,242	217,242	0	0	0
	Total eligible own funds to meet the MCR	R0550	217,242	217,242	0	0	
SCR	R0580	115,891					
MCR	R0600	42,640					
Ratio of Eligible own funds to SCR	R0620	187%					
Ratio of Eligible own funds to MCR	R0640	509%					

Annex 2

IR.23.01.01.02

Reconciliation Reserve

			C0060
Reconciliation Reserve	Excess of assets over liabilities	R0700	217,242
	Own shares (held directly and indirectly)	R0710	0
	Foreseeable dividends, distributions and charges	R0720	0
	Deductions for participations in financial and credit institutions	R0725	0
	Other basic own fund items	R0730	86,686
	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	0
Reconciliation Reserve		R0760	130,556

Annex 2
 IR.25.04.21.01
 Solvency Capital Requirement

			C0010	
Net of loss-absorbing capacity of technical provisions	Market risk		R0140	33,368
		Interest rate risk	R0070	20,178
		Equity risk	R0080	3,532
		Property risk	R0090	364
		Spread risk	R0100	12,285
		Concentration risk	R0110	2,215
		Currency risk	R0120	14,340
		Other market risk	R0125	0
	Diversification within market risk	R0130	(19,546)	
	Counterparty default risk		R0180	14,919
		Type 1 exposures	R0150	7,561
		Type 2 exposures	R0160	8,385
		Other counterparty risk	R0165	0
	Diversification within counterparty default risk	R0170	(1,026)	
	Life underwriting risk		R0270	0
		Mortality risk	R0190	0
		Longevity risk	R0200	0
		Disability-Morbidity risk	R0210	0
		Life-expense risk	R0220	0
		Revision risk	R0230	0
		Lapse risk	R0240	0
		Life catastrophe risk	R0250	0
	Other life underwriting risk	R0255	0	
	Diversification within life underwriting risk	R0260	0	
	Total health underwriting risk		R0320	0
		Health SLT risk	R0280	0
		Health non SLT risk	R0290	0
		Health catastrophe risk	R0300	0
		Other health underwriting risk	R0305	0
	Diversification within health underwriting risk	R0310	0	
	Non-life underwriting risk		R0370	93,572
Non-life premium and reserve risk		R0330	73,742	
Non-life catastrophe risk		R0340	41,650	
Lapse risk		R0350	6,886	
Other non-life underwriting risk		R0355	0	
Diversification within non-life underwriting risk	R0360	(28,707)		

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 IR.25.04.21.01
 Solvency Capital Requirement

		C0010
Intangible asset risk	R0400	0
Operational and other risks	R0430	15,470
	R0422	15,470
Operational risk	R0422	15,470
Other risks	R0424	0
Total before all diversification	R0432	206,608
Total before diversification between risk modules	R0434	157,329
Diversification between risk modules	R0436	(26,543)
Total after diversification	R0438	130,786
Loss-absorbing capacity of technical provisions	R0440	0
Loss-absorbing capacity of deferred taxes	R0450	(14,895)
Other adjustments	R0455	0
Solvency capital requirement including undisclosed capital add-on	R0460	115,891
Disclosed capital add-on - excluding residual model limitation	R0472	0
Disclosed capital add-on - residual model limitation	R0474	0
Solvency capital requirement including capital add-on	R0480	115,891
Biting interest rate scenario	R0490	Increase
Biting life lapse scenario	R0495	

Annex 2

IR.28.01.01.01

Linear formula component for non-life insurance and reinsurance obligations

		MCR components
		C0010
MCRNL Result	R0010	42,640

Annex 2

IR.28.01.01.02

Background information

		Background information	
		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	40,265	55,872
General liability insurance and proportional reinsurance	R0090	56,756	28,108
Credit and suretyship insurance and proportional reinsurance	R0100	3,885	3,703
Legal expenses insurance and proportional reinsurance	R0110	23,982	38,123
Assistance and proportional reinsurance	R0120	456	590
Miscellaneous financial loss insurance and proportional reinsurance	R0130	45,925	65,842
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	4,102	8,378

Annex 2
IR.28.01.01.05
Overall MCR calculation

		C0070
Linear MCR	R0300	42,640
SCR	R0310	115,891
MCR cap	R0320	52,151
MCR floor	R0330	28,973
Combined MCR	R0340	42,640
Absolute floor of the MCR	R0350	3,500
Minimum Capital Requirement	R0400	42,640