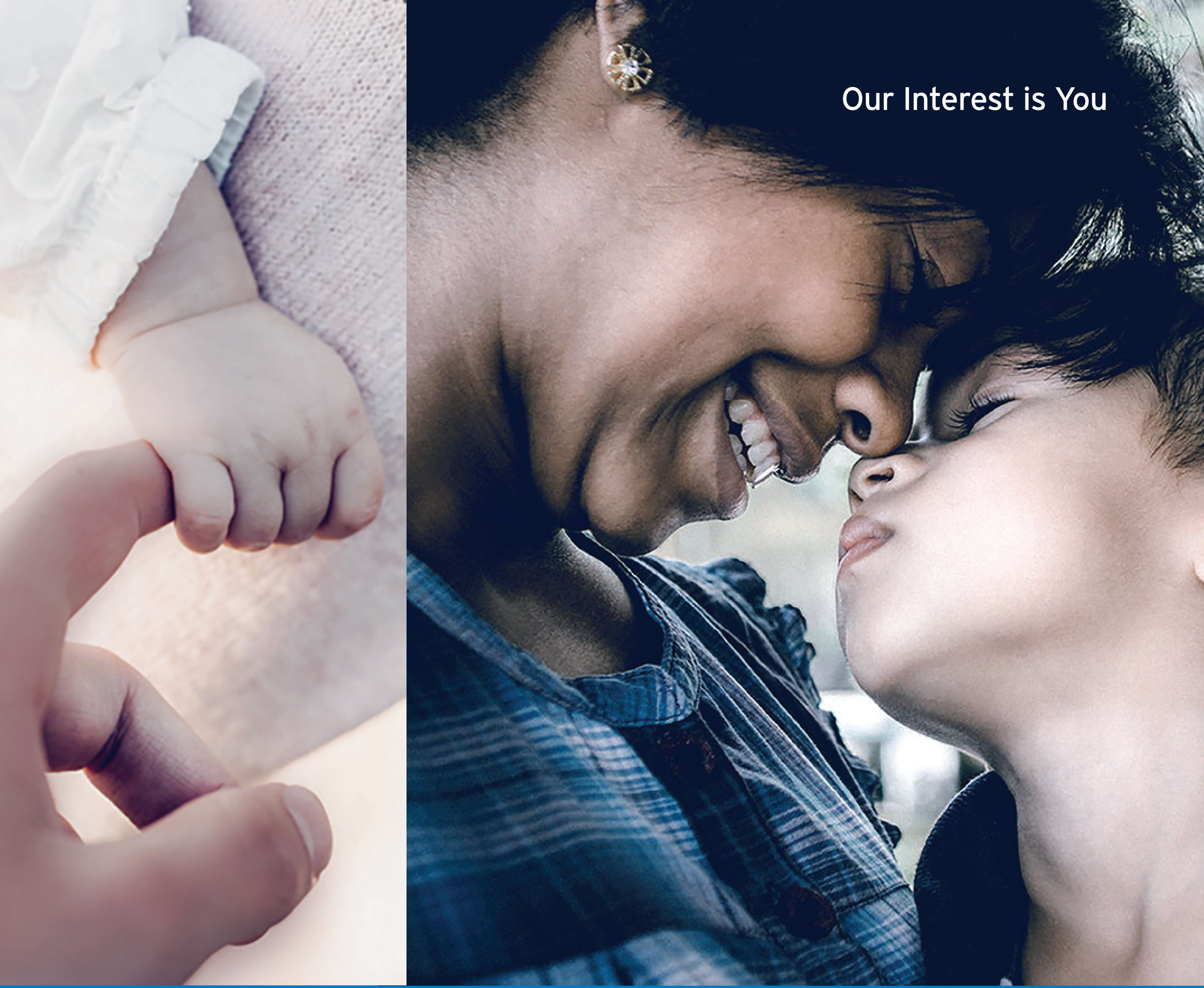


Solvency and Financial Condition Report (SFCR)

Financial Year End: March 31, 2018

ARGUS
Our Interest is You.

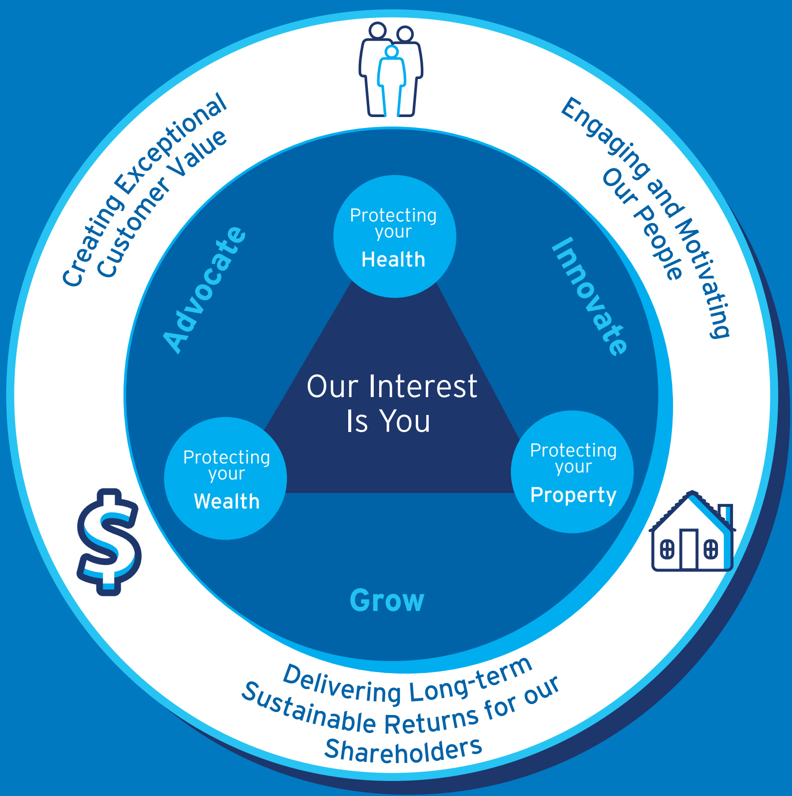
Argus Insurance Company (Europe) Ltd.

Our Vision
To give more and more people the freedom to do what matters most.

Our Mission
To provide financial services which predict and protect for the future, always ensuring **"Our Interest is You"**.

Our Purpose
At Argus, our purpose is to deliver long-term sustainable returns to our shareholders through exceptional customer service, delivered by engaging and motivating our staff. **"Our Interest is You"** spans across all stakeholders as we seek to provide exceptional value through the solutions and services that we offer.

Our Values
Integrity
Fairness
Excellence
Respect
Professionalism
Teamwork



CONTENTS

EXECUTIVE SUMMARY

Argus Insurance Company (Europe) Limited (AICEL or the Company) is a wholly owned subsidiary of Argus Group Holdings Limited (Group), domiciled in Gibraltar, and licensed by the Gibraltar Financial Services Commission under the Financial Services (Insurance Companies) Act. AICEL offers a broad range of high quality general insurance products to both commercial and individual clients. Our range of products is distributed both directly and through selected intermediaries. The Company underwrites risks in both Gibraltar and Malta.

The purpose of this report is to satisfy the public disclosure requirements of the Financial Services (Insurance Companies) (Solvency II Directive) Act 2015 and to provide a qualitative and quantitative overview of the control environment that the Company operates within, and the methodology used when calculating the solvency margin. The report provides the elements of the disclosure that relate to business performance, governance, risk profile, solvency and capital management.

At Argus, we focus on providing real benefit to our customers by delivering market-leading innovative solutions and high quality service of excellent value. Delivering on our brand promise "**Our Interest is You**" is core to our culture and central to our role as a trusted partner in navigating through everyday challenges and supporting long-term success.

We delivered positive results for the financial year ended March 31, 2018 with gross premiums written of £15.9 million compared to £13.7 million for the year ended March 31, 2017, an increase of £2.2 million or 16%. We reported profit before tax for the year of £0.1 million, compared to £0.9 million for the year ended March 31, 2017, an decrease of £0.8 million. We have exceeded the Solvency Capital Requirements and the Minimum Capital Requirements throughout the year.

AICEL's focus is to ensure long-term sustainability, in spite of the impact Brexit may have on Gibraltar's economy and AICEL's ability to passport into the EU. Brexit "Neutral" strategies are currently being considered and we recognise that with significant change comes great opportunity. We are exploring how we might capitalise on those new opportunities in Europe as they emerge. We consider we are well placed to execute on our strategy and to build on our solid foundation to deliver meaningful results.

The Solvency II balance sheet and Solvency Capital Requirement (SCR) is reported quarterly. The calculation of the SCR has been outsourced to the Group's Actuarial function, and is calculated twice yearly using the Standard Formula model. The Solvency II balance sheet requires specific valuation rules to be applied, meaning that there are differences between the Solvency II balance sheet and that reported in our Annual Statutory Financial Statements. These differences can be found in Sections 6 and 9.

The table below shows overall net assets on a Statutory Financial Statement (or Statutory) and Solvency II basis:

£000	Statutory Accounts	Solvency II
Total Assets	42,707	37,214
Total Liabilities	32,597	28,952
Own Funds	10,110	8,260

The Company has continuously complied with all aspects of the Solvency II regulations from the date of first implementation on January 1, 2016.

Alison Hill
Director

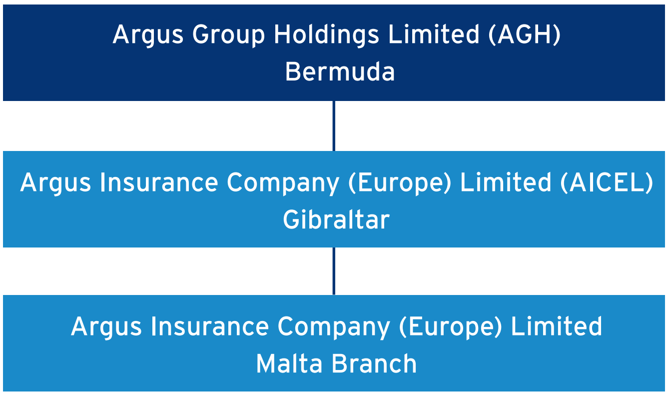
Tyrone Montovio
Director

1 BUSINESS & PERFORMANCE

1.1 Business and external environment

Argus Insurance Company (Europe) Limited is a Gibraltar company that is 100% owned by Argus Group Holdings Limited, a Bermuda company.

Argus Group Simplified Organisational Structure



Argus Insurance Agencies Limited (AIAL) is a company within the Argus Group which is enrolled to act as an insurance agency of AICEL and is regulated by the Malta Financial Services Authority.

The principle activities of the Company are Insurance and Risk Management.

Name of the Undertaking:

Argus Insurance Company (Europe) Limited
57/63 Line Wall Road, PO Box 199, Gibraltar
Tel: + 350 200 79520
Fax: + 350 200 70942
Company Registration Number - 1862

The company is authorised to carry out services in the following countries:

United Kingdom
Republic of Ireland
Malta
Gibraltar
Netherlands

Lines of Business:

Motor (Liability and Other)
Property
Marine
Liability
Income Protection

Financial Supervisory Authority:	Gibraltar Financial Services Commission PO Box 940, Suite 3, Ground Floor, Atlantic Suites, Europort Avenue, Gibraltar Tel: +350 200 40283 Fax: +350 200 40282
External Auditor:	KPMG Ltd, 3B Leisure Island Business Centre, Ocean Village, Gibraltar Tel: + 350 200 48600 Fax: + 350 200 49554

Market Overview

In Gibraltar, where the Company has a large share of the property and casualty market, high retention rates have been maintained on existing business. There was a significant increase in the gross loss for an old motor claim, however due to the reinsurance structure, there was no net impact to AICEL. Brexit "Neutral" strategies are currently being considered. We will continue to develop stronger relationships with key brokers, continue to expand in successful product lines, focus on client retention and growth as well as explore opportunities for geographical distribution and product diversification.

The Malta operations achieved strong premium growth of 18% compared to the prior year. The loss ratio increased by 9 percentage points compared to prior year mainly due to increased liability claims. The whole account was profitable and management continue to focus on selective underwriting of the Motor book. The outlook for the Malta economy remains strong and management is aiming to capitalise on this and grow the Commercial lines account through continuing to develop stronger relationships with key brokers.

There were underwriting rate increases during the year in both the Gibraltar and Malta operations on the Motor book to reflect market conditions.

1.2 Underwriting Performance

For the year ended March 31, 2018, the Company reported underwriting income of £35,000. The decrease of £50,000 compared to the prior was due to an increase in premiums earned during the year, mainly due to increased premiums written in Malta on the motor account, offset by increases in net loss and commission expenses. The loss ratio for the Malta operations increased by 9 percentage points compared with the prior year which was largely due to increases in claims on the liability account.

Total Underwriting Performance £000	2018 Actual	2017 Actual	Variance	Variance %
UNDERWRITING REVENUES				
Net premiums earned	9,787	8,664	1,123	13%
Commission, Fees and Other Income	1,721	1,662	59	4%
Total underwriting revenues	**11,508**	**10,326**	**1,182**	
UNDERWRITING DEDUCTIONS				
Net loss and loss expenses	5,684	5,007	677	14%
Commission expenses	3,628	3,040	588	19%
General and administrative expenses	2,161	2,194	(33)	(2%)
Total underwriting deductions	**11,473**	**10,241**	**1,232**	
UNDERWRITING INCOME	**35**	**85**	**(50)**	

The following chart shows underwriting income for the year ended March 31, 2018 for Malta and Gibraltar combined. All lines of business were profitable with the exception of Marine due to commission expenses paid to Argus Insurance Agencies Limited.

AICEL Gibraltar & Malta Combined Underwriting Income Report Results for the year ended March 31, 2018						
£000	Income Protection	Motor	Marine	Fire	Liability	Total
UNDERWRITING REVENUES						
Net premiums earned	620	6,361	103	329	2,374	9,787
Commission income, management fees and other income	3	38	124	1,539	17	1,721
Total underwriting revenues	**623**	**6,399**	**227**	**1,868**	**2,391**	**11,508**
UNDERWRITING DEDUCTIONS						
Net loss and loss expenses	4	3,860	57	252	1,511	5,684
Commission expenses	205	1,951	183	733	556	3,628
General and administrative expenses	403	572	13	859	314	2,161
Total underwriting deductions	**612**	**6,383**	**253**	**1,844**	**2,381**	**11,473**
UNDERWRITING INCOME	**11**	**16**	**(26)**	**24**	**10**	**35**

The following tables show underwriting income for the year ended March 31, 2018 and 2017 by geographical areas being Gibraltar and Malta.

Gibraltar Underwriting Performance £000	**2018 Actual**	**2017 Actual**	**Variance**	**Variance %**
UNDERWRITING REVENUES				
Net premiums earned	4,619	4,472	147	3%
Commission, Fees and Other Income	1,202	1,125	77	7%
Total underwriting revenues	**5,821**	**5,597**	**224**	
UNDERWRITING DEDUCTIONS				
Net loss and loss expenses	2,874	2,767	107	4%
Commission expenses	775	681	94	14%
General and administrative expenses	2,121	2,117	4	0%
Total underwriting deductions	**5,770**	**5,565**	**205**	
UNDERWRITING INCOME	**51**	**32**	**19**	

The Gibraltar operations maintained profitability, underwriting income slightly increased from £32,000 for the year ended March 31, 2017 compared to £51,000 for the year ended March 31, 2018. There were no significant changes in products and business performance during the financial year.

The Net premiums earned by the Malta operations increased to £5.2 million for the year ended March 31, 2018, compared to £4.2 million for the year ended March 31, 2017, an increase of £1 million or 23%. The Malta operations had a small underwriting loss of (£16,000) for the year ended March 31, 2018 compared to a profit of £53,000 for the year ended March 31, 2017.

Malta Underwriting Performance £000	**2018 Actual**	**2017 Actual**	**Variance**	**Variance %**
UNDERWRITING REVENUES				
Net premiums earned	5,168	4,192	976	23%
Commission, Fees and Other Income	519	537	(18)	(3%)
Total underwriting revenues	**5,687**	**4,729**	**958**	
UNDERWRITING DEDUCTIONS				
Net loss and loss expenses	2,810	2,240	570	25%
Commission expenses	2,853	2,359	494	21%
General and administrative expenses	40	77	(37)	(48%)
Total underwriting deductions	**5,703**	**4,676**	**1,027**	
UNDERWRITING INCOME	**(16)**	**53**	**(69)**	

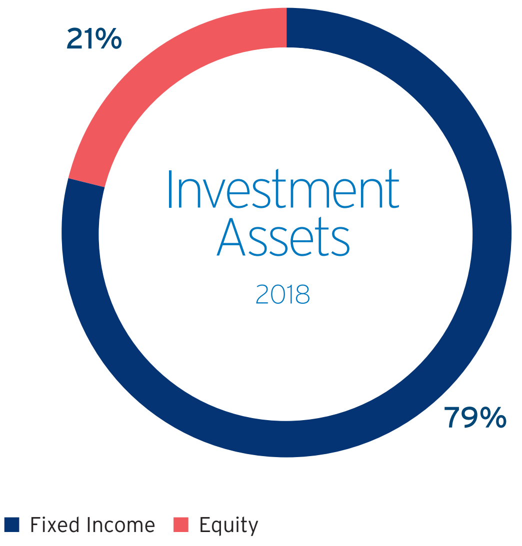
Investment Performance

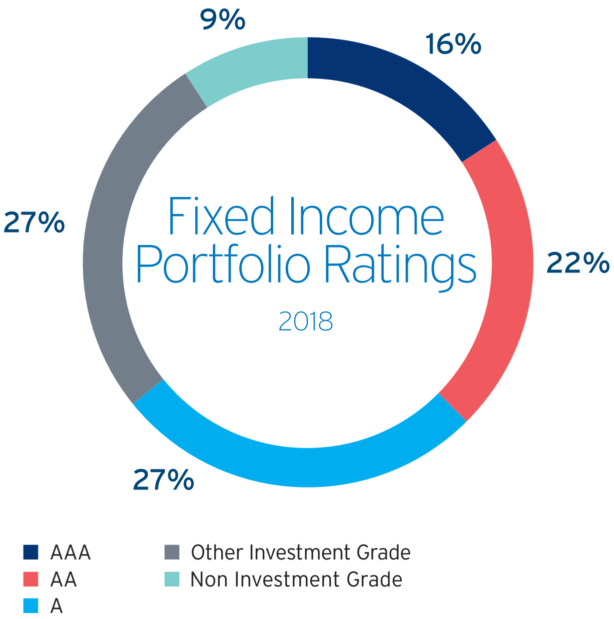
1.3 Investment Statement

The Company's investment portfolio is designed to ensure funds are readily available to satisfy our obligation to policyholders and to enhance shareholder value by generating appropriate long-term risk-adjusted yields.

As can be seen from the charts below, 79% of the Company's investments are fixed income bonds of which 91% are investment grade. The 9% holding of below investment grade and unrated fixed income assets are comprised of a diverse range of tactical positions and is under the threshold of 10%, as defined in the Company's investment policy.

The portfolio's weighted average fixed income credit quality is A+, and its weighted average duration is 2.7 years.





Volatility, which was essentially absent during 2017, returned to the fixed income and equity markets at the start of 2018, on inflation concerns and worries about a global trade war. In the UK, Brexit concerns remain unresolved, supressing gilt yields and Sterling. Meanwhile, momentum also slowed in the Eurozone economy during the fiscal fourth quarter. The primary drivers were a strong Euro, which had a negative impact on export orders, and political uncertainty following general elections in Germany and Italy. EU bonds continue to exhibit very low yields, driven by ongoing quantitative easing.

Against this backdrop, the total consolidated investment loss for the fiscal year ended March 31, 2018, was £76,000, a decrease of £1.1 million from the total return of £999,000 for the year ending March 31, 2017.

The table below provides a breakdown of the Company's investment portfolio by asset class along with the total returns generated for the years ended March 31, 2018 and March 31, 2017. Of this, £66,000 was recognised through the income statement, while unrealised losses of £142,000 were recorded in other comprehensive income (OCI).

£000	2018 Asset Balance	2018 Net Investment Income	2018 OCI	2018 Total Return	2018 Total % Return*	2017 Asset Balance	2017 Net Investment Income	2017 OCI	2017 Total Return	2017 Total % Return*
Fixed Income	8,976	111	(124)	(13)	-0.1%	9,053	252	184	436	2.8%
Equities	2,404	(52)	(18)	(70)	-1.0%	3,569	555	(2)	553	17.1%
Other**	-	7	-	7	0.0%	-	10	-	10	0.0%
Total	**11,380**	**66**	**(142)**	**(76)**	**-0.3%**	**12,622**	**817**	**182**	**999**	**6.9%**

* Total % Return includes net interest and dividend income less amortisation, realised gains and losses, and market value movement. Total return is calculated by a weighted monthly asset allocation method.

** Other includes bank interest income and other charges.

The table below provides a breakdown of (loss)/income generated under each asset class:

£000	2018 Net Interest Income	2018 Realised Gains	2018 Unrealised Movement Via P&L	2018 Unrealised Movement Via OCI	2018 Total Return	2017 Net Interest Income	2017 Realised Gains	2017 Unrealised Movement Via P&L	2017 Unrealised Movement Via OCI	2017 Total Return
Fixed Income	107	-	4	(124)	(13)	232	20	-	184	436
Equities	155	(150)	(57)	(18)	(70)	134	195	226	(2)	553
Total	**262**	**(150)**	**(53)**	**(142)**	**(83)**	**366**	**215**	**226**	**182**	**989**

During the year ended March 31, 2018, the Company's fixed income assets generated a total loss of £13,000. This compares to a net income of £436,000 for the year ending March 31, 2017.

During the year ended March 31, 2018, the Company's equity investments generated a total loss of £70,000. This compares with a total return of £553,000 for the year ending March 31, 2017. The variance to prior year is due to an appreciating Pound and Euro, which inhibited equity performance in both the UK and Europe during the past twelve months.

2 PERFORMANCE OF OTHER ACTIVITIES

There have been no other significant activities undertaken by the Company other than its insurance and related activities.

3 GOVERNANCE STRUCTURE

3.1 Governance Arrangements

The Company's Board has responsibility for strategic oversight and for ensuring that Management complies with legal and regulatory requirements. The Board of Directors adhere to the Terms of Reference, which details each director's statutory and fiduciary duties under Gibraltar law.

Management is responsible for the day-to-day operations and administration of the Company.

The Group committees used to manage the Company are as follows:

- People Compensation and Governance Committee
- Risk Management Committee
    - Operational Risk sub-committee
    - Data Privacy and Information Risk sub-committee
    - Underwriting and Claims Risk sub-committee
    - Capital and Regulatory sub-committee

The Company's Board approves Company-specific versions of the relevant risk management policies, processes and standards of conduct of the Group, given the particular nature, scale and complexity of the Company's risks.

The Company's Board of Directors

Alison Hill	*Chief Executive Officer*
Sheila Nicoll	*Director*
Tyrone Montovio	*Director*
Keith Abercromby	*Director*
Peter Burnim	*Director*
Michael Oliver	*Director*

Management is responsible for managing and coordinating the relationship between the Company and the Group's risk management, compliance, internal audit and actuarial functions. Members of the Company's Board represent AICEL's interests at the Group's Audit and Risk Committees.

There have been no material changes in the System of Governance during the year.

Our compensation programme is a key component of our talent management strategy and incentivises forward-looking activities that generate long-term sustainable value. The Company's remuneration packages offered to staff are designed to attract, retain and motivate high quality employees. Both fixed and variable remuneration is offered. Fixed remuneration is given in the form of a base salary and is determined taking into account an individual's experience and qualifications.

A small number of sales staff receive commissions based on sales achieved. Variable remuneration is discretionary and takes the form of a cash bonus and is available to all staff. Three factors that impact the variable remuneration are market position, individual performance and the Group's ability to meet its financial and strategic targets. The granting of restricted Group stock is at the discretion of the People Compensation and Governance Committee of the Group Board of Directors. When determining stock distributions, consideration is given to further enhance the Group's ability to retain the services of key employees.

Comprehensive salary reviews are conducted as part of the annual performance appraisal process. The Human Resource department ensures that remuneration is internally equitable and aligned with market-competitive compensation levels.

The People Compensation and Governance Committee of the Group Board of Directors is empowered to review and approve key compensation policies on behalf of the Group and to ensure that such policies provide total compensation that is competitive in the marketplace. The role of the People Compensation and Governance Committee is the annual review and approval of the Company's remuneration and compensation policies. This includes the executive total compensation plan structure, short-term incentive compensation plans, review of performance evaluations and equity-based plans to the Company's executive officers and other designated senior officers. Additionally, the Board is charged with oversight of plans for the executive officer (CEO) and senior officers' development and succession.

The Company has not established a separate Remuneration Committee and therefore maintains a Remuneration Policy, which is set by and similar to that of the Group. The Company has four Independent Non-Executive Directors who receive a fixed fee that has no variable or performance-related elements. The remaining Executive Directors are employees of the Company or from the Group and are therefore remunerated based on their employment contract. The Executive Directors receive no additional remuneration or share options based upon their role as Directors.

During the year, the Company did not pay a dividend to the Group (£3,089,380 paid in 2017) but management fees have been paid in the amount of £350,000. There were no other material transactions with shareholders.

3.2 Fit & Proper

The Board ensures that persons who effectively run the Company or have other key functions are "fit" and take account of the respective duties allocated to individual persons to ensure appropriate diversity of qualifications, knowledge and relevant experience so that the Company is managed and overseen in a professional manner.

The Board has not established a stand-alone Nominations & Governance Committee. All candidates for election as non-executive directors are determined by the People Compensation & Governance Committee of the Group. When evaluating existing non-executive directors for re-election, the following non-exhaustive list of criteria is used. Individuals to be considered for board membership should possess all of the following personal characteristics pursuant to various specific Group and Company Policies governing directors' eligibility criteria and directors' terms of reference, based upon the Solvency II Directive and other statutory requirements: good character and integrity, informed judgment, financial literacy, maturity and a history of achievement in a business environment. Consideration is also given to the combination of skills, experience, independence and diversity of backgrounds, which will enable the Board, as a body, to be effective in advancing the business and prospects of the Company.

The Board as a whole should have demonstrated abilities in the following fields: accounting, financial and actuarial analysis; business judgment; general management; local and international insurance and reinsurance, including knowledge of the Company's businesses and products; familiarity with the Gibraltar economy and its political and social situation; familiarity with the Gibraltar regulatory framework and requirements.

Members of the Board and sub-committees and those carrying out other significant functions have extensive knowledge and experience across a variety of areas. This ensures that there is an appropriate spread of skills for managing the business leadership and vision.

Below are brief biographies of the Company's Board and local management team.

Chairman – Sheila E. Nicoll, FCII

Chief Operating Officer, Sirius Bermuda Insurance Company, Ltd

Ms. Nicoll has been a member of the Argus Group Holdings Limited's Board of Directors for 12 years, and Chairman since 2008. Ms. Nicoll has over 35 years of experience in the insurance/reinsurance industry in Bermuda, London and New York. She holds an MA in Chemistry from Oxford University and professional designations as a Fellow of the Chartered Institute of Insurance.

Director – Alison S. Hill, FCMA, CGMA

Chief Executive Officer, Argus Group Holdings Limited

Ms. Hill has been a member of the Argus Group Holdings Limited's Board of Directors for six years. Ms. Hill has 28 years of experience in the financial services sector, including 15 years of senior management experience in the financial services sector in Europe, prior to joining Argus Group Holdings Limited as Chief Operations Officer in 2009. She succeeded to Chief Executive Officer in 2011. She holds a BA (Hons) in Business Studies from Plymouth University and professional designations as a Fellow Chartered Management Accountant and Chartered Global Management Accountant. She serves as director on several other Boards.

Director – Tyrone Montovio, Cert Mgmt (open) CMgr FCMI ACII Chartered Insurer

European General Manager

Mr. Montovio was appointed European General Manager in 2012 with overall responsibility for the Argus Groups operations in Gibraltar, as well as providing underwriting and reinsurance support to the Maltese operations. In October 2016, he achieved Chartered Manager status and Fellowship of the Chartered Management Institute.

Non-executive Director – Michael Oliver, FCII

Mr. Oliver is a Fellow of the Chartered Insurance Institute and a Distinguished Fellow of the International Association of Insurance Supervisors (IAIS). He entered the general insurance industry in 1973 with the Guardian Royal Exchange Group, holding underwriting and senior management positions in its UK and U.S. operations. From 1998, he worked for insurance regulators in the UK, Caribbean and Gibraltar and was a member of the Executive Committee of the IAIS from 2011 to 2014. Mr. Oliver now runs his own insurance and regulatory consulting company in Gibraltar and is a director of a number of Gibraltar insurers.

Non-executive Director - Peter R. Burnim, MBA

Mr. Burnim has been a member of the Argus Group Holdings Limited's Board of Directors for nine years. Mr. Burnim is a managing director of iQ Venture Partners, Inc., a boutique investment advisory group that raises capital for emerging companies and hedge funds. He previously worked at Citibank/Citicorp for over 25 years where he served as a Senior Credit, Senior Securities and Senior Corporate Officer at different times running U.S. Corporate Banking, European Corporate Finance, European Capital Markets and U.S. Private Banking. Mr. Burnim is an honours graduate of Harvard College and Harvard Business School. He currently serves as a Trustee of Allianz VIP Trust and Allianz VIP Fund of Fund Trust, Chairman of EGB Insurance, Emrys Technology, Sterling Bank & Trust Limited, Sterling Trust (Cayman) Limited. He also serves on numerous education, artistic, and religious not-for-profit Boards.

Non-executive Director - Keith W. Abercromby, BSc FIA

Mr. Abercromby has been a member of the Argus Group Holdings Limited's Board of Directors for one year. Mr. Abercromby is a non-executive director of Canada Life Limited and of Leek United Building Society where he is Chairman of the audit committee. He has extensive board experience of regulated financial services companies in life assurance, general insurance, pensions and banking, having occupied roles as CEO or CFO in each of these areas for companies including Norwich Union, Clerical Medical and the Halifax. He is a Fellow of the Institute of Actuaries.

Philip Hodgson, ACMA Dip CII
European Finance Manager

Mr. Hodgson qualified as a member of the Chartered Institute of Management Accountants in June 2003. His early career involved working for an Engineering and an Airport Management Company, followed by his entry into the Insurance industry in July 2005 and beginning his Management career within the RBS Group Financial Accounting department. After three years in the role, Mr. Hodgson moved to the position of Financial Controller with Aetna International in London where he spent a further five years. In August 2013 he joined Argus as Financial Controller before being made Finance Manager for Europe in October 2015. Mr Hodgson left the Company in January 2018 and Mr Ruiz was promoted to Finance Manager.

Mathew Ruiz, ACMA Dip CII
European Finance Manager

Mr. Ruiz qualified as a member of the Chartered Institute of Management Accountants in November 2007. He joined the insurance industry in 2016 as a Financial Controller when he joined AICEL. He was promoted to European Finance Manager in January 2018.

Alex Bonavia, ACII
Commercial and Business Development Manager

Mr. Bonavia has over 20 years' experience in the Financial Services Industry in Gibraltar, as a Financial Advisor of the only overseas branch of a UK Building Society, and as an International Financial Manager of the European office of Lloyds Bank. The latter role consisted of advising high net worth clients all over Europe on their banking and investment needs.

David Keane. CDip L.A.
European Claims Manager

Mr. Keane joined Hibernian General Insurance (Ireland), now Aviva, in September 2000 and spent 15 years there. Having started as a Claims Handler, he progressed to Senior Claims Handler and, after four years, Mr. Keane became a Claims adjuster. He spent 11 years as a Claims' Adjuster with Aviva Insurance. In this role Mr. Keane completed field investigations and reported findings for Motor, Employers' Liability, Public Liability, Product Liability and fraud cases. He joined AICEL in September 2015 as European Claims Manager.

Kathleen Wilkes, Chartered MCIPD
Office Manager

Ms. Wilkes has over 25 years' experience in the HR field in the UK and Gibraltar where she has worked in a range of sectors including financial services, manufacturing and pharmaceutical. Ms. Wilkes became a Chartered member of the Chartered Institute of Personnel and Development in 2011 and is currently Vice Chair of the Gibraltar CIPD branch. She joined Argus Insurance in 2015 and led on the project to obtain Corporate Chartered Insurers status for the Company in 2016. Ms. Wilkes is currently undertaking the International Compliance Association Advanced Certificate in Compliance.

3.3 Risk Management System and ORSA

3.3.1 Risk Management System

The Board is ultimately responsible for ensuring the effectiveness of the risk management system, setting the Company's risk appetite and overall risk tolerance limits, as well as providing the main risk management strategies and policies.

Material risks addressed by the risk management system include the following:

- Underwriting risk
- Market risk
- Credit risk
- Liquidity risk
- Operational risk

The Board has established a Risk Management Policy, as well as appointed a Risk Manager whose responsibilities include:

- Ensuring the effective operation of the risk management system;
- Monitoring the risk management system;
- Monitoring the general risk profile of the Company; and
- Reporting on risk exposures and advising Management and the Board on risk management matters.

The Risk Manager reports to the Group Risk Management monthly and to the Board on a quarterly basis.

3.3.1.1 Risk Management Strategies, Objectives, Processes and Reporting

The Company aims to ensure that all material risks are considered when managing the business. The ultimate goal is to ensure policyholder protection and to enable the Company to achieve its overall strategic objectives, while maintaining regulatory compliance. The processes in place are intended to identify all material risks, minimise risks wherever possible and manage and control all significant risks within acceptable limits.

The Company has developed a Risk Appetite Statement which provides a guide to management for the consideration of risk when managing the business. The statement includes the Company's:

- Risk Strategy;
- Risk Preferences; and
- Risk Tolerances.

The actions and policies implemented to meet strategic objectives and regulatory obligations form the core of the risk management framework. The Company's systems, processes and controls are considered proportionate and appropriate to the nature, scale and complexity of the Company's risks and operations.

3.3.1.2 Identification, Measurement, Monitoring, Management and Reporting of Risks

The Company ensures that the risk management system and solvency assessment systems are embedded in the running of its business through the Argus Group's monthly Risk Management Committee and sub- committees that encompass the Company's specific risks. The Risk Management Committee has four sub- committees, being the Operational Risk Committee, the Data Privacy and Information Risk Committee, the Underwriting and Claims Committee and the Capital and Regulatory Committee. All material risks, business decisions and strategic planning are brought to these committees/working groups and reported to the Committees of the Board for review and approval. Business decisions are assessed taking into consideration the risks and the Company's appetite towards risk, as defined in the Risk Management Policy. Solvency assessment is carried out on a forward-looking basis at least quarterly. The impact on solvency and capital from potential material business decisions is incorporated in the Medium-Term Capital Plan and reported to the Risk Management Committee.

The Risk Register is a key input into the risk management framework, and any material changes in the underlying risks will be modelled for potential impact on the Company's capital requirements. Such changes include, but are not limited to, changes in business mix, strategy and investment.

The controls identified in the Risk Register to monitor, mitigate and control the risks facing the Company are reviewed for continued relevance and documented. Compliance with the components of the controls is verified via the ongoing management reviews and Internal Audit reviews. Any significant issues are reported to the Company's Board.

3.3.1.3 Implementation of Risk Management Function

The risk assessment exercise takes place annually in conjunction with the annual business planning and strategy review cycle. The identified risks, together with risk measurement and mitigation control respectively, are recorded in the risk registers for the Company. The risk identification process takes into consideration all material risks identified and included in the Solvency II Directive. To that end, the Risk Management function has developed Risk Assessment Guidelines and Risk Register Templates that are used by the Company. Risk Registers are reviewed and challenged by the Risk Management Committee and the Company's Board. A report on how high-risk areas are being managed is submitted to the Risk Committee bi-annually.

3.3.2 Own Risk and Solvency Assessment

3.3.2.1 ORSA Process and Integration

The Company has established a policy setting out the requirement to carry out an Own Risk and Solvency Assessment (ORSA). The purpose of the policy is to ensure that all material risks faced by the Company are appropriately assessed and the level of capital required in managing these risks, or other risk mitigation measures, are determined and put in place. The ORSA provides the Board and Management with a thorough understanding of the Company's risk profile and provides the information needed to make appropriate decisions.

The Company produces an ORSA at least annually, incorporating the output from the annual business planning process. Additional ORSAs may be produced in response to material changes to the Company's risk profile.

The ORSA is produced by Management in conjunction with the Actuarial and Risk functions. The ORSA report is discussed and challenged by the Company's Board. The Company's Board maintains oversight, ensuring that the ORSA takes account of the Company's material risks and is aligned with the Board's strategy for the business.

The ORSA approval process includes independent verification by Internal Audit, comment, review and approval by the Risk Management Committee, and final approval by the Company's Board.

3.3.2.2 Relationship between Solvency Needs, Risk Profile, Capital Management and Risk Management

The ORSA enables the Board to assess the Company's capital needs over the planning horizon. The ORSA is carried out taking due account of the Company's specific risk profile. This includes risks explicitly captured in the Standard Formula, as well as risks which are either not captured or not able to be mitigated through capital. All material risks are taken into account in the ORSA process.

The ORSA process operates continuously throughout the year, with consideration being given as to whether any decisions, events, issues, market factors or similar are likely to impact the Company's risk profile, appetite, free reserves, or other relevant matters. In such a case, the impact on the Company's own assessment of its capital needs will be considered and, if required, a further ORSA, together with the SCR calculation, will be carried out. This ensures that the Company's existing and forecast capital position and risk profile are properly taken into account in any strategic decisions.

The Company's capital management policy has been established to ensure that the Company has in place the appropriate levels and quality of capital as required by both the SCR calculation and as determined by the ORSA. The policy aims to ensure that appropriate plans are in place to enable the Company to meet its capital requirements both in the immediate and the medium-term and that all items of own funds comply with the relevant rules, regulations and legislation.

Management considers the capital requirements of the Company on a quarterly basis, and advises the Risk Management Committee, through the Medium-Term Capital Plan, of any surplus or deficit capital.

The Company prepares a quarterly Medium-Term Capital Plan outlining the actions to be taken for the subsequent year, and further into the future as appropriate. These actions are based on:

- The adequacy of capital held as at the quarter-end date;
- A forecast of business performance;
- The impact of distributing surplus capital; and
- Other business decisions in line with the Company's strategic goals.

The Medium-Term Capital Plan ensures that the Company is sufficiently capitalised to meet all statutory and regulatory requirements. The Company currently meets its regulatory capital requirement.

3.4 Internal Control System

The Board has established a system of internal controls comprised of internal control environment, monitoring and reporting mechanisms to ensure that business objectives are achieved in an effective and efficient manner, and that reliable financial information is produced for the decision-making process.

The adherence to internal policies and procedures is an integral part of the business culture. Senior Management of the Company ensures that the internal control system and control activities are commensurate with the risks arising and that all personnel are aware of their role and responsibilities.

Monitoring and Reporting

The Board has established the Compliance function, which is responsible for the ongoing monitoring and reporting on the adherence to the internal control system. The compliance officer reports to the Risk Management Committee monthly and to the Board quarterly.

3.4.1 Compliance Function

The Board has established the Compliance function, which is responsible for the ongoing monitoring and reporting of the adherence to the internal control system. The function is managed by a Compliance Officer appointed by the Board whose primary responsibilities include:

- Establishment and implementation of the Company's compliance programme.
- Ensuring that all personnel are aware of their role in the Company's internal control system.
- Monitoring and reporting on compliance with policies and procedures, applicable laws and regulations, as well as Board approved standard of business conduct policy.

- Monitoring regulatory changes and advise Management and the Board where such changes have implications for the Company's regulatory compliance risk.
- Advising Management and the Board on compliance issues pertaining to:
  a) Corporate Governance;
  b) The prevention of money laundering and combating of terrorist financing;
  c) Know Your Customer and Due Diligence process;
  d) Data privacy and protection; and
  e) Customer complaints.

Non-compliance incidents are dealt with swiftly in proportion to the severity of the incident. The Compliance Officer reports to the Board on a quarterly basis.

3.5 Internal Audit

The Internal Audit function is currently outsourced to the Group and is managed by the Head of Group Internal Audit Function who conducts independent audits and reports to the Board of the Company.

The Company has developed a Board-approved Internal Audit policy that covers the terms and conditions according to which the Internal Audit function can be called upon to give its opinion or assistance and to carry out other special tasks.

The Group Internal Audit has developed and implemented a Board-approved audit plan that sets out the following:

- The audit work to be undertaken during each fiscal year, taking into account strategic business objectives, the complete system of governance and the relevant regulatory requirements;
- A risk-based approach in deciding its priorities focusing on the areas of greatest risk to the business;
- Assessment and adherence to the effectiveness of internal systems and controls, procedures and policies;
- Appropriate and effective action is taken by Management on significant findings; and
- The timing and submission of the internal audit report to the Board.

Where necessary, the Group Internal Auditor may carry out audits and/or special investigations as requested by Senior Executives and the Board.

3.6 Actuarial

The Company's Actuarial function is outsourced to the Group's Actuarial function. The Actuarial function holder is the Group's Chief Actuary. The Actuarial function is governed by Terms of Reference, which encompasses the requirements of the Solvency II Directive and has been approved by the Board.

The Company's Actuarial function is responsible for the following key areas:

- Overseeing and validating the calculation of technical provisions;
- Opining on the adequacy of reinsurance arrangements;
- Opining on the overall underwriting policy; and
- Contributing to the Company's risk management system.

The Company engages an external actuarial firm to carry out the independent reserve reviews under the oversight of the Chief Actuary, and ultimately the Board. The Actuarial function holder is responsible for providing a recommendation to Management regarding the adequacy of the reserves. The Chief Actuary reports at least annually to the Board on the nature, reliability and adequacy of the Company's reserves for insurance liabilities.

The Actuarial function contributes to the effectiveness of the risk management framework, particularly as it relates to policyholder obligations, potential exposures and capital requirements. Analyses performed by the Actuarial function include but are not limited to:

- Own risk and solvency self-assessment at least annually (ORSA);
- Asset liability matching quarterly;
- Experience analyses at least annually;
- Effectiveness of underwriting processes;
- Effectiveness/appropriateness of reinsurance arrangements; and
- Product profitability, business performance.

The Actuarial function reports on its activities via the relevant executive management committees and committees of the Board.

3.7 Outsourcing

The Company has developed a Board-approved Outsourcing Policy that governs the outsourcing arrangements, thereby ensuring that outsourced functions are conducted in a sound manner, in compliance with applicable laws and regulations and ensuring that the Company meets its financial and service obligations to policyholders.

The policy sets out a robust governance process to follow when selecting a Third Party Service Provider (TPSP). Prior to the appointment of any TPSP, a full due diligence exercise is undertaken to assess the suitability, competency and capability of each TPSP to carry out the outsourced function and the control environment in which it operates. Part of the control environment assessment is to ensure that the TPSP has sufficient data security controls in place to protect the Company data and that of its policyholders, as well as having the appropriate business continuity plans.

The policy further sets out a process to monitor the performance of each outsourced function or service and to report to the Company all instances of non-compliance with the policy or breach of laws and regulations in a timely manner.

Approximately half of the Company's business is distributed through insurance intermediaries. Only one insurance intermediary has a binding authority to write premium and manage minor claims within the terms of the Service Level Agreement with the Company.

Outsourcing Providers by Location:

The table below shows important operational functions which are outsourced by the Company and the location of that service providers' operations.

Third Party Outsourced Service Description	Location
Binding Authority and Minor Claims Handling	Gibraltar
Claims handling services	Spain/Gibraltar/Malta
Actuarial Review	Ireland
IT Support	Gibraltar
SII Quality Assurance Review	UK
Internal Audit Field Work	Gibraltar/Malta
Investment Management	UK
Underwriting	Malta

Intra-Group Outsourced Service	Location
Actuarial Function	Bermuda
Internal Audit	Bermuda
IT Infrastructure	Bermuda
Investment Function	Bermuda

3.8 Adequacy of System of Governance

The Company aims to continuously improve its compliance and governance systems by ensuring that they are reviewed, evaluated, and recommendations made to the Board regarding enhancing and developing systems. The Company also considers relevant industry advice and guidelines from bodies such as the Gibraltar Insurance Association (GIA). New processes are implemented where appropriate and relevant for the size and complexity of the Company. Internal audits and external audits provide independent evaluation of the Company's systems of governance. Recommendations from these audits are considered by the Board and implemented proportionate to the business' risks.

3.9 Any other Material Information

There is no other Material Information as at March 31, 2017.

4 RISK PROFILE

To facilitate effective business operations and to maintain consistency in its risk management process of risk identification, measurement, management, monitoring and reporting, the Company has identified material risks to which its general insurance product offerings are exposed. For each material risk, the Company has described the various mitigation controls and risk treatment to minimise or reduce the risk exposure arising.

The category of the material risks to which the company is exposed include the following:

- Underwriting risk
- Market risk
- Currency risk
- Interest rate risk
- Equity price risk
- Credit risk
- Concentration of credit risk
- Liquidity risk
- Operational risk

4.1 Underwriting Risk

Underwriting risk can arise from inadequate pricing or risk selection, inappropriate reserving, or other fluctuations in the frequency and severity of insured events.

The Company manages underwriting risk through regular reviews of the performance of our book of business including loss ratio, claims frequency, claims costs and premiums. This is linked to a continuous feedback cycle of reserving and claims development. Risks are recorded on the Company's Risk Register and monitored on an annual basis.

The Company distributes on a direct basis and via a carefully selected network of intermediaries in a competitive but fairly stable market.

Claims are handled in-house initially, while larger or more complex claims may be outsourced to carefully selected third party handlers. Reserving practices and approach are set by the Company based on local market experience and results arising from external actuarial reviews.

Material Risk Concentrations

The Company underwrites a variety of classes of insurance so the portfolio is not restricted to one particular product. The Company does, however, rely on a number of key intermediaries for its business so these relationships are monitored closely.

Risk Mitigations

The Company mitigates underwriting risk through the purchase of reinsurance protection and implementation of appropriate controls. Reinsurance is placed with counterparties that have a strong credit rating. Reinsurers are selected on the strength of financial ratings A- or higher as measured by Standard and Poor or A. M. Best. Management regularly monitors and performs an assessment of creditworthiness of reinsurers.

In addition, the Company further monitors underwriting risk through the Underwriting and Claims Risk sub-committee.

4.2 Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market factors. Market factors include three types of risk: currency risk, interest rate risk and equity risk.

4.2.1 Currency Risk

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

The Company's principal transactions are carried out in Sterling and Euros and its exposure to foreign exchange risk arises primarily with respect to Euros from the Malta branch. Company practice is to ensure that all Euro-denominated liabilities are matched with Euro-denominated assets, thus mitigating currency exposure.

4.2.2 Interest Rate Risk

Interest rate risk is the potential for financial loss arising from changes in interest rates. Change in market interest rates can impact the reinvestment of matured investments, as the returns available on the new investment may be significantly different from the returns previously achieved. The Company manages these risks through:

- Asset allocation and diversification of the investment portfolio;
- Investing in fixed income assets that closely match the life liability product cash flows for products with fixed and highly predictable benefit payments; and
- Quantifying and reviewing regularly the risk associated with the mismatch in portfolio duration and cash flow.

4.2.3 Equity Price Risk

Equity price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company's equity price risk exposure relates to financial assets and financial liabilities whose values will fluctuate as a result of changes in market price.

The Company manages equity price risk by setting and monitoring the objectives and constraints on investments, diversification plans, and the limits on investments in each country, sector and market.

The Company has no significant concentration of equity price risk.

4.3 Credit Risk

4.3.1 Maximum Exposure to Credit Risk

The Company manages credit risk by applying diversification requirements, such as investing by asset class, geography and industry, the review of credit quality for portfolio investments and active credit risk governance, including independent monitoring and review, and reporting these to senior Management, and the Company and Parent Company's Boards.

4.3.2 Concentration of Credit Risk

Concentrations of credit risk arise from exposures to a single debtor, a group of related debtors or groups of debtors that have similar credit risk characteristics in that they operate in the same geographic region or in similar industries. The characteristics are similar in that changes in economic or political environments may impact their ability to meet obligations as they come due. Aged receivables are monitored and reviewed on a quarterly basis; any significant aggregation is brought to the attention of the management. Similarly, reinsurance recoverables are monitored quarterly.

4.4 Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet all cash outflow obligations as they come due. The Company's asset-liability management process allows it to maintain its financial position by ensuring that sufficient liquid assets are available to cover its potential funding requirements. The Company invests in various types of assets with a view to matching them with its liabilities of various durations. To strengthen its liquidity further, the Company actively manages and monitors its capital and asset levels, diversification and credit quality of its investments, cash forecasts and actual amounts against established targets.

The short-term (less than one year) liquidity needs are more than adequately met by maturing bonds, the sale of equities, and by current operating cash flows. Longer duration cash flows are also backed by a broader range of asset classes including equity and other non-fixed income assets.

Based on the Company's historical cash flows and current financial performance, Management believes that the cash flow from the Company's operating activities will continue to provide sufficient liquidity for the Company to satisfy debt service obligations and to pay other expenses as they fall due.

For insurance contract liabilities, maturity profiles are determined based on estimated timing of net cash outflows from the recognised insurance liabilities.

4.5 Operational Risk

Operational risk is defined as the risk of financial loss, reputational or brand damage, resulting from inadequate or failed internal processes, people, systems or from external events, including legal and compliance risk.

The Company has developed a Board-approved Operational Risk Management Policy which covers the following areas:

- Identification of material operational risks to which the Company is, or might be, exposed and assessment of how to mitigate these risks;
- Activities and internal processes for managing operational risks, including the IT system;
- Definition of risk tolerance limits with regard to operational risk; and
- A process to identify and record and analyse the causes of operational risk events resulting from control breakdowns or non-compliance with Operating Policies and Procedures, as well as customer complaints.

The Company has established the following controls to mitigate operational risk:

- Four-eyes processes for review and analysis;
- Information systems controls, as well as physical controls to ensure the integrity and protection of the Company and customer's data is adequate;
- Employees training and awareness of the various cyber risks/threats and how to guard against them;
- Monthly reporting of operational risk events, including customer complaints to the Risk Management Committee and significant issues arising to the Board on a quarterly basis; and
- Disaster Recovery and Business Continuity plans.

4.6 Other Material Risk Exposures

A risk register of significant risks is maintained by local management and is reviewed by the Risk Management Committee. The most material risk identified is Geopolitical Risk. Gibraltar is a member of the EU through its relationship as a British Overseas Territory. In June of 2016, the UK majority voted to leave the EU in the EU referendum.

The manner in which the UK will leave the EU is still unknown and it is therefore difficult to perform stress testing to quantify the impact this will have on the economies affected. However, risks faced by the Company include the inability to passport into EU jurisdictions from Gibraltar, which will affect the Company's subsidiary in Malta and potentially the freedom of movement of people, particularly from Spain.

Without clarity on the UK exit terms, the Board continues to monitor the developments, and is developing various strategies in response to the potential outcomes. For the time being, the mix and volumes of business have not been affected.

Other less material risks are addressed through sensitivity testing as part of the Company's ORSA process.

5 ASSETS – INFORMATION ON AGGREGATION BY CLASS

The valuation methods used are based on International Accounting Standards, as used in the Company's Financial Statements. Any variations in valuation are detailed in Section 6.

6 CONTENT BY MATERIAL CLASSES OF ASSETS AND LIABILITIES OTHER THAN TECHNICAL PROVISIONS

The following table shows the differences between the Solvency II valuations of asset classes and those in the Company's Statutory Financial Statements; explanations are provided:

Assets	Solvency II Value	IFRS value	Variance	Comments
Deferred acquisition costs	0	1,801	(1,801)	DAC valued at zero under Solvency II
Deferred tax assets	421	0	421	Tax impact of difference on Net Assets
Property, plant & equipment held for own use	37	180	(143)	PPE valued using market value basis for Solvency II
Holdings in related undertakings, including participants	1,538	2,380	(842)	Subsidiary valued using Net Equity Method under Solvency II
Equities – listed	2,404	2,431	(27)	Accrued dividends not included under Solvency II
Government Bonds	3,442	3,442	-	
Corporate Bonds	5,635	5,635	-	
Reinsurance recoverables: Non-life excluding health	15,405	16,671	(1,266)	See Section 7 for details
Reinsurance recoverables: Health similar to non-life	1	0	1	See Section 7 for details
Insurance intermediaries receivables	2,667	4,373	(1,706)	Receivables that are not overdue form part of the future cash flows reported within provisions for Solvency II
Receivables (trade, not insurance)	642	772	(130)	Prepayments are excluded under Solvency II
Cash and cash equivalents	5,022	5,022	0	
Total assets	**£37,214**	**£42,707**	**(£5,493)**	

7 VALUATION OF TECHNICAL PROVISIONS

Technical provisions represent the insurance liabilities as of the reporting date. The Technical provisions comprise the Best Estimate of Liabilities (BEL) and a risk margin determined in accordance with the Solvency II Directive, Articles 75 to 86.

A summary of the technical provisions for the Company as at March 31, 2018 is set out in the following table:

£000	Net BEL	Risk Margin	Net Solvency II Technical Provisions
Best Estimate Liabilities			
Property	205	13	218
Motor	7,703	507	8,210
Accident and liability	2,319	153	2,472
Marine	95	6	101
Solvency II Technical Provisions	**10,322**	**679**	**11,001**

Actuarial Methodologies and Assumptions

The BEL is comprised of two components, the claims provision and the premium provision. The claims provision represents the liability for the unpaid portion of the claims that have occurred as of the valuation date. The premium provision represents the present value of the expected cash flows on the unexpired portion of all in-force policies, and policies to which the Company is contractually bound that have yet to incept. These are commonly referred to as Bound But Not Incepted Exposures (BBNI).

The starting point for deriving the BEL is the Company's unpaid claims liabilities on an IFRS basis. Traditional actuarial techniques are used, such as the Paid and Reported Loss Development methods, the Bornhuetter-Ferguson method, and the Case Reserve Development method. The particular method selected for a particular reserve segment is judgmentally selected based on the applicability of each method and the availability of data to support each method.

No assumptions regarding Management actions are included in the calculation of the technical provisions. Expected policyholder behaviour is captured through the expected lapse rates with respect to policies in force, or bound, but not incepted underlying the derivation of the premium provisions. Expected lapse rates are based on the Company's average lapse experience by reserve segment.

The key differences between the Company's insurance liabilities on an IFRS basis and on a Solvency II are as follows:

- *Discounting* – Cash flows are discounted using the risk-free term structure provided by European Insurance and Occupational Pensions Authority (EIOPA).
- *Unearned Premium* – These are replaced by premium provisions, which are valued on a best estimate basis taking account of all future premium cash inflows.
- *Expenses* – Expenses include run-off expenses, and ceded expenses take account of reinsurance commissions from the Company's reinsurance programmes.
- *BBNI* – The technical provisions include future premium cash flows not yet overdue, in respect of BBNI exposures up to the relevant contract boundary.

- *Adjustment for counterparty default* – Ceded liabilities are reduced for expected reinsurer default using the probability of default applicable to the credit rating of the counterparty as specified by the EIOPA guidance.
- *Events Not in Data* (ENIDs) – There may be possible future events that are not reflected in the historical data of the Company or the market. ENIDs are typically viewed as being low frequency and high severity events, but consideration also needs to be given to the potential for favourable loss experience not in the data. An ENID uplift is applied to all lines of business and it applies to both the claims provisions and the premium provisions. The uplift factor is derived as the ratio of the "true mean" to the "mean only including realistically foreseeable events.

Allocation to Lines of Business

Best estimates and cash flows are calculated separately for each line of business. Data used in the derivation of the BEL has been satisfactorily segmented into homogeneous risk groups, consistent with the requirements of Solvency II.

Reinsurance Recoverables

The Company purchases reinsurance as part of its risk mitigation programme. Reinsurance is placed on both a proportional and non-proportional basis. The expected cash flow of ceded losses for each year is based on the difference between the expected cash flow of gross and net unpaid claims liabilities, offset by an adjustment for expected reinsurer default.

Risk Margin

The risk margin has been calculated using Method 1. This method approximates the individual risks within all modules to be used for the calculation of future SCR. The future SCR is projected with this method until the BEL is fully run-off. A cost of capital rate of 6% is applied at each SCR estimate, and discounted using the yield curve provided by EIOPA to estimate the cost of capital required to support the liabilities.

Transitional Adjustments

The Company has not used any transitional adjustments with regard to the matching adjustment, volatility adjustment, transitional risk-free interest rate term structure or transitional deduction.

Material Changes

Effective March 31, 2018, the Company changed its external actuarial firm for the calculation of the IFRS reserves and Solvency II Best Estimate Liabilities (BEL).

The methods adopted by the new and prior external actuarial firms did not differ materially. The only area of note is that ENIDs were previously allowed for implicitly, but are now calculated explicitly.

The IFRS basis has not changed during the period.

The calculation of the risk margin continues to be performed by the Company's internal Actuarial function. During the year, the Company moved to the Method 1 calculation of the risk margin, whereas previously, Method 3 was used. Method 3 approximated the future SCRs by taking the ratio of the SCR to the net BEL as at the valuation date. The current Method approximates the individual risk components of the SCR. Both methods project the SCR until the net BEL is run off.

Level of Uncertainty

There is inherent uncertainty in estimating the technical provisions. Uncertainty may arise from the following areas:

- Outstanding losses may ultimately settle at a higher or lower amount than estimated from known information as of the valuation date;
- Future losses on both expired and unexpired business are based on actuarial assumptions, which take account of past experience, and anticipated future changes. These assumptions may prove to differ from actual experience;
- ENIDs, by their nature, are unpredictable and any allowance for ENIDs may prove to be overstated or understated.
- Expense assumptions are based on reasonable judgment reflecting past experience where appropriate. These assumptions may ultimately prove to differ from actual experience.
- Impact from unforeseen economic, legal and social trends.

The following table shows the movement from the IFRS insurance liabilities to the Solvency II technical provisions.

£000	Gross	Ceded	Net
IFRS Reserves	**29,432**	**16,671**	**12,761**
Remove Unearned Premium Reserve	(7,425)	(1,808)	(5,617)
Expected Losses on Unexpired Risks	3,740	774	2,966
Premium Receivables net of Expenses	(180)	(112)	(68)
ENIDs	619	200	419
Counterparty Default	-	(6)	6
Effect of Discounting	(459)	(314)	(145)
Risk Margin	679	-	679
Solvency II Technical Provisions	**26,406**	**15,405**	**11,001**

8 LIABILITIES OTHER THAN TECHNICAL PROVISIONS - INFORMATION ON AGGREGATION BY CLASS

The valuation methods used are based on International Accounting Standards, as used in the Company's Financial Statements. Any variations in valuation are detailed in Section 9.

9 VALUATION OF MATERIAL PROVISIONS OTHER THAN TECHNICAL PROVISIONS AND CONTINGENT LIABILITIES

The following table shows the differences between the Solvency II valuations of liability classes and those in the Company's Statutory Accounts. Explanations have been provided.

Solvency II Liabilities – £000	Solvency II Value	IFRS Value	Variance	Comments
Technical Provisions – Non-life: best estimate	25,633	29,043	(3,410)	See Section 7 for details
Technical Provisions – Non-life: risk margin	673	0	673	See Section 7 for details
Technical Provisions – Life: best estimate	93	374	(281)	See Section 7 for details
Technical Provisions – Life: risk margin	6	0	6	See Section 7 for details
Payables (trade, not insurance)	2,547	3,180	(633)	Annual (future) MIB obligation must be recognised under Solvency II
Total liabilities	**28,952**	**32,597**	**(3,645)**	

10 OWN FUNDS - SOLVENCY RATIO

During the year, there was a capital injection of £1 million by Argus Group Holdings Limited. A dividend of £3,089,380 was paid to Argus Group Holdings during the year ended March 31, 2017.

The Company manages its level of own funds by monitoring its Solvency Capital Requirement (SCR) coverage ratio, the calculation of which is detailed below. The company's target coverage ratio is 135%. Should the coverage ratio approach 100% then corrective action may be considered by the Board.

The SCR and the Minimum Capital Requirement (MCR) for the Company as at March 31, 2018 is shown by risk module in the following table.

Risk Module	£000
Market Risk	1,638
Counterparty Risk	1,940
Health Non Similar to Life Techniques Underwriting Risk	603
Non-Life Underwriting Risk	3,754
Diversification	(2,110)
Basic Solvency Capital Requirement	**5,825**
Operational Risk	772
Solvency Capital Requirement	**6,597**
Minimum Capital Requirement	**3,251**

The results show that the Company is compliant with the SCR and the MCR.

Calculation of the SCR

The Company uses the Standard Formula to determine the SCR. No simplifications have been used for any of the risk modules of the SCR, and the Company does not use any undertaking specific parameters.

No capital add-ons have been applied to the SCR figures. In addition, the Company does not use the duration-based equity risk sub-module in the calculation of the SCR.

The SCR was submitted to the regulator on July 20, 2018 and is therefore, still subject to supervisory assessment.

Calculation of the MCR

The inputs used to calculate the MCR are shown in the following table.

LINE OF BUSINESS £000	Net Best Estimate Liabilities	Net Written Premiums in the last 12 months
Property	205	145
Motor	7,703	7,158
Accident and liability	2,319	3,188
Marine	95	90
Total	**10,322**	**10,581**

The MCR determined per the Standard Formula is the absolute floor of £3.25 million.

Compliance with the SCR and MCR

There has not been any non-compliance with the SCR or MCR over the financial year.

£000	2018
Solvency II minimum capital regulatory (MCR)	3,251
Solvency II solvency capital requirement (SCR)	6,597
Solvency II eligible own funds	8,260
Solvency Capital Requirement Ratio	125%

11 OWN FUNDS – INFORMATION ON THE STRUCTURE, AMOUNTS AND ELIGIBILITY OF OWN FUNDS

All of the Company's own funds are in the form of fully paid up Share Capital.

12 DIFFERENCES BETWEEN THE STANDARD FORMULA AND ANY INTERNAL MODELS USED

The Company uses the Standard Formula.

ARGUS
Our Interest is You.

Argus Insurance Company (Europe) Limited
57/63 Line Wall Road
Gibraltar

Mailing Address:
PO Box 199
Gibraltar, GX11 1AA

Annual QRTs 2018

The templates are included as follows:

S.02.01.01 - Balance Sheet
S.05.01.02 - Premiums, claims and expenses by line of business
S.05.02.01 - Premiums, claims and expenses by country
S.17.01.02 - Non-Life Technical Provisions
S.19.01.21 - Non-life insurance claims
S.23.01.01 - Own funds
S.25.01.21 - Solvency Capital Requirement - for undertakings on Standard Formula
S.28.01.01 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

S.02.01.02
Balance Sheet

£000		Solvency II value
	Assets	C0010
R0030	Intangible assets	-
R0040	Deferred tax assets	421
R0050	Pension benefit surplus	-
R0060	Property, plant & equipment held for own use	37
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	13,019
R0080	Property (other than for own use)	-
R0090	Holdings in related undertakings, including participations	1,538
R0100	Equities	2,404
R0110	Equities - listed	2,404
R0120	Equities - unlisted	-
R0130	Bonds	9,077
R0140	Government Bonds	3,779
R0150	Corporate Bonds	5,298
R0160	Structured notes	-
R0170	Collateralised securities	-
R0180	Collective Investments Undertakings	-
R0190	Derivatives	-
R0200	Deposits other than cash equivalents	-
R0210	Other investments	-
R0220	Assets held for index-linked and unit-linked contracts	-
R0230	Loans and mortgages	-
R0240	Loans on policies	-
R0250	Loans and mortgages to individuals	-
R0260	Other loans and mortgages	-
R0270	Reinsurance recoverables from:	15,405
R0280	Non-life and health similar to non-life	15,405
R0290	Non-life excluding health	15,405
R0300	Health similar to non-life	1
R0310	Life and health similar to life, excluding health and index-linked and unit-linked	-
R0320	Health similar to life	-
R0330	Life excluding health and index-linked and unit-linked	-
R0340	Life index-linked and unit-linked	-
R0350	Deposits to cedants	-
R0360	Insurance and intermediaries receivables	2,667
R0370	Reinsurance receivables	-
R0380	Receivables (trade, not insurance)	642
R0390	Own shares (held directly)	-
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	-
R0410	Cash and cash equivalents	5,021
R0420	Any other assets, not elsewhere shown	-
R0500	**Total assets**	37,213

S.02.01.02
Balance Sheet

£000		Solvency II value
	Liabilities	C0010
R0510	Technical provisions – non-life	26,405
R0520	Technical provisions – non-life (excluding health)	26,306
R0530	TP calculated as a whole	-
R0540	Best Estimate	25,633
R0550	Risk margin	673
R0560	Technical provisions - health (similar to non-life)	99
R0570	TP calculated as a whole	-
R0580	Best Estimate	93
R0590	Risk margin	6
R0600	Technical provisions - life (excluding index-linked and unit-linked)	-
R0610	Technical provisions - health (similar to life)	-
R0620	TP calculated as a whole	-
R0630	Best Estimate	-
R0640	Risk margin	-
R0650	Technical provisions – life (excluding health and index-linked and unit-linked)	-
R0660	TP calculated as a whole	-
R0670	Best Estimate	-
R0680	Risk margin	-
R0690	Technical provisions – index-linked and unit-linked	-
R0700	TP calculated as a whole	-
R0710	Best Estimate	-
R0720	Risk margin	-
R0740	Contingent liabilities	-
R0750	Provisions other than technical provisions	-
R0760	Pension benefit obligations	-
R0770	Deposits from reinsurers	-
R0780	Deferred tax liabilities	-
R0790	Derivatives	-
R0800	Debts owed to credit institutions	-
R0810	Financial liabilities other than debts owed to credit institutions	-
R0820	Insurance & intermediaries payables	-
R0830	Reinsurance payables	-
R0840	Payables (trade, not insurance)	2,547
R0850	Subordinated liabilities	-
R0860	Subordinated liabilities not in Basic Own Funds	-
R0870	Subordinated liabilities in Basic Own Funds	-
R0880	Any other liabilities, not elsewhere shown	-
R0900	**Total liabilities**	28,952
R1000	**Excess of assets over liabilities**	8,260

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

Non-life

£000		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of Business for:accepted non-proportional reinsurance				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
	Premiums written																	
R0110	Gross - Direct Business	-	667	-	3,965	3,924	595	4,905	1,850	-	-	-	-					15,906
R0120	Gross - Proportional reinsurance accepted	-	-	-	-	-	-	-	-	-	-	-	-					-
R0130	Gross - Non-proportional reinsurance accepted													-	-	-	-	-
R0140	Reinsurers' share	-	36	-	731	-	505	3,818	234	-	-	-	-	-	-	-	-	5,325
R0200	Net	-	631	-	3,233	3,924	90	1,086	1,616	-	-	-	-	-	-	-	-	10,580
	Premiums earned																	
R0210	Gross - Direct Business	-	608	-	3,639	3,568	488	4,917	1,770	-	-	-	-					14,990
R0220	Gross - Proportional reinsurance accepted	-	-	-	-	-	-	-	-	-	-	-	-					-
R0230	Gross - Non-proportional reinsurance accepted													-	-	-	-	-
R0240	Reinsurers' share	-	36	-	728	-	502	3,704	233	-	-	-	-	-	-	-	-	5,204
R0300	Net	-	572	-	2,911	3,568	(14)	1,213	1,536	-	-	-	-	-	-	-	-	9,786
	Claims incurred																	
R0310	Gross - Direct Business	-	37	-	14,514	1,886	189	906	1,167	-	-	-	-					18,699
R0320	Gross - Proportional reinsurance accepted	-	-	-	-	-	-	-	-	-	-	-	-					-
R0330	Gross - Non-proportional reinsurance accepted													-	-	-	-	-
R0340	Reinsurers' share	-	-	-	73	-	152	733	1,250	-	-	-	-	-	-	-	-	2,208
R0400	Net	-	37	-	14,441	1,886	37	173	(83)	-	-	-	-	-	-	-	-	16,491
	Changes in other technical provisions																	
R0410	Gross - Direct Business	-	16	-	12,735	55	(40)	(156)	(1,204)	-	-	-	-					11,406
R0420	Gross - Proportional reinsurance accepted	-	-	-	-	-	-	-	-	-	-	-	-					-
R0430	Gross - Non- proportional reinsurance accepted													-	-	-	-	-
R0440	Reinsurers'share	-	-	-	12,278	24	(21)	(366)	(1,530)	-	-	-	-	-	-	-	-	10,385
R0500	Net	-	16	-	457	31	(18)	210	326	-	-	-	-	-	-	-	-	1,022
R0550	**Expenses incurred**	-	301	-	1,629	1,464	391	3,087	704	-	-	-	-	-	-	-	-	7,576
R1200	**Other expenses**																	-
R1300	**Total expenses**																	7,576

S.05.01.02
Premiums, claims and expenses by country

Non-life

£000		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
R0010			MT	-	-	-	-	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	Gross - Direct Business	7,552	8,353	-	-	-	-	15,906
R0120	Gross - Proportional reinsurance accepted	-	-	-	-	-	-	-
R0130	Gross - Non-proportional reinsurance accepted	-	-	-	-	-	-	-
R0140	Reinsurers' share	2,953	2,373	-	-	-	-	5,325
R0200	Net	4,599	5,981	-	-	-	-	10,580
	Premiums earned							
R0210	Gross - Direct Business	7,555	7,435	-	-	-	-	14,990
R0220	Gross - Proportional reinsurance accepted	-	-	-	-	-	-	-
R0230	Gross - Non-proportional reinsurance accepted	-	-	-	-	-	-	-
R0240	Reinsurers' share	3,073	2,131	-	-	-	-	5,204
R0300	Net	4,481	5,304	-	-	-	-	9,786
	Claims incurred							
R0310	Gross - Direct Business	2,501	16,198	-	-	-	-	18,699
R0320	Gross - Proportional reinsurance accepted	-	-	-	-	-	-	-
R0330	Gross - Non-proportional reinsurance accepted	-	-	-	-	-	-	-
R0340	Reinsurers' share	289	1,919	-	-	-	-	2,208
R0400	Net	2,212	14,279	-	-	-	-	16,491
	Changes in other technical provisions							
R0410	Gross - Direct Business	919	10,487	-	-	-	-	11,406
R0420	Gross - Proportional reinsurance accepted	-	-	-	-	-	-	-
R0430	Gross - Non- proportional reinsurance accepted	-	-	-	-	-	-	-
R0440	Reinsurers'share	364	10,021	-	-	-	-	10,385
R0500	Net	555	467	-	-	-	-	1,022
R0550	**Expenses incurred**	-	7,576	-	-	-	-	7,576
R1200	**Other expenses**							-
R1300	**Total expenses**							7,576

S.17.01.02
Non-Life Technical Provisions

£000		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				
		Medical expense insurance	**Income protectioninsurance**	**Workers' compensation insurance**	**Motor vehicle liability insurance**	**Other motor insurance**	**Marine, aviation and transport insurance**	**Fire and other damage to property insurance**	**General liability insurance**	**Credit and suretyship insurance**	**Legal expenses insurance**	**Assistance**	**Miscellaneous financial loss**	**Non-proportional health reinsurance**	**Non-proportional casualty reinsurance**	**Non-proportional marine, aviation and transport reinsurance**	**Non-proportional property reinsurance**	**Total Non-Life obligation**
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
R0010	**Technical provisions calculated as a whole**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
R0050	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Technical provisions calculated as a sum of BE and RM																	
	Best estimate																	
	Premium provisions																	
R0060	Gross	-	19	-	1,390	1,291	113	655	311	-	-	-	-	-	-	-	-	3,778
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	-	1	-	34	39	67	629	11	-	-	-	-	-	-	-	-	782
R0150	**Net Best Estimate of Premium Provisions**	-	18	-	1,355	1,252	46	26	299	-	-	-	-	-	-	-	-	2,996
	Claims provisions																	
R0160	Gross	-	74	-	17,748	798	136	850	2,342	-	-	-	-	-	-	-	-	21,948
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	-	-	-	13,455	(4)	87	670	415	-	-	-	-	-	-	-	-	14,624
R0250	**Net Best Estimate of Claims Provisions**	-	74	-	4,292	803	49	179	1,927	-	-	-	-	-	-	-	-	7,324
R0260	**Total Best estimate - gross**	-	93	-	19,137	2,090	249	1,504	2,652	-	-	-	-	-	-	-	-	25,726
R0270	**Total Best estimate - net**	-	93	-	5,648	2,055	95	205	2,226	-	-	-	-	-	-	-	-	10,321
R0280	**Risk margin**	-	6	-	372	135	6	13	147	-	-	-	-	-	-	-	-	679
	Amount of the transitional on Technical Provisions																	
R0290	Technical Provisions calculated as a whole	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
R0300	Best estimate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
R0310	Risk margin	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Technical provisions - total																	
R0320	**Technical provisions - total**	-	99	-	19,509	2,225	255	1,518	2,799	-	-	-	-	-	-	-	-	26,405
R0330	**Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total**	-	1	-	13,490	35	154	1,299	427	-	-	-	-	-	-	-	-	15,405
R0340	**Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total**	-	99	-	6,019	2,190	101	218	2,372	-	-	-	-	-	-	-	-	11,000

S.19.01.21
Non-Life Insurance claims

Total Non-life business

Z0020	Accident year / Underwriting year	Accident year

£000

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

Development year

	Year	0	1	2	3	4	5	6	7	8	9	10 & +		In Current year	Sum of years (cumulative)
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110		C0170	C0180
R0100	**Prior**											1,577		1,577	1,577
R0160	**N-9**	1,451	898	289	9	69	659	16	47	19	17			17	3,474
R0170	**N-8**	1,011	742	208	246	144	753	244	78	2				2	3,427
R0180	**N-7**	1,254	853	249	381	104	46	31	413					413	3,331
R0190	**N-6**	1,269	1,985	914	90	128	77	87						87	4,550
R0200	**N-5**	3,854	1,850	441	274	107	108							108	6,635
R0210	**N-4**	3,012	1,408	215	202	176								176	5,012
R0220	**N-3**	2,952	1,584	347	241									241	5,125
R0230	**N-2**	3,151	1,610	336										336	5,097
R0240	**N-1**	2,452	1,741											1,741	4,193
R0250	**N**	2,622												2,622	2,622
R0260													**Total**	7,320	45,042

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

Development year

	Year	-	1	2	3	4	5	6	7	8	9	10 & +		Year end (discounted data)
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300		C0360
R0100	**Prior**											-		314
R0160	**N-9**	-	-	-	-	-	-	-	(7)	37	36			36
R0170	**N-8**	-	-	-	-	-	-	110	56	87				86
R0180	**N-7**	-	-	-	-	-	266	342	146					145
R0190	**N-6**	-	-	-	-	702	591	369						368
R0200	**N-5**	-	-	-	1,031	840	886							874
R0210	**N-4**	-	-	887	636	504								495
R0220	**N-3**	-	1,541	947	13,228									12,953
R0230	**N-2**	4,021	1,549	1,391										1,361
R0240	**N-1**	3,480	1,391											1,366
R0250	**N**	4,011												3,950
R0260													**Total**	21,948

S.23.01.01
Own Funds

£000	Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35	Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
R0010	Ordinary share capital (gross of own shares)	6,984	6,984		-	
R0030	Share premium account related to ordinary share capital	1,400	1,400		-	
R0040	Iinitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	-	-		-	
R0050	Subordinated mutual member accounts	-		-	-	-
R0070	Surplus funds	-	-			
R0090	Preference shares	-		-	-	-
R0110	Share premium account related to preference shares	-		-	-	-
R0130	Reconciliation reserve	(544)	(544)			
R0140	Subordinated liabilities	-		-	-	-
R0160	An amount equal to the value of net deferred tax assets	421				421
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above	-	-	-	-	-
	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	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	-				
	Deductions					
R0230	Deductions for participations in financial and credit institutions	-	-	-	-	-
R0290	Total basic own funds after deductions	8,260	7,840	-	-	421
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	-			-	
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	-			-	
R0320	Unpaid and uncalled preference shares callable on demand	-			-	-
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	-			-	-
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	-			-	
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	-			-	-
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	-			-	
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	-			-	-
R0390	Other ancillary own funds	-			-	-
R0400	Total ancillary own funds	-			-	-
	Available and eligible own funds					
R0500	Total available own funds to meet the SCR	8,260	7,840	-	-	421
R0510	Total available own funds to meet the MCR	7,840	7,840	-	-	
R0540	Total eligible own funds to meet the SCR	8,260	7,840	-	-	421
R0550	Total eligible own funds to meet the MCR	7,840	7,840	-	-	
R0580	SCR	6,596				
R0600	MCR	3,251				
R0620	Ratio of Eligible own funds to SCR	1.2523				
R0640	Ratio of Eligible own funds to MCR	2.4119				

	Reconciliation reserve	C0060
R0700	Excess of assets over liabilities	8,260
R0710	Own shares (held directly and indirectly)	-
R0720	Foreseeable dividends, distributions and charges	-
R0730	Other basic own fund items	8,804
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	-
R0760	Reconciliation reserve	(544)
	Expected profits	
R0770	Expected profits included in future premiums (EPIFP) - Life business	-
R0780	Expected profits included in future premiums (EPIFP) - Non- life business	-
R0790	Total Expected profits included in future premiums (EPIFP)	-

S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

£000		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
R0010	Market risk	1,685		
R0020	Counterparty default risk	1,940		
R0030	Life underwriting risk	-		
R0040	Health underwriting risk	603		
R0050	Non-life underwriting risk	3,754		
R0060	Diversification	(2,131)		
R0070	Intangible asset risk	-		
R0100	Basic Solvency Capital Requirement	5,851		

	Calculation of Solvency Capital Requirement	C0100
R0130	Operational risk	772
R0140	Loss-absorbing capacity of technical provisions	(26)
R0150	Loss-absorbing capacity of deferred taxes	-
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	-
R0200	Solvency capital requirement excluding capital add-on	6,596
R0210	Capital add-on already set	-
R0220	Solvency capital requirement	6,596

	Other information on SCR	
R0400	Capital requirement for duration-based equity risk sub-module	-
R0410	Total amount of Notional Solvency Capital Requirement for remaining part	-
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds	-
R0430	Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	-
R0440	Diversification effects due to RFF nSCR aggregation for article 304	-

S.28.01.01

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

£000 **Linear formula component for non-life insurance and reinsurance obligations**

		C0010
R0010	MCR_{NL} Result	1,916

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
R0020	Medical expenses insurance and proportional reinsurance	-	-
R0030	Income protection insurance and proportional reinsurance	93	631
R0040	Workers' compensation insurance and proportional reinsurance	-	-
R0050	Motor vehicle liability insurance and proportional reinsurance	5,648	3,233
R0060	Other motor insurance and proportional reinsurance	2,055	3,924
R0070	Marine, aviation and transport insurance and proportional reinsurance	95	90
R0080	Fire and other damage to property insurance and proportional reinsurance	205	145
R0090	General liability insurance and proportional reinsurance	2,236	2,557
R0100	Credit and suretyship insurance and proportional reinsurance	-	-
R0110	Legal expenses insurance and proportional reinsurance	-	-
R0120	Assistance and proportional reinsurance	-	-
R0130	Miscellaneous financial loss insurance and proportional reinsurance	-	-
R0140	Non-proportional health reinsurance	-	-
R0150	Non-proportional casualty reinsurance	-	-
R0160	Non-proportional marine, aviation and transport reinsurance	-	-
R0170	Non-proportional property reinsurance	-	-

Linear formula component for life insurance and reinsurance obligations

		C0040
R0200	MCR_{L} Result	-

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

	Overall MCR calculation	C0070
R0300	Linear MCR	1,916
R0310	SCR	6,596
R0320	MCR cap	2,968
R0330	MCR floor	1,649
R0340	Combined MCR	1,916
R0350	Absolute floor of the MCR	3,251
R0400	**Minimum Capital Requirement**	3,251