Solvency and Financial Condition Report

for the year ended 31 December 2024

Contents

Introduction

This Solvency and Financial Condition Report ("**SFCR**") has been prepared in line with the Group Supervision requirements of Section 52 of the Financial Services (Insurance Companies) Regulations 2020 (Gibraltar). This rule is derived from EU Directive 2009/138/EC which was domesticated into Gibraltar law by virtue of the European Union (Withdrawal) Act 2019. The report outlines key aspects of the Group's business and performance, system of governance, risk profile, valuation methods for solvency purposes, and capital management practices.

Extracover Insurance Company Limited ("**EICL**", "**the Company**", "**Solo entity**" or "**Zego Carrier**") is a Gibraltar based insurance company that was licensed under the Financial Services (Insurance Companies) Act 1987 on 7 August 2019. EICL is part of Zego Group ("**the Group**") and a wholly-owned subsidiary of parent company Extracover Holdings Limited ("**EHL**"). EICL underwrites motor insurance in the UK Business-to-Consumer (B2C) segment and distributes solely via Extracover Limited ("**ECL**" or "**Zego MGA**"), a separate UK entity within the Group that distributes products via price comparison websites. ECL operates under the Zego brand, and specialises in commercial and personal motor insurance for individual cars, vans and scooters.

The Group's mission and purpose is to provide the lowest price insurance for good drivers; all of the Group's activities are geared towards achieving this mission. By making use of cutting-edge proprietary technology, the Group aims to improve pricing, customer service and operations to create significantly better insurance products for its target markets.

EICL's primary focus from an insurance product, pricing and underwriting perspective is to insure policyholders in niche segments of the UK motor insurance market, who are underserved by traditional insurance companies. These segments include gig economy workers and couriers, with policies ranging from hourly, 30 day and annual, and more recently Private Car. EICL also underwrites some ancillary products which are included as part of the motor insurance policies such as personal accident and legal expenses cover.

In meeting the requirements for a Group SFCR, information is reported for the Group and Solo entity separately except where that information is equivalent in both nature and scope at Group level to that at regulated subsidiary level. Information in the SFCR can be equally relevant to the Group and EICL. Where this is not the case, this has been highlighted.

Executive Summary

The following is a summary of this SFCR which is compiled of five sections:

A) Business and Performance

The Group made an overall loss of £5.7m in 2024, an improvement from a loss of £34.5m in 2023, as summarised below:

Group	2024 (£m)	2023 (£m)
Gross written premiums	46.3	36.0
Net earned premiums	9.8	6.5
Underwriting profit/(loss)	(31.3)	(62.3)
Net profit/(loss)	(5.7)	(34.5)
Net assets	34.7	39.3

It should be noted that the EICL Board has, in light of the lack of development history at EICL, adopted a prudent approach to reserving. The insurance reserves reported include a management loading applied to the Actuarial Best Estimate, which is based on the workings performed by an independent, external actuary.

During the period 1 January 2024 to 31 December 2024, EICL underwrote motor business in the UK market in the flexible and fixed term segments. In December 2023 the Group took the decision to withdraw from the UK motor fleet market, and subsequently the EICL motor fleet portfolio was placed into run-off.

EICL purchases both Excess of Loss and Quota Share reinsurance from reinsurance partners who hold a minimum A-rating from Standard & Poors, to protect the business against the impact of large losses and to support the effective management of capital.

EICL's Excess of Loss programme reinsures all losses in excess of £1.0m before indexation. Additionally, EICL purchases a proportional Quota Share reinsurance treaty whereby EICL retains 30% of every risk.

B) System of Governance

EHL's Board of Directors retains overall responsibility for the Group's system of governance, and delegates authority to the Group Risk & Audit Committee. The Group has in place systems of governance which are proportionate to the size and complexity of the operation. Such systems, and the underlying processes and procedures are subject to ongoing review to ensure any required improvements are made.

Since being formed in 2019, the operational management of EICL was outsourced to Artex Risk Solutions (Gibraltar) Limited ("Artex"). However, following the appointment of a locally based Managing Director in January 2023, EICL has transitioned the day-to-day running of the business to the local management team. During 2024, EICL recruited positions into Underwriting, Risk, Actuarial and Compliance, and became self-managed following regulatory approval in November 2024.

EICL outsources claims handling, policy administration, distribution, and customer service to the Group's UK Managing General Agent, ECL. ECL also provides a number of support functions, such as IT services and people support.

EICL's Board of Directors retains overall responsibility for the Company's system of governance. The Board comprises one Executive Director and independent Non-Executive Directors. EICL's Board delegates authority to four committees:

- Pricing & Underwriting committee
- Claims committee
- Audit, Risk and Reserving committee
- Product Oversight & Governance committee

Each committee reports to the Board of Directors. As at the reporting date, three out of four Board of Directors are based in Gibraltar, and three out of seven Regulated Individuals are based in Gibraltar. EICL therefore meets the Gibraltar Financial Services Commission ("GFSC") substance requirements, as the majority of decision makers are living in, or near to, Gibraltar for the majority of their time.

C) Risk Profile

Given it includes an underwriter of motor insurance the Group is exposed to a number of risks, which are classified into 12 key areas:

- Strategic risk
- Insurance risk
- Conduct risk
- Regulatory and legal risk
- Capital management risk
- Market risk
- Liquidity risk
- Credit risk
- Concentration risk
- Operational risk
- Key person risk
- Reputational risk

These risks are monitored and mitigated through the implementation of processes, controls, stress testing and scenario analysis.

The Solvency Capital Requirement ('SCR') is the level of capital the Group, and EICL independently from the Group, is required to hold to meet their obligations if a 1-in-200-year event were to occur in the next 12 months. Holding a capital surplus above the SCR provides a level of coverage that should enable the Group and EICL (as needed) to continue to meet Regulatory Capital Requirements in both normal and stressed trading conditions. The Group and EICL adopt the standard formula to calculate Capital Requirements under Solvency II.

The Group's SCR allocation by Solvency II risk type, based upon the undiversified Capital Requirement, can be seen below:

	Group	EICL	
SCR Risk Category	2024 £'000s	2024 £'000s	2023 £'000s
Market risk	8.5%	2.8%	15.9%
Counterparty risk	37.1%	28.2%	25.7%
Non-Life underwriting risk	44.1%	56.0%	40.7%
Operational risk	10.3%	13.0%	17.7%

D) Valuation for Solvency Purposes

Section D of this report sets out in detail the inputs, bases and methods of recognition and valuation of assets and liabilities, including a comparison between Solvency II and Generally Accepted Accounting Principles ("GAAP") valuation. The main valuation differences arise from reclassifications and from differences in the valuation of technical provisions. As at 31 December 2024, Group and EICL SCR coverages stood at 285% and 253% respectively.

	Group	EICL	
Solvency Coverage	2024 (£m)	2024 (£m)	2023 (£m)
Eligible own funds	26.1	19.3	13.4
Solvency capital requirement	9.2	7.6	6.3
SCR coverage	**285%**	**253%**	**214%**
Minimum capital requirement	3.5	3.5	3.5
MCR coverage	**747%**	**550%**	**432%**

E) Capital Management

Section E of this report focuses on capital management. This section provides a comprehensive overview of how the Group manages its resources to ensure financial stability and regulatory compliance. It includes information on the Group's capital structure, capital adequacy assessments, and the use of capital buffers to absorb potential losses. Overall, this section offers transparency into the Group's approach to capital management and its efforts to maintain a strong and resilient financial position.

A. Business and Performance

A.1 Business information

A.1.1 Name and legal form

Extracover Holdings Ltd
2nd Floor
30-40 Eastcheap
City of London
London
EC3M 1HD
United Kingdom

EHL is incorporated in the UK and is a company limited by shares. EHL's registered Companies House number is 11187061.

Extracover Insurance Company Limited
Madison Building
Midtown
Queensway
GX11 1AA
Gibraltar

EICL is incorporated in Gibraltar and is a company limited by shares. EICL's registered number is 118662.

A.1.2 Supervisory authority

The Group is regulated as an Insurance Group, subject to Gibraltar's enactment of the Solvency II Directive (2009/138/EC) of the European Parliament (on the supplementary supervision of insurance undertakings in an insurance group).

EICL and the Insurance Group are regulated by:

The Gibraltar Financial Services Commission
P.O. Box 940
Suite 3, Ground Floor
Atlantic Suites
Europort Avenue
Gibraltar

ECL is regulated by:

The Financial Conduct Authority
12 Endeavour Square
London
E20 1JN
United Kingdom

A.1.3 External auditor

EICL’s external auditors are:

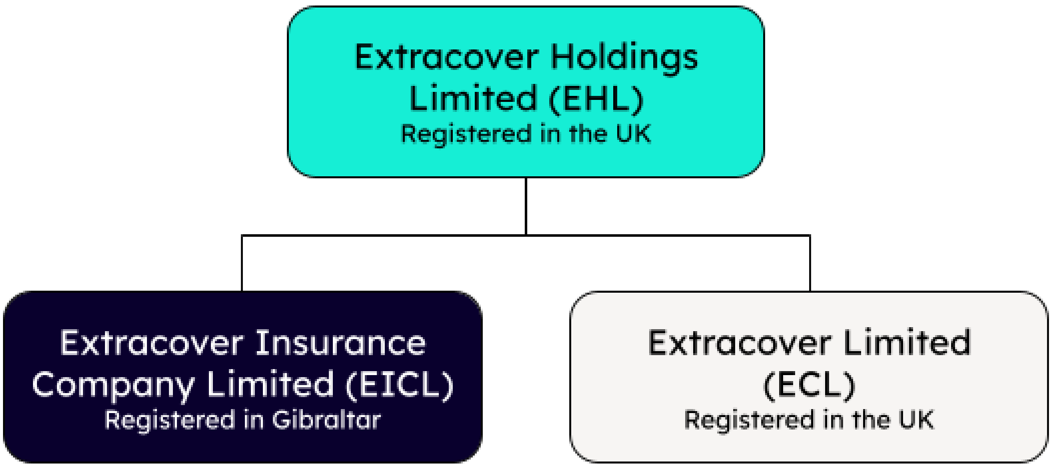
Deloitte LLP
Old Police Station
Floor 3
120 Irish Town
GX11 1AA
Gibraltar

The Group’s external auditors are:

Deloitte LLP
1 New Street Square
London
EC4A 3HQ
United Kingdom

A.1.4 Group ownership and structure

The simplified diagram below shows the Solvency II regulated Group organisational structure as at 31 December 2024. All subsidiaries are owned 100% by the parent undertaking.



Direct qualifying holdings in EHL are:

Name	Legal Form	Proportion of ownership interest
Balderton Capital	N/A	18.93%
Target Global	N/A	14.15%
DST Global	N/A	12.11%
Sten Saar	Individual	11.09%
Various under 10%	N/A	43.71%
Total		**100.00%**

A.1.5 Significant business or other events

A.1.5.1 Exit of European Union (EU) market

In addition to the divestment of the UK B2B business in 2023, 2024 included a strategic review of the Group's EU B2B operations. Following the review and a number of performance improvement initiatives, it was decided that the EU B2B operations do not align well with the Group's business strategy, including drive for profitability and focus on telematics. As a result, in Q3 2024 the decision was made to divest the EU B2B operations operated via its broker in the Netherlands and including branches in France.

A.1.5.2 Enter into co-insurance underwriting arrangement

To enhance risk management and streamline operations, the Group transitioned from using multiple carriers to a co-insurance structure that includes EICL. This shift aims to optimise our insurance coverage by leveraging the strengths of both internal and external partners. By adopting a co-insurance model, risks are spread more evenly, providing increased stability and resilience to our insurance portfolio. The new structure went live on 1 January 2025 and will allow us to grow sustainably with the level of capital available in EICL.

A.1.5.3 Capital contributions

During 2024 the Group made a single capital contribution of £5.0m to EICL (2023: £nil). This put EICL significantly ahead of its 200% solvency ratio target, from an already strong position.

A.2 Underwriting performance

EICL underwrote UK motor business during the year. EICL mitigates its risk using a combination of Quota Share and Excess of Loss reinsurance. This provides protection against adverse performance from both attritional losses and large losses.

During the year, EICL added an additional two reinsurers to its Quota Share panel. The terms for these reinsurers differ from the existing reinsurer, which results in a reduced level of reported net premium. Therefore, for solvency purposes, EICL makes an adjustment to net premium to ensure consistency with the prior year. This adjustment is a reallocation of income from reinsurance commission to net premium and has a net-nil impact on the bottom line.

The following table summarises the technical account performance for the year ended 31 December 2024, for both the Group and EICL.

	Group			EICL		
Motor Insurance	Motor Liability £'000s	Other Motor £'000s	Total £'000s	Motor Liability £'000s	Other Motor £'000s	Total £'000s
Gross written premiums	41,661	4,629	46,290	41,661	4,629	46,290
Outwards reinsurance premiums written	(31,829)	(3,537)	(35,366)	(31,829)	(3,537)	(35,366)
Net written premiums	**9,831**	**1,092**	**10,924**	**9,831**	**1,092**	**10,924**

Net earned premiums	8,828	981	9,809	8,828	981	9,809
Claims incurred - gross amount	(11,826)	(1,314)	(13,140)	(11,826)	(1,314)	(13,140)
Claims incurred - reinsurer's share	6,485	721	7,205	6,485	721	7,205
Claims incurred, net of reinsurance	**(5,341)**	**(593)**	**(5,935)**	**(5,341)**	**(593)**	**(5,935)**
Technical expenses incurred net of reinsurance ceded			(4,976)			(4,976)
Acquisition costs, commissions, claims management costs			(12,496)			(15,166)
Other expenses			(19,026)			0
Balance on technical account			**(32,624)**			**(647)**

A.3 Investment performance

As at the end of 2024, the Group held its funds across multiple different banks, all of which are BBB-rated or better. Through this strategy, the Group has been able to take advantage of higher interest rates during the year and also achieved a greater spread of risk. The table below provides a summary of cash balances and interest earned along with comparisons for 2023.

	Group	EICL	
Investment Performance	2024 £'000s	2024 £'000s	2023 £'000s
Cash and cash equivalents	58,838	16,147	21,613
Collective investment undertakings	13,923	13,923	533
Total	**72,760**	**30,069**	**22,147**
Investment income	1,187	886	688

A.4 Performance of other activities

EICL receives reinsurance commission from its Quota Share reinsurers which offsets the costs incurred by EICL. The table below shows the net amounts in the year. The value of commissions received are in part linked to the underlying underwriting result of EICL.

Quota Share Commission	2024 £'000s	2023 £'000s
Reinsurance commission written	7,362	8,087
Reinsurance commission earned	6,543	7,476

A.5 Any other information

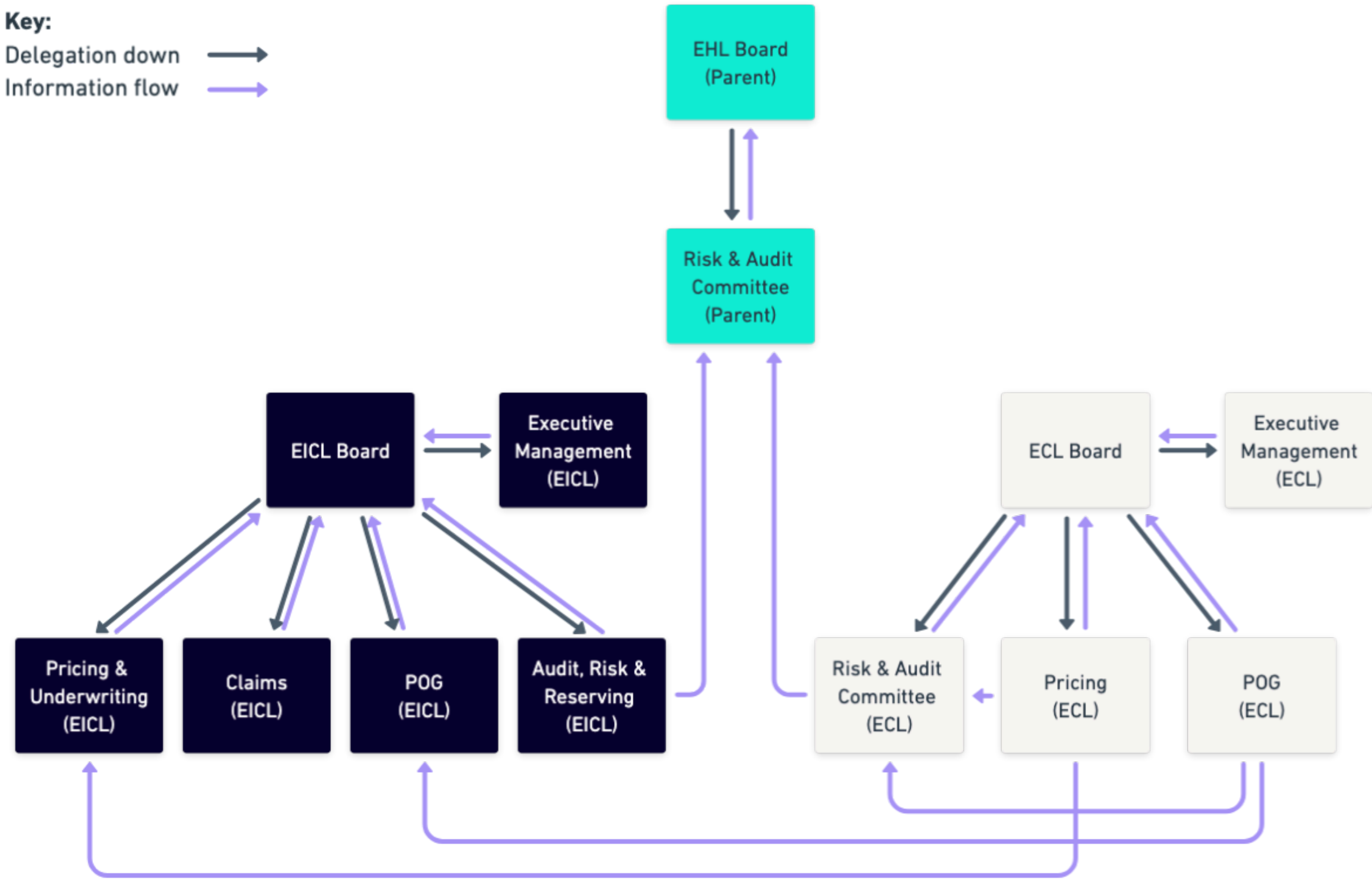
There is no other material information to disclose regarding the business and its performance during the reporting period.

B. System of Governance

B.1 General information on the system of governance

B.1.1 Structure of the Board and committees

The diagram below sets out the Group's governance structure as in place throughout 2024, including the various Boards and committees. It illustrates the flow of delegations (noting that delegations do not extend across legal entities) and the flow of information, with ECL committees reporting into the Company's governance framework for information sharing purposes.



B.1.1.1 EHL Governance

EHL Board

EHL operates through a Board of Directors, with authority delegated to the Group Risk & Audit Committee. The Board members as at 31 December 2024 were:

- Sten Saar (Chair): Chief Executive Officer
- Joel Cutler: Non-Executive Director
- Sonia Flynn: Non-Executive Director

- Ben Kaminski: Non-Executive Director
- Robert Moffat: Non-Executive Director
- Stephen Treloar: Independent Non-Executive Director (appointed 26 September 2024)

The Board is responsible for overseeing the business of EHL, for providing strategic direction and for supervising management.

EHL Group Risk & Audit Committee

The Group Risk & Audit Committee members as at 31 December 2024 were:

- Stephen Treloar: Independent Non-Executive Director (Chair)
- Nicholas Stefanovitz: Chief Operating Officer
- Marta Karbowska: Chief of Staff and Strategy
- Ian Kershaw: Vice President of Customer Service, Claims and Fraud
- Andrew Wright: Vice President of Insurance and Managing Director of EICL
- Duncan Cockburn: Vice President of Finance
- Rachael Ridgwell: Director of Legal and Regulatory Affairs

Normally in attendance will be the Group Chief Executive Officer (Sten Saar) and the EICL Head of Risk (Mike Wisbey).

The Group Risk and Audit Committee is responsible for overseeing the integrity and effectiveness of the Group's financial reporting, internal controls, and risk management processes. This includes reviewing annual financial statements, overseeing audits, evaluating risk management frameworks, and advising on the appointment and performance of external auditors and the outsourced internal audit function. The Committee is responsible for providing summary reports back to the Board regarding matters discussed, decisions made, approvals given and any such matters that should be brought to the attention of the EHL Board.

The Group Risk & Audit Committee operates under agreed Terms of Reference approved by the Board. The key responsibilities of the Committee include the following areas:

- Financial reporting
- Internal control (compliance)
- Internal Audit function
- External audit
- Risk management
- Whistleblowing and fraud
- Reporting
- Environmental, social, and governance (ESG)
- Consultation with other Committees and Boards
- Committee effectiveness

B.1.1.2 EICL Governance

EICL Board

EICL operates through a Board of Directors, with authority delegated to four committees:

1. Pricing & Underwriting Committee

2. Claims Committee
3. Audit, Risk and Reserving Committee
4. Product Oversight and Governance (POG) Committee

The Board members as at 31 December 2024 were:

- Chris Hill (Chair): Independent Non-Executive Director (iNED)
- Andrew Wright: Managing Director & Executive Director
- Michael Christophers: Independent Non-Executive Director (iNED)
- Julia Hillman: Independent Non-Executive Director (iNED)

During 2024, Artex provided the company secretarial services for the first half of the year. The Board approved the change of Company Secretary from Artex to Line Group, effective 30th July 2024.

The Board is responsible for overseeing the business of EICL, for providing strategic direction and for supervising management. While the Board delegates certain functions to the four committees, this does not absolve the Directors of their responsibility to the Company.

The Board operates under agreed Terms of Reference which set out the following key responsibilities:

- Setting the strategic direction and objectives of the Company
- Ensuring the integrity and reliability of the Company's finances, including
    - Business planning
    - Capital and Solvency position
    - Dividend policy
    - Accounting policies
    - Approval of public documents
    - Investment Strategy
- Approving the underwriting strategy and policy and monitoring its implementation
- Reinsurance responsibilities
- Claims and Reserving Responsibilities
- Operational and Risk Responsibilities
    - Establishing an effective risk management framework including risk management strategies and policies and risk appetite and tolerance limits
    - Establishing an appropriate internal control system and monitoring its effectiveness
    - Overseeing the completion of QRTs, RSRs and SFCRs
- Approving, managing and monitoring the internal and external audit strategy and the performance and effectiveness of the external and internal auditors
- Overseeing, guiding and challenging the ORSA and approving the ORSA report

EICL Pricing and Underwriting Committee

The Pricing and Underwriting Committee members as at 31 December 2024 were:

- Andrew Wright (Chair): Managing Director
- Chris Hill: Independent Non-Executive Director (iNED)
- Soren Jensen: Head of Actuarial

- Peter Goodright: Head of Claims
- David Cleverley: Head of Underwriting

The Pricing & Underwriting Committee operates under agreed Terms of Reference approved by the Board. The key responsibilities of the Committee include:

- Overseeing the performance of all product lines and intermediaries/distributors
- Receiving, considering, reviewing, challenging and agreeing recommendations and proposals for changes to the underwriting and/or rating
- Considering business opportunities and underwriting proposals presented by management
- Assisting with the negotiation, placement, performance and monitoring of the reinsurance arrangements
- Considering and advising on insurance risk management, including risk identification, controls, appetite and mitigation
- Monitoring and reporting on market trends and legislative or regulatory changes
- Reporting on all relevant matters to the Board

EICL Claims Committee

The Claims committee members as at 31 December 2024 were:

- Andrew Wright (Chair): Managing Director
- Chris Hill: Independent Non-Executive Director (iNED)
- Peter Goodright: Head of Claims
- Soren Jensen: Head of Actuarial
- David Cleverley: Head of Underwriting

The Claims Committee operates under agreed Terms of Reference approved by the Board. The key responsibilities of the Committee include:

- Reviewing key claims performance metrics
- Implementing and overseeing the claims handling, reserving and settlement strategy and philosophy
- Monitoring and reporting on market trends, emerging trends and legislative changes and their potential impact in relation claims
- Monitoring claims performance including claims SLAs in respect of the outsourced claims handlers and propose corrective action as necessary
- Reviewing audits performed of the outsourced claims handlers to ensure they are meeting the needs of the Company
- Monitoring that good customer outcomes are being achieved in respect of the claims handling activities to ensure Consumer Duty compliance
- Escalating any large claims or large reserve movements to the Board for further consideration
- Assisting the Board and Audit, Risk, Reserving and Compliance Committee in setting insurance risk strategy in relation to claims
- Assisting the Board and Audit, Risk, Reserving and Compliance Committee in setting insurance risk appetites and limits in relation to claims;

EICL Audit, Risk and Reserving Committee

The Audit, Risk and Reserving committee members as at 31 December 2024 were:

- Michael Christophers (Chair): Independent Non-Executive Director (iNED)
- Andrew Wright: Managing Director
- Julia Hillman: Independent Non-Executive Director (iNED)
- Soren Jensen: Head of Actuarial

The Audit, Risk & Reserving Committee operates under agreed Terms of Reference approved by the Board. The key responsibilities of the Committee include:

- Providing input to, reviewing and challenging the external actuarial review, prior to final reporting to the Board
- Reporting to the Board on quarterly external reserve reviews and actuarial function holder report
- Recommending to the Board the level of reserving to be booked based on input from the external reserve review
- Reviewing key risks and updating the Board on these key risks
- Maintaining the risk management framework, including any major or significant changes
- Developing, managing, monitoring and reporting to the Board on EICL's internal and external audit strategy, ensuring the requirements of the business plan, risk appetite of the Company and any statutory or regulatory requirements are met
- Managing, monitoring and reporting to the Board on the performance of EICL's external auditors
- Managing, monitoring and reporting to the Board on the performance of EICL's outsourced internal auditors
- Negotiating with external auditors to secure the best possible terms and monitor their performance ensuring they represent value for money and meet the needs of the business
- Negotiating with the outsourced internal auditors to secure the best possible terms and monitor their performance ensuring they represent value for money and meet the needs of the business
- Ensuring the internal audit programme has been communicated as required within the Company and externally as required
- Seeking formal approval and sign-off from the Board on all Audit, Reserving and Risk activities listed above

EICL Product Oversight & Governance Committee

The Product Oversight & Governance committee members as at 31 December 2024 were:

- Julia Hillman (Chair): Independent Non-Executive Director (iNED)
- Soren Jensen: Head of Actuarial
- Peter Goodright: Head of Claims
- Rachael Ridgwell: Acting Head of Compliance
- David Cleverley: Head of Underwriting

The Product Oversight & Governance Committee operates under agreed Terms of Reference approved by the Board. The key responsibilities of the Committee include:

- Assessing and approving the product governance forms completed by ECL for each product underwritten by EICL on an annual basis, prior to the commencement of a new product or upon a significant change to an existing product.
- Assessing and approving the annual fair value assessments completed by ECL for each product underwritten by EICL on an annual basis, prior to the commencement of a new product or upon a significant change to an existing product.
- Ensuring that a documented record exists of the assessment as to whether the product will provide fair value to customers in the defined target market, including whether it will continue to do so for a reasonably foreseeable period.

B.1.2 Key functions

EICL has in place the four key functions as required by the Solvency II Directive. These are:

- Risk Management
- Internal Control and Compliance
- Actuarial
- Internal Audit

These functions are responsible for providing oversight of the relevant area and providing assurance to the Board on the operation of EICL's risk management framework. All functions are overseen by the Directors of the business, ensuring they have the appropriate authority to carry out their roles.

B.1.2.1 Risk Management

The Risk Management function is led by EICL's Head of Risk, who reports to the Managing Director and is overseen by the Audit, Risk & Reserving Committee. Prior to the Head of Risk joining in August 2024, Risk Management was outsourced to EICL's insurance manager, Artex, but the Board retained full responsibility for the risk function during this period.

The Risk Management function performs a second line of defence role, providing independent and objective challenge to the business in the effective operation of the risk management system. It seeks to ensure that the material risk exposures are contained within approved strategy and appetite, reports on risk exposure, advises on the administration and management of risk within the first line of defence functions and draws the attention of the Audit, Risk & Reserving Committee and the Board, as appropriate, to situations in which it believes there are material variances to risk appetite.

The operational business areas have primary responsibility for managing risk in line with the defined appetite statements, performing their first line of defence role. The responsibility of the Risk Management function is to ensure that the first line of defence performs that role effectively.

B.1.2.2 Internal Control and Compliance

The internal control system at EICL is structured around the 'three lines of defence' model, with clear responsibilities for operational management, risk and compliance oversight, and independent assurance through internal audit. Control activities are documented through risk registers, with performance and issues regularly reported through EICL's governance committees. External assurance providers may also be engaged where appropriate to supplement internal monitoring.

The Compliance function is independent from the other areas of the business and provides guidance, advice and feedback on current and future regulatory developments, as well as setting and advising on compliance standards. Risk based routine monitoring and deep dive activities are also carried out to assess compliance with regulatory principles, rules and expectations, as well as adherence to the relevant Group policies. The compliance team works closely with the wider group in providing compliance services to EICL.

Prior to bringing Compliance in-house on 1 November 2024, the function was outsourced to EICL's insurance manager, Artex.

The Compliance function reports to the Board on a quarterly basis. The Board has approved a compliance monitoring programme, updated annually, which is intended to ensure that EICL complies at all times with all relevant rules, regulations, legislation and guidance to which EICL is subject, both in Gibraltar and, where applicable, in the UK.

B.1.2.3 Actuarial

The Actuarial function provides assurance to the Board, senior management and other internal and external stakeholders that key pricing and reserving decisions as well as solvency assessments have been correctly undertaken and calculated. Specific duties of the Actuarial function include, but are not limited to:

- Coordinating the calculation of the firm's technical provisions
- Assessing the sufficiency and quality of the data used in the calculation of technical provisions against the data quality standards as set in Solvency II
- Informing the Board of the reliability and adequacy of the calculation of technical provisions
- Expressing an opinion on the overall underwriting policy
- Expressing an opinion on the adequacy of reinsurance arrangements
- Contributing to the effective implementation of the risk management system
- Preparing the Actuarial Function Report for the Board at least annually

In addition, Insight Risk Consulting carry out quarterly reserve reviews and provide an element of operational independence.

B.1.2.4 Internal Audit

EICL's internal audit function is overseen by Michael Christophers as the Chair of the Audit, Risk & Reserving Committee. Internal Audit is responsible for evaluating the approach to risk management and governance, with particular emphasis on the internal control system.

EICL outsources the internal audit function to EY, who the Board believe have the skills, knowledge and expertise to provide the services and who are entirely independent from operational aspects of the business.

B.1.3 Changes during the period

During 2024, EICL became a self-managed insurance company following regulatory approval in November 2024 and appointments in Underwriting, Risk, Actuarial and Compliance. Prior to this, EICL outsourced certain elements of operational management to Artex Risk Solutions.

There were no changes to the internal audit outsourced partner during 2024.

B.1.4 Remuneration policy

EICL had 11 employees as at 31 December 2024, one of whom is also an Executive Director. The Non-Executive Directors receive remuneration from EICL as detailed below. Due to the size of EICL and the simple remuneration arrangements, EICL does not have a separate Remuneration Committee, with responsibility for this area being retained by the Managing Director.

The Non-Executive Directors receive a fixed fee and there were no variable or performance-related elements to their remuneration. The remuneration of the Executive Director is in the form of an annual salary and a bonus entitlement, which is based on the achievement of key objectives and milestones.

B.1.5 Material transactions

During the year to 31 December 2024, the Group made a single capital contribution of £5.0m to EICL (2023: £nil) in order to support its solvency position ahead of going live with the new co-insurance model.

B.1.6 Adequacy of the system of governance

EICL operates a three-lines of defence model with the Board of Directors being closely involved in all aspects of the operations. The business is currently focused on motor insurance in the UK only. The systems of governance have been established taking account of the principle of proportionality, such that they are appropriate to the size, nature and scale of the operations.

EICL's system of governance is subject to ongoing oversight and assurance through its internal control framework. The Risk Management and Compliance functions monitor changes in legislation, regulatory guidance, and industry best practices to support the continuous improvement of governance arrangements. In addition, Internal Audit provides independent assurance on the effectiveness of governance processes, while external audit may review relevant aspects as part of their statutory responsibilities.

B.2 Fit and proper requirements

B.2.1 Requirements for skills, knowledge and expertise

EICL requires that members of the Board and committees and those individuals carrying out other significant functions are fit to carry out their roles through the possession of the necessary skills, knowledge and experience, and that all such individuals are of good standing and integrity. This ensures an appropriate spread of skills for managing the business.

The fitness requirements set out that collectively the Board and committees cover at least the following areas:

- Knowledge of insurance and financial markets
- Understanding of the business strategy and the business model
- Understanding of the systems of governance
- Knowledge of financial matters, actuarial analysis and management information
- Understanding of the regulatory framework and requirements

B.2.2 Policies and processes with regard to fit requirements

The EICL management team will consider the skills, knowledge and experience required prior to any new appointment and assess whether the individual meets those requirements. On an ongoing basis, all individuals are required to ensure that their skills and knowledge are kept up-to-date and to confirm this annually. The fitness of key individuals is monitored and reported on by the Compliance function via ongoing screening using the Dow Jones Risk and Compliance database as well as through the completion of an annual Fitness and Propriety Self-Certification.

All individuals carrying out key or significant functions for EICL are required to demonstrate that they meet EICL's fit and proper requirements with regard to their reputation and character. In order to assess whether this requirement is met, the following factors will be considered:

- the individual's character;
- the individual's personal behaviour;
- the individual's business conduct;
- any criminal aspects;
- any financial aspects;
- any regulatory aspects.

EICL's Compliance function ensures that appropriate Notification Documents are prepared for all individuals carrying out regulated functions and submitted for regulatory approval. The Compliance function is responsible for checking propriety on an ongoing basis and to report to the Board at least annually.

B.3 Risk management system including the ORSA

B.3.1 Risk management system

B.3.1.1 Overview

EICL categorises its risks as follows:

- Strategic risk
- Insurance risk (Underwriting and Reserving)
- Conduct risk
- Regulatory and legal risk
- Capital management risk
- Market risk
- Liquidity risk
- Credit risk
- Concentration risk
- Operational risk

- Key person risk
- Reputational risk

EICL aims to ensure that the business is managed in a risk-focussed manner at all times in order to achieve its overall strategic objectives. EICL has in place policies, processes and procedures for each category of risk which are included in the Company's corporate governance framework.

The system of governance is based on the principle of proportionality, such that systems are proportionate to the nature, scale and complexity of EICL's operations.

EICL's risk management policy is intended to identify all material risks, minimise risks wherever possible and manage and control all significant risks within acceptable limits. The ultimate goal is to ensure policyholder protection, both now and in the future and for EICL to achieve its overall strategic objectives.

B.3.1.2 Identification, measurement, management and reporting of risks

The EICL Board sets risk appetite and tolerance limits for each major category of risk as applicable to their business strategy. The Board's rationale is articulated in the EICL Board Risk Appetite Statements, which are reviewed and updated at least annually.

Specific risks within each risk category have business ownership and are documented, assessed and managed in the company's Risk Register. All identified risks are assessed as to their impact and likelihood of their occurrence, both on an inherent basis (before controls and mitigations) and on a residual basis (after taking account of appropriate controls and mitigations). Qualitative and quantitative assessments of the impact and probability of all risks are contained within the Risk Register, which are part of a regular review process.

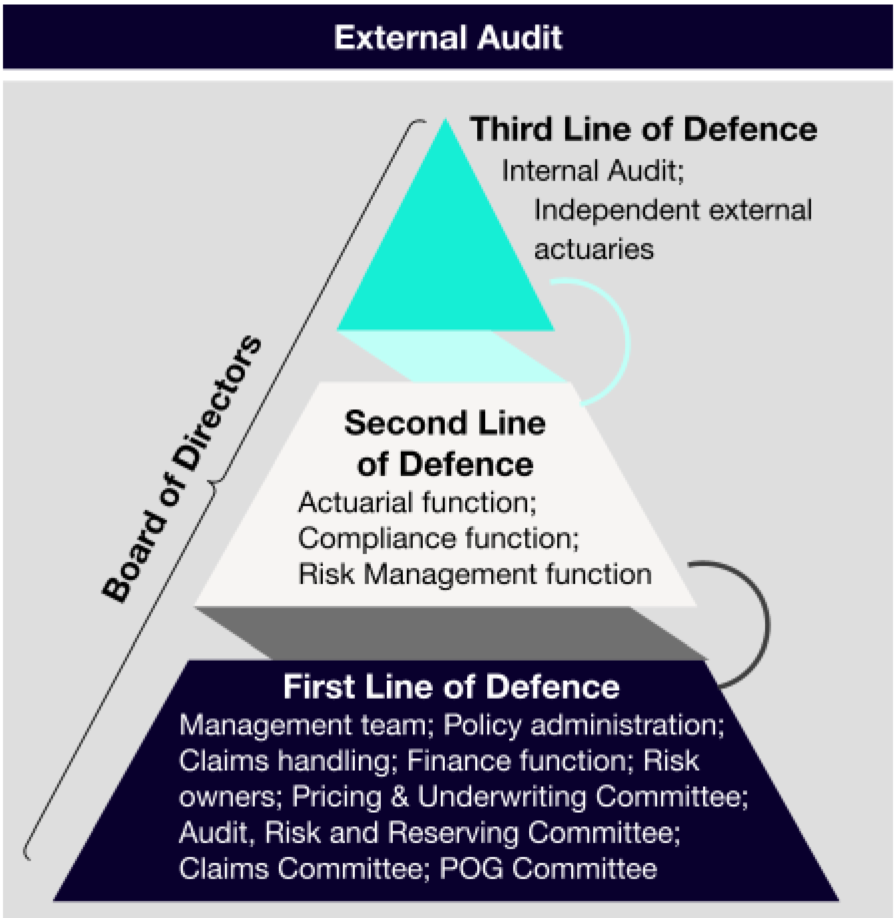
The Risk Register is a key input into the risk management process, and any material changes in the underlying risks are considered for potential impact on EICL's capital requirements. Such changes include, but are not limited to, changes in business mix, strategy and investment policy.

The highest rated risks are reported to the Board on a regular basis. In addition, at each Board meeting consideration is given to the agreed management actions, and whether EICL's risk profile or risk exposure has changed due to actions taken. All risk events are recorded in the Risk Register, including their impact, root cause analysis and resolution, and any significant risk events are reported to the Board. The EICL Board members have read-only access to the full Risk Register.

All committees and individuals involved in risk management have a duty to inform the Risk & Compliance, Internal Audit or Actuarial functions of any material facts that may be relevant to these functions in performing their duties effectively. In addition, the Board will receive regular reports from the outsourced Internal Audit function as to the adequacy, effectiveness and efficiency of the internal controls.

B.3.1.3 Implementation of the risk management function

EICL currently operates a traditional three-lines of defence model as set out below:



First line of defence: Responsible for the day-to-day management and control of risk and the establishment and operation of appropriate internal control measures.

Second line of defence: Responsible for operation of the risk management framework and oversight of risk control and management. Has a level of independence from the day-to-day management and provides the Board with some assurance over the effectiveness of the risk management system.

Third line of defence: Responsible for providing independent assurance on the effectiveness of the first and second lines of defence and over the risk management framework and system of internal controls.

In future the overall Group Risk Management Policy will align with the Institute of Risk Management best practice in embedding Risk Management into day-to-day business practices. The revised policy aims to move the emphasis away from a hierarchical approach to a more collaborative model that is more aligned with the culture and operational practices within Zego Group.

B.3.2 Own Risk and Solvency Assessment (ORSA)

B.3.2.1 ORSA process and integration

EICL has established an ORSA policy to ensure that all material risks faced by EICL are appropriately assessed and the level of capital required managing these risks or other risk mitigation measures are determined and put in place. The ORSA should provide the Board and management with a thorough understanding of EICL's risk profile and provide the information needed to make informed decisions.

The ORSA takes account of historical performance and future forecasts/budgets over the business planning horizon, which is a period of three years, and is carried out by members of the management team. The Board maintains oversight and control at all times, steering how the assessment is performed and challenging the results to ensure they properly take account of EICL's material risks.

ORSAs are conducted at least annually, after which a formal report is prepared. This will take place during the final quarter of the financial year, thus ensuring that the timing is aligned with the business planning process.

As part of the ORSA process, the management team assesses the risks to which EICL is exposed and their potential impact on the capital requirement together with any other relevant mitigating factors. This consists of both a quantitative assessment through appropriate stress and scenario tests, as well as a qualitative assessment of risks which may not be covered by capital. The outcome from the ORSA process is to determine the appropriate level of capital for the business.

In addition to the above, the Board will formally assess on a regular basis whether any decisions taken, risk events, market factors or other similar items affect EICL's risk profile, risk appetite, free reserves or other relevant matters. In such a case, the impact on EICL's own assessment of its capital needs will be considered and, if required, a further ORSA together with an SCR calculation will be carried out.

In particular, the following thresholds will require an automatic revision of the ORSA, regardless of other circumstances:

- Premiums increasing by more than 10% above budget, and the forecast performance of the business being such that the management team feel this will continue.
- Net loss ratio (net of Excess of Loss) deteriorating by more than 10 percentage points compared to the budget for a period greater than 6 months.
- New material line of business >£5m of gross written premiums (before XoL and QS) being entered into which had not been budgeted for.
- SCR ratio falling below 120%, and forecast performance of the business being such that management feel it will continue to be eroded below that level.

The following thresholds will require a revised ORSA to be carried out:

- Volumes increased sustainably by more than 10% above budget, and the forecast performance of the business being such that management feel this will continue over a period of 3 months.
- Net loss ratio (net of Excess of Loss) deteriorating by more than 10 percentage points compared to budget for a period greater than 6 months.
- Underwriting a new product which is more than 10% of the calendar year budgeted Gross-Net Written Premium (before XOL and QS) Solvency Ratio falling below 140% and forecast performance of the business being such that management feel it will continue to be further eroded below that level.

The ORSA is conducted by management, with the Board maintaining oversight and control at all times and steering the assessment. The draft report produced is provided to the full Board for discussion, challenge and approval. This is applicable for every ORSA, whether annual or ad-hoc due to changes in the business.

Now that EICL is under Group Supervision, future ORSAs will follow a Group-wide process and will be written as a Group ORSA.

B.3.2.2 Performance, documentation and review of the ORSA

A full ORSA cycle is performed at least annually and reported to the Board. The ORSA process is a circular process that relies on key elements of the business:

- The Board outputs – Strategy, Capital Management Plan and Risk Appetite
- Business planning – providing the basis for the base case projections
- The Solvency II Pillar I standard formula 3 year outputs & base assumptions used
- The Board – who review, challenge and, as appropriate, approve the test scenarios, the ORSA process and output
- The Actuarial Function – who quantify technical provisions and provide other input into the Pillar I model
- The Risk function and management who quantify the Pillar I capital requirements, assess the outputs and prepare the reports
- ORSA reporting to all stakeholders

The key activities in the ORSA Process are:

- Strategy & planning
- Pillar I base outputs and assumptions
- Risk identification & assessment
- Scenario setting
- Scenario testing through the Pillar I model & production of test output
- Review of test output & report preparation
- Management review & Board review & reporting

Each run of the ORSA process will be appropriately documented to evidence each of its constituent parts, and this record will be retained for any later scrutiny. The documentation shall contain:

- A summary of the Board strategy for the Company
- The Risk Appetite Statement
- The Pillar I standard assumptions & output
- The schedule of scenarios to be tested, cross-referenced to the risk categories in the Board's risk appetite, and quantification of deviations from the base assumptions
- The scenario test results
- The ORSA report
- Any relevant minutes relating to scrutiny, review & challenge of the ORSA process & outputs

B.3.2.3 Relationship between solvency needs, risk profile, capital management and risk management

The ORSA enables the Board to assess EICL's capital needs over the planning horizon, which is three years. The ORSA is carried out taking due account of EICL's specific risk profile and includes both 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 risks are taken into account in the ORSA process.

The capital management policy has been established to ensure that EICL has in place the appropriate levels and quality of capital both as required by the SCR calculation and as determined by the ORSA. The policy aims to ensure that appropriate plans are in place to enable EICL to meet its capital requirements both in the immediate and the medium-term future and that all items of its own funds comply with the relevant rules, regulations and legislation. The Capital Management Plan identifies a number of potential sources of capital and associated corrective actions that may be utilised to restore sufficient capitalisation, depending on the severity of the capital requirements placed upon EICL. When considering the sources of capital and corrective actions, EICL's plan incorporates the Solvency II own fund requirements. In addition, as part of its capital planning, the Company integrates projected capital needs with its business planning and financial forecasting processes.

The Board takes due account of the available capital, the Company's risk profile, future business plans and the outcome of the ORSA in an iterative cycle. Any material changes in the underlying risks, such as changes in business mix, reinsurance strategy and investment strategy, are modelled for potential impact upon EICL's capital requirements. The result of this process is to ensure that all material risks feed into the capital requirements analysis, and in some cases also trigger further investigation through stress testing.

B.4 Internal control system

B.4.1 Internal controls

EICL is committed to managing its business in a risk-focused manner. In order to achieve this, appropriate controls have been put in place to reduce risks where possible. Risk management and the adherence to internal controls are an integral part of EICL's culture.

Responsibility for establishing an appropriate internal control environment rests with the Board as a whole and its directors individually. EICL has established internal control systems which take due account of the nature of the business. Responsibility for adherence to internal controls rests with all individuals involved in the management and operation of the business.

The internal control policy aims at ensure that:

- Processes and procedures exist for the identification and assessment of risks
- Appropriate processes and procedures are in place to control identified risks
- Individuals involved in the business are trained and aware of their role with regard to internal controls
- Appropriate monitoring and review processes are in place

Key controls that operate to mitigate risks are recorded in the appropriate risk register. The internal control framework for EICL is subject to review by EICL's internal audit function.

The Group Risk and Audit Committee provides an additional layer of oversight and assurance within the internal control framework. It supports the effectiveness of risk management, compliance, and internal audit functions by challenging and reviewing key control activities across the Group.

B.4.2 Compliance function

B.4.2.1 Implementation of compliance function

The Compliance function is an integral and significant element of EICL's business, responsible for ensuring that EICL complies with all relevant rules, regulations, guidance and legislation with regard to both Gibraltar and UK requirements.

The Compliance function has established the Compliance Monitoring Programme which is approved by the Board on an annual basis. The Compliance function reports to the Board and the Audit, Risk and Reserving Committee with regard to any relevant changes in the legal environment in which EICL operates and any tasks carried out during the quarter.

B.4.2.2 Independence and authority of compliance function

The Compliance function is authorised to have full and unrestricted access to all information, records, property, personnel and activities across the business, including those managed by outsourced providers.

The Board considers and approves the Compliance Monitoring Programme to ensure that all relevant areas are captured and receives the quarterly compliance reports, but does not otherwise seek to instruct or influence the Compliance function.

B.5 Internal audit function

Internal Audit is an objective and independent activity, whose role is to help management achieve EICL's objectives by constantly improving the effectiveness of EICL's operations. It is responsible for evaluating management's approach to risk management and governance, with particular emphasis on systems of internal control. It investigates the manner in which EICL's processes and controls operate in order to assess their effectiveness in ensuring compliance with strategy and policies.

The internal audit function covers all aspects of EICL's business. In particular, it considers:

- Governance
- Risk management
- Compliance
- Conduct risk
- Underwriting and pricing
- Claims handling and reserving
- IT and business continuity
- Reinsurance

- Finance and treasury
- Outsourcing
- ESG and climate change

The Board member responsible for Internal Audit oversees a three-year plan to ensure that all relevant areas are covered within an appropriately determined timeframe, taking into account the relevant risks and uses this plan as the basis for the detailed annual plan. The outsourced internal audit function carries out its examination at least once per annum and as requested on an ad hoc basis on any additional areas.

EICL outsources the internal audit function to EY.

A number of internal assurance processes and procedures will be taken into account by the outsourced provider in discharging their duties:

- The Board carries out an internal review of the governance, risk management and business planning systems and processes, including its own procedures, on an annual basis
- While the majority of claims are now handled directly by ECL, as set out in the service agreement, members of the ECL team carry out quality assurance and periodic audits (at least annually) of outsourced external claims handlers, and report to the EICL Board
- Internal Audit will liaise with and leverage the work of the external auditors

After each audit, appropriate reports are produced that provide assurance, insights, and recommendations regarding EICL's processes, risks, and controls.

B.5.2 Independence and objectivity of the internal audit function

Internal Audit is outsourced to EY, which has the required skillset and experience and is not involved in any operational aspects of the business. This ensures that the function is independent, objective, and impartial and not subject to influence from the Board or management.

Internal Audit is authorised to review all areas of EICL (as necessary) and its business, and is therefore entitled to have full and unrestricted access to all information, records, property, personnel and activities. Management and staff have a duty to make requested information available promptly and to assist with any enquiries.

B.6 Actuarial function

B.6.1 Implementation of actuarial function

The role of the Actuarial function is to provide the Board with an independent perspective on key insurance aspects of EICL's operations. This will ensure that the Board is fully informed of matters that may impact the business.

EICL uses an external, independent actuarial firm (Insight Risk Consulting) to make quarterly and annual reserving recommendations to support the internal Actuarial function.

The Actuarial function is responsible for the following areas:

- Coordinate the calculation of the firm's technical provisions (and the Quarterly Reserve Review)
- Ensure the appropriateness of the methodologies and underlying models used as well as the assumptions made in the calculation of technical provisions
- Assess the sufficiency and quality of the data used in the calculation of technical provisions against the data quality standards as set in Solvency II
- Inform the Board of the reliability and adequacy of the calculation of technical provisions
- Express an opinion on the overall underwriting policy
- Express an opinion on the adequacy of reinsurance arrangements
- Contribute to the effective implementation of the risk management system
- Prepare the Actuarial Function Report
- Provide the Actuarial Report on Technical Provisions.

The Actuarial function reports its findings to the Board at least annually, covering all areas for which it is responsible. The report should be appropriate to assist the Board in its decision-making process and to identify to the Board areas where improvements are required. The report should also identify any material uncertainty about data accuracy and explain the approach taken in light of this uncertainty.

B.7 Outsourcing

B.7.1 Outsourcing policy

Outsourcing is the contracting out of all or part of an internal process or internal activities to a third party provider on a continuous basis. The Group makes use of both external and intra-group outsourcing arrangements and has in place Group procurement procedures including an outsourcing policy at EICL, which ensures that all outsourcing will:

- Support EICL's business strategy and key objectives
- Provide customers with an experience at least as good – or better – than an in-house alternative
- Enable the firm to deliver a service experience to customers at a cost consistent with EICL's cost objectives/budget/business plan
- Enable EICL to exercise control over outsourced service providers to ensure that any risks are properly identified, understood and appropriately mitigated
- Enable EICL to demonstrate that its responsibilities in respect of outsourced activities are being effectively discharged

While EICL outsources certain key activities, EICL retains all decision-making powers and ultimate accountability for all outsourced services.

The outsourcing policy sets out the following:

- The definition of outsourcing
- Responsibility for implementation and operation of the policy and consequent controls and processes
- The criteria for outsourcing

- Due diligence on potential providers
- Establishment of appropriate contractual arrangements which clearly define responsibilities and allow adequate supervision and control
- Establishment of appropriate contingency planning, including terminating or exiting the arrangement
- Periodic audit requirements
- Records of outsourced arrangements
- The approval process
- Regulatory and legal contract requirements
- Risk assessment and risk mitigation measures
- Monitoring and on-going requirements

B.7.2 Outsourced functions and activities

The following table sets out the key functions outsourced by EICL during the year:

EICL Function/Services	Provider	Jurisdiction
Policy administration and processing	Extracover Limited	United Kingdom
Claims handling, case reserving and settlement (run off of existing reported claims)	Crawford & Company; Davies Group	United Kingdom
Claims handling, case reserving and settlement	Extracover Limited	United Kingdom
Assistance with insurance management including compliance services (contract terminated November 2024)	Artex Risk Solutions	Gibraltar
Company secretarial services (until June 2024)	Artex Risk Solutions	Gibraltar
Company secretarial services & Payroll (from July 2024)	Line Group	Gibraltar
Internal audit	EY	Gibraltar
Actuarial function services (quarterly and year end independent reserve review)	Insight Consulting Ltd	United Kingdom

B.8 Any other information

There is no other material information to disclose regarding the system of governance during the reporting period.

C. Risk Profile

EICL's governance framework sets out the type and level of risk which EICL is willing to accept in the achievement of its strategic objectives. This framework provides both qualitative and quantitative measures and limits, which are taken into account in making key business decisions.

EICL's appetite is for the business to focus on the provision of commercial and personal motor insurance for individual cars, vans and scooters, along with motor related ancillary covers. All business is underwritten in the UK.

As EICL only commenced trading in October 2019, the firm currently holds all financial assets in cash deposits with banks that are A-rated or better. The wider group also holds all of its financial assets in cash deposits with secure banks.

The Group and EICL's risk components with the Solvency Capital Requirement ("SCR") as at 31 December 2024 are set out in the table below:

	Group	EICL	
Risk Category	2024 % of SCR	2024 % of SCR	2023 % of SCR
Market Risk	8.5%	2.8%	15.9%
Counterparty Risk	37.1%	28.2%	25.7%
Non-Life Underwriting Risk	44.1%	56.0%	40.7%
Operational Risk	10.3%	13.0%	17.7%
Total	**100%**	**100%**	**100%**

C.1 Underwriting risk

C.1.1 Material risks

Underwriting risk arises from the risk of loss due to incorrect selection of risks or pricing leading to changes in insurance liabilities. This can arise from inadequate risk selection or pricing, inappropriate reserving, or other fluctuations in the timing, frequency and severity of insured events.

EICL distributes all business via the group intermediary in the UK. Whilst the UK motor industry is highly competitive, EICL, through the Zego brand, operates in a niche specialised segment of the market providing short term hire and reward policies to workers looking to make a living through the use of their vehicles and also complimentary Social, Domestic and Pleasure (SDP) policies to existing customers. However, the motor market continues to be subject to numerous regulatory and legislative changes and is highly sensitive to the economic environment, the behaviour of policyholders, the actions of other service providers to the industry, such as claimant lawyers and claims management companies and the behaviour and practices of competitors.

EICL manages underwriting risks through regular review of performance information, encompassing loss ratios, frequency, and cost of claims, policy conversion by market sub-segment.

The following are the key underwriting and reserving risks identified by management:

- Poor underwriting guidelines/rules for the target market, resulting in unintended claims being captured or risks outside appetite being written
- Ineffective pricing models/processes, resulting in adverse loss ratio due to pricing not covering expected frequency/severity and/or concentration in poor risk segments
- Application fraud: failure to deal with potentially fraudulent risks at point of application/sale, and associated claims cost
- Case/IBNR reserves set too high or too low, claims settling at higher/lower levels than anticipated leading to higher/lower than expected profit/solvency and underwriting based on incorrect information
- Claims fraud: failure to deal with potentially fraudulent claims, which increases claims cost unnecessarily

C.1.2 Risk concentration

EICL's business comprises solely of motor insurance, therefore leading to some risk concentration due to exposure to market factors. However, within this class of business, EICL writes a variety of different categories of risks within the verticals of Delivery, Van, Ride-Hailing and Private Car; further the shorter-term policies allow the business to respond quickly on pricing to changing market conditions.

C.1.3 Risk mitigation

EICL seeks to mitigate underwriting risk through the purchase of reinsurance protection and the implementation of appropriate controls.

EICL purchases both Excess of Loss and Quota Share reinsurance from reputable reinsurance partners rated 'A' and above, to protect the business against the impact of large losses and to assist with the effective management of capital. The Excess of Loss programme covers all losses in excess of £1.0m, and the Company has also purchased a proportional Quota Share reinsurance treaty such that the Company retains 30% of each and every motor risk.

In addition, EICL further mitigates underwriting risk through the following:

- Price monitoring and review of individual segments/risk factor analysis
- Mix of business reporting: monthly analysis and review of performance including loss ratios, frequency, and business mix
- Periodic claims performance MI
- Periodic internal audits within the claims team
- Independent technical claims audits
- Annual independent review of reserves and Actuarial Function Holder review
- Regular reports of quotes, business written, claims and loss ratios provided to the Board and management
- Ongoing review of performance and footprint by management
- Appropriate reports produced for Claims and Pricing & Underwriting Committees

- Board sign-off of Excess of Loss and Quota Share reinsurance programmes
- Periodic audits of claims handler
- Reports to the board on sanctions, anti-money laundering and fraud risk.

C.1.4 Stress and sensitivity testing

EICL carries out stress and sensitivity testing as part of the ORSA process, which is carried out at least annually. This considers stresses both with regard to business volumes, future loss ratios, default of counterparties and the run-off of existing reserves. This showed that the greatest sensitivity arises from changes in future loss ratios driven by a change in frequency of large bodily injury or deterioration in existing reserves due to changes in loss ratios. However, given the high level of reinsurance protection purchased by the firm, and that many of the risks sold by EICL are short term in nature the Board feels that EICL is in a strong position to respond to adverse development of attritional loss ratios should this situation arise. However, and on account that EICL still has a relatively short development history, EICL maintains a reserving margin over and above the Actuarial Best Estimate. The Board believes that the stress testing of future loss ratio deterioration also covers an increase in claims costs arising from poor claims handling and inadequate reserving.

C.2 Market risk

C.2.1 Material risks

Market risk arises from changes in the income generated by investments or from changes in the value of such investments and includes:

- Interest rate risk
- Spread risk
- Equity risk
- Currency risk
- Property risk
- Concentration risk

The Group does not hold any fixed income investments, equity holdings or property investments. The current investment approach is focused on capital preservation and as such the Group's cash balances are held in bank deposits with secure banks. The UK entities hold small cash reserves of EUR and USD, exposing the Group to a minor amount of currency risk.

The main market risk to which the Group is exposed is the complete failure of a bank and falling interest rates that reduce the overall investment returns after allowing for the effect of inflation. The Group is not exposed to any 'mark to market' fluctuations in the value of its investments.

C.2.2 Risk concentration

As at 31 December 2024, EICL held its cash assets across three different banks (Barclays, NatWest and HSBC) and an investment manager (Hambros). The Hambros portfolio is invested in JP Morgan liquidity fund and UK government bonds. These are all A-rated or better, with NatWest being part owned by the UK Government. The wider group held the majority of its funds with Barclays, with smaller amounts held across a number of other secure banks.

C.2.3 Risk mitigation

The Group is not exposed to material market risk, however, management monitor the position through the following mechanisms:

- Regular review of cash balances and exposure to the banking counterparty
- Cash flow reviews
- Investment policy with agreed limits

The Group has a very conservative investment approach with all investments held in cash or short term notice accounts. The Group does not hold any securitised investments or derivative instruments. The cash balances are, by definition, liquid and there are no areas of judgement required in arriving at the value of these balances. The Group does not undertake any unusual or non-routine investment activities.

The average duration of EICL's asset portfolio is monitored to ensure it is closely matched against the average duration of its insurance liabilities. This process helps to minimise the Company's balance sheet exposure to interest rate risk.

C.2.5 Stress and sensitivity testing

Given the cautious nature of the Group's investment approach, stress tests during EICL's ORSA process in respect of Market Risk have been limited to a shock to the risk free interest rate used to discount cash flows under Solvency II under the Standard Formula. The results of these stress tests did not materially alter the firm's solvency coverage.

C.3 Credit risk

C.3.1 Material risks

Credit risk arises from the risk that parties who owe money to EICL or the wider group are unwilling or unable to pay the amounts due. Credit risk for the Group arises from:

- Banking counterparties; and
- Reinsurance counterparties

For EICL, intra-group credit risk also arises from premiums due from the UK intermediary (ECL).

The Group aims to minimise counterparty risk arising from its operations through the careful selection of counterparties and close management and control of amounts due to the Group. The terms of the arrangement between EICL and ECL include strict terms of credit and the intermediary is required to hold any premiums collected in a designated client account.

C.3.2 Risk concentration

The Group's material concentrations as at 31 December 2024 are as follows:

- Exposure to a single banking counterparty. Total exposure as at 31 December 2024 amounted to £29.1m, none of which was overdue.
- The balance due from Excess of Loss reinsurers as at 31 December 2024 amounted to £0.0m (31 December 2023: £0.0m), none of which was overdue.

- Net amounts due from Quota Share reinsurers amounted to £22.5m (31 December 2023: £21.8m), none of which was overdue.

For EICL, premium debtors due from the UK service company as at 31 December 2024 amounted to £9.0m (31 December 2023: £4.3m), none of which was overdue.

C.3.3 Risk mitigation

The Group mitigates credit risk through a number of mechanisms:

- Distribution through one intermediary with short credit terms
- Appropriate rating for reinsurance counterparties
- Use of an experienced reinsurance broker
- Appropriate rating of banking counterparties
- Document controls/checks around the collection of instalment premiums

C.3.4 Stress and sensitivity testing

The Group depends to a large extent on its reinsurance program in mitigating risk. Hence the credit risk arising from these arrangements needs to be appropriately managed. The risk of reinsurers suffering a credit downgrade is therefore one of the stresses considered as part of EICL's ORSA process.

Due to the diversification of reinsurers, EICL has limited exposure to this risk from an Excess of Loss perspective, but is more exposed to this risk in respect of the proportional Quota Share that reinsures 70% of EICL's risk (increased to 75% from 1 January 2025) – this reinsurance has been placed with three of the largest and strongest counterparties in the market, all of which have a AA credit rating.

C.4 Liquidity risk

C.4.1 Material risks

Liquidity risk is the risk of losses from the inability of EICL or the wider group to pay its liabilities as they fall due. The Group has an extremely low level of liquidity risk, due to the nature of its asset base with all funds held in cash or cash equivalents.

EICL's reinsurance partners all have strong balance sheets and as such the Board does not believe the structure of the firm's reinsurance arrangement creates any liquidity issues.

The Group therefore does not have any material liquidity risk exposure.

C.4.2 Risk concentration

There are no material liquidity risk concentrations due to the investment approach of EICL and the wider Group.

C.4.3 Risk mitigation

Liquidity risk is mitigated through the Group's investment approach, third party and intra-group credit terms, and reinsurance arrangements.

C.4.4 Stress and sensitivity testing

Liquidity risk is not subject to separate stress and sensitivity testing as the risk is not considered to be material to EICL or the Group.

C.5 Operational risk

C.5.1 Material risks

Operational risk arises from failed internal processes, procedures or controls, from personnel or systems failures, from external events or from a failure to comply with legislation, regulations or other obligations. Reputational risks have also been considered in this category.

The Group has identified the following key operational risks:

- Breach of data protection rules, including GDPR
- IT system failures
- Reliance on third party outsourcing arrangements, particularly in the area of claims handling
- Reliance on key personnel
- Mis-selling or poor customer outcomes, especially in light of the UK FCA's Consumer Duty requirements

Operational risks are identified, assessed and set out in EICL's risk register, along with appropriate controls. The risk register is discussed on a regular basis by the EICL Board, with input from all relevant functions and activities within the business.

C.5.2 Risk concentration

EICL has a dependency upon Extracover Limited, the Group's MGA, for implementation of customer facing operations and operation of group-wide IT infrastructure and applications. These risks are managed through collaborative working arrangements and appropriate oversight of operational performance.

C.5.3 Risk mitigation

EICL has a strong internal control framework to mitigate operational risk. This encompasses the following key controls in managing operational risk:

- Peer review processes for MI production and analysis
- Detailed analysis and review of monthly MI
- Peer review processes for financial information and payments
- Oversight, monitoring and audits of claims handler
- Data integrity and other IT controls at service providers
- Disaster Recovery and Business Continuity plans
- Automation and standardisation of financial processes

The reliance on key personnel is being mitigated through EICL's hiring plan to grow the team and through formalising knowledge sharing amongst team members.

C.5.4 Stress testing and sensitivity analysis

Operational risk is included in the Standard Formula, with an appropriate risk charge calculated. In addition, a number of operational risks would directly impact underwriting risk and are therefore also captured. As part of the ORSA process, EICL also considers those risks which may not be fully captured in the Standard Formula, in particular the exposure to outsourced service providers and various reputational risks. These risks are managed through appropriate controls and other mitigating actions, such as close involvement of the Board in all key operational decisions.

C.6 Other material risks

There are several external socio-economic risks impacting the UK motor insurance market and wider economy more generally, which could significantly impact the Group's operations, financial stability and risk management strategies.

- Emerging technologies: AI and autonomous vehicles introduce new risks and liabilities necessitating the need for innovative products and risk management frameworks
- Cybersecurity threats: increase in data breaches, ransomware attacks and hacking
- Evolving consumer behaviour: wide scale shift from personal to commercial vehicle ownership, and preference by many for travelling by public transport
- Financial crime: increasing inflationary pressures on households is expected to result in more attempts at fraud-related financial crime, such as 'ghost broking'

These developments are being monitored closely by the Group in order to respond to the challenges in a timely and efficient manner. Emerging Risks are also discussed at EICL's Audit, Risk & Reserving Committee and EHL's Risk & Audit Committee.

C.7 Any other information

There is no other material information to disclose regarding risk during the reporting period.

D. Valuation for Solvency Purposes

D.1 Assets

The following bases, methods and assumptions have been used in valuing each material class of assets of Solvency II purposes.

The material classes of assets as at 31 December 2024, except for reinsurance technical provisions, are as set out in the table below:

	Group		EICL	
Description	GAAP Value £'000s	Solvency II Value £'000s	GAAP Value £'000s	Solvency II Value £'000s
Goodwill	-	677	-	-
Deferred acquisition costs	-	1,166	-	-
Intangible assets	-	1,412	-	-
Property, plant & equipment held for own use	-	91	-	-
Investments (other than assets held for index-linked and unit-linked contracts)	13,923	13,923	13,923	13,923
Reinsurance recoverables	29,305	43,295	29,305	43,544
Insurance and intermediaries receivables	2,926	4,786	0	10,212
Reinsurance receivables	895	-	895	(51)
Trade receivables	4,668	-	-	-
Cash and cash equivalents	58,838	58,838	16,147	16,120
Any other assets	91	7,103	-	1,668
Total	**110,646**	**131,290**	**60,270**	**85,418**

D.1.1 Deposits, cash and cash equivalents

At the year end, the Group held £58.8m in cash and cash equivalents and £13.9m in collective investment undertakings with banking counterparties. 97% of total Group cash held as at 31 December 2024 was in GBP.

Deposits, cash and cash equivalents are valued at fair value, based on the actual balances held, and the Group has online access to bank balances and also receives monthly statements.

The valuation of these assets is the same for GAAP and Solvency II and no estimates or judgements have been used. For GAAP purposes accrued interest is reported separately. There has been no change in the basis on which these items are valued and recognised.

D.1.2 Insurance and intermediaries receivables

Insurance and intermediary receivable items on a GAAP basis represent premiums owed to EICL from its broker less commission and including IPT. At the year end, EICL was owed £8.9m (2023: £7.0m) which was due but not yet payable from the UK service company in respect of insurance premiums. As at 31 December 2024 no amounts due were overdue.

Premiums receivable are valued at fair value, being the amounts recoverable, and as no other amounts are overdue, there have been no significant estimates or judgements made in arriving at the valuation. There has been no change in the valuation and recognition basis during the year.

While the assets are valued on a consistent basis both for GAAP and Solvency II, for Solvency II valuation purposes premium debtors are set against technical provisions to the extent that they are not overdue.

D.1.3 Reinsurance receivables

The reinsurance receivables balance on a GAAP basis amounted to £0.0m as at 31 December 2024 (2023: £0.0m), which comprises advance payments of reinsurance premiums paid to the Excess of Loss reinsurers.

D.1.4 Trade receivables

These items are valued at fair value, being amounts recoverable and no significant estimates or judgements are required. There are no differences in valuation for GAAP and Solvency II purposes and there has been no change in the valuation and recognition during the year. EICL had no trade receivables as at 31 December 2024.

D.1.5 Deferred acquisition and processing costs

Deferred acquisition and processing costs represent commission, policy administration and similar expenses directly related to the acquisition and processing of policies, which are deferred over the period relating to the underlying unearned premiums. On 31 December 2024 EICL had £1.3m (2023: £0.9m) of deferred acquisition costs.

The Solvency II balance sheet is prepared on the basis of best estimates of future cash flows. Deferred acquisition costs do not result in future cash flows and these amounts are therefore excluded from the Solvency II balance sheet. There has been no change in the recognition and valuation basis during the year.

D.1.6 Other assets

Other assets of £0.3m (2023: £0.2m) on a GAAP basis represent deferred Motor Insurance Bureau (MIB) levies that are accrued for and earned in line with premiums, and prepayments. As these amounts do not result in future cash flows they are excluded from the Solvency II balance sheet.

D.2 Technical provisions

Technical Provisions represent the insurance liabilities as at the reporting date. As the Solo entity is the only underwriting entity in the Group the technical provisions are the same at a Group and

Solo level. EICL's gross and net Technical Provisions by business line are set out in the tables below:

EICL 2024	Motor Liability £'000s	Other Motor £'000s	Total £'000s
Gross best estimate technical provisions	32,333	3,254	35,587
Risk margins	439	20	459
Total gross provisions	32,772	3,274	36,046
Reinsurance recoverables	(26,562)	(2,744)	(29,305)
Net technical provisions	**6,210**	**530**	**6,741**

EICL 2023	Motor Liability £'000s	Other Motor £'000s	Total £'000s
Gross best estimate technical provisions	33,505	3,414	36,919
Risk margins	285	32	317
Total gross provisions	33,791	3,446	37,237
Reinsurance recoverables	(27,882)	(2,714)	(30,596)
Net technical provisions	**5,909**	**731**	**6,640**

D.2.1 Bases, methods and assumptions

D.2.1.1 Best estimate

The starting point for the valuation of technical provisions is the best estimate of claims costs, both on earned and on unearned exposure, for all business written at the valuation date. This assessment is carried out internally by EICL and validated for reasonableness by the independent external actuary.

Management then applies payment patterns to the actuarial best estimate, based on historical information and reasonable assumptions and judgements, to convert the best estimate to future cash flow.

D.2.1.2 Expenses

The cost of running of the existing insurance obligations is estimated, on the basis that EICL will continue to write other business. This is based on the current levels of expenditure and takes due account of decreasing activity in the existing business lines.

D.2.1.3 Events not in data

There may be possible future events which are not reflected in the historical data of EICL or the market. Such events are referred to as Events Not in Data (“ENIDs”).

EICL has determined that an allowance for ENIDs would be immaterial at this point in time as there is no evidence to indicate that any negative items would outweigh positive ones.

D.2.1.4 Bound but not incepted

EICL may be contractually obligated to write certain business at the year end, although the risks will not incept until the following year. For example, renewal business for January 2025 will be invited prior to 31 December 2024. At this date, the value of such business, net of reinsurance, was estimated at £0.03m (2023: £0.03m).

D.2.1.5 Discounting

Cash flows are discounted using the risk free interest rate structure as provided on a monthly basis by EIOPA.

D.2.1.6 Risk margin

The risk margin is calculated using simplification method 3. This assumes that future SCRs are proportional to the best estimate technical provisions over time and projects future SCRs at this rate. A cost of capital rate of 4% is applied to each SCR estimate and discounted back using Bank of England yield curves.

D.2.1.7 Allocation to lines of business

Best estimates and cash flows are calculated separately for each line of business. However, all of EICL’s business comprises motor, which is required to be split for Solvency II purposes into motor liability and other motor. It is not normal practice in the UK market to rate motor business on this basis, and EICL therefore needs to apply a different methodology to calculate this split.

EICL uses claims heads of damage to split its motor business into the Solvency II classes. Bodily injury and third party property damage are allocated to motor liability, with accidental damage, windscreen, fire and theft being allocated to other motor.

D.2.1.8 Reinsurance recoverables

EICL has reinsurance recoverables arising from its Excess of Loss and Quota Share arrangements. Such items are calculated on a consistent basis with gross technical reserves, reflecting best estimates of both expired and unexpired risks, converted to cash flows and discounted at the appropriate risk free rate.

Amounts due from and payments due to reinsurers are included in the technical provision to the extent they are not overdue. The calculation also makes allowance for the possibility of insurer default, based on the counterparty’s rating and the level of exposure.

D.2.1.9 Simplifications

No material simplifications have been used in the calculation of technical provisions.

D.2.2 Uncertainty

Technical provisions require judgement and estimations and therefore contain an element of uncertainty. Key areas of uncertainty in the firm's technical provisions are:

- **Outstanding reserves:** Reserves on reported claims are based on reasonable estimates, reflecting information known at the balance sheet date. Ultimate settlement of these claims may differ from estimates.
- **Future losses:** Future losses arise on both expired and unexpired risks and the estimation of these losses is based on actuarial assumptions. Such assumptions will take account of past performance and known or anticipated future changes, and may ultimately prove to differ from actual experience.
- **Other estimates:** Technical provisions include assumptions as to expenses, events not in data and bound but not incepted risks. While these assumptions are prepared on a best estimate basis, reflecting historical experience where appropriate, they could ultimately prove to be inappropriate.
- **Legislative and market factors:** The UK motor market has been subject to material changes in the past, encompassing legislative, economic and behavioural changes. Similar changes in the future are difficult to predict, but could ultimately impact best estimates and future cash flow.

EICL seeks to minimise the level of uncertainty through a robust process involving external actuarial advice. Claims performance is closely monitored to ensure that changes in trends are identified and appropriately reflected in future projections.

D.2.3 Differences between Solvency II and GAAP valuation

The starting point for both Solvency II and GAAP valuation of technical provisions is the actuarial best estimate reserves. Key differences between the valuation bases are:

- GAAP valuation of gross reserves may include a margin above best estimate. Solvency II valuation is required to be at best estimate and any margin is removed
- GAAP valuation includes unearned premium, being the premium which reflects the unexpired risk exposure. Under Solvency II, the unearned premium is replaced by future claims expected to arise on this unearned exposure
- GAAP reserves do not include run-off expenses
- GAAP reserves may not include events not in data
- GAAP reserves do not make allowance for bound but not incepted business
- GAAP reserves are calculated without a risk margin
- Insurance and intermediaries receivables are set against total gross technical provisions for Solvency II valuation purposes, to the extent that they are not overdue, while they are shown as a separate item on the balance sheet for GAAP reporting
- Reinsurance receivables and payables are set against technical provision reinsurance recoverables for Solvency II valuation purposes, to the extent that they are not overdue, while they are shown as a separate items on the balance sheet for GAAP reporting

The tables below show the movement from GAAP technical provisions to Solvency II technical provisions.

EICL 2024	Gross Technical Reserves £'000s	Reinsurance Recoverables £'000s	Total £'000s
GAAP reserves	52,585	42,039	10,546
Remove management margin	(2,465)	-	(2,465)
Premium debtor/creditor	(9,491)	(3,806)	(5,685)
UPR Profit/(loss)	(4,050)	(2,792)	(1,258)
Remove DAC	(1,166)	(1,585)	419
BBNI Profit (loss)	(8)	(5)	(2)
Run-off expenses and other adjustments	3,903	(1,694)	5,597
Reinsurance bad debt	-	(3)	3
Effect of discounting	(3,722)	(2,849)	(874)
Risk margin	459	-	459
Solvency II technical provisions	**36,046**	**29,305**	**6,741**

EICL 2023	Gross Technical Reserves £'000s	Reinsurance Recoverables £'000s	Total £'000s
GAAP reserves	49,755	41,321	8,433
Remove management margin	(2,710)	-	(2,710)
Premium debtor/creditor	6,967	(4,616)	11,583
UPR Profit/(loss)	(2,113)	(1,669)	(444)
Remove DAC	(950)	(925)	(25)
BBNI Profit (loss)	(95)	(67)	(29)
Run-off expenses and other adjustments	1,681	(1,038)	2,719
Reinsurance bad debt	-	(3)	3
Effect of discounting	(2,881)	(2,408)	(473)
Risk margin	317	-	317
Solvency II technical provisions	**49,971**	**30,596**	**19,375**

D.2.4 Transitional adjustments

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

D.2.5 Changes over the period

There have been no changes in the assumptions made since the previous period.

D.3 Other liabilities

The following bases, methods and assumptions have been used in valuing each material class of liabilities for Solvency II purposes.

The material classes of liabilities as at 31 December 2024, except for gross technical provisions and reinsurance payables (which form part of Solvency II trade payables), are as set out in the table below:

	Group		EICL	
Other Liabilities	GAAP value £'000s	Solvency II value £'000s	GAAP value £'000s	Solvency II value £'000s
Insurance & intermediaries payables	15,432	25,867	-	-
Reinsurance payables	5,912	-	5,912	-
Trade payables and accruals	20,000	19,825	7,304	4,199
Total	**41,345**	**45,693**	**13,216**	**4,199**

D.3.1 Insurance and intermediaries payables

The Group had an insurance and intermediary payables balance of £25.9m as at 31 December 2024, which includes an additional provision for sliding scale commissions, and excludes insurance creditor balances already included in Technical Provisions. EICL had no insurance and intermediary payables as at the balance sheet date.

There have been no changes in the valuation approach during the year.

D.3.2 Reinsurance payables

At 31 December 2024 the Group had £4.2m (2023: £4.6m) of reinsurance payables on a GAAP basis, being payments due under EICL's Quota Share arrangement. The amount due under the Quota Share arrangement represents the reinsurer's share of premiums net of claims and XoL costs, less reinsurance commission due to EICL. Settlements are made in arrears on a quarterly basis.

These amounts are valued at fair value, being the actual amounts payable. The key estimate in deriving the Quota Share balance is the actuarial best estimate loss ratio, as this drives the commission due to EICL, which varies with the performance of the business.

There have been no changes in the valuation and recognition basis during the year, and there are no differences in the underlying valuation for GAAP and Solvency II. However, for Solvency II purposes these items, to the extent they are not considered overdue, are set against technical provisions of reinsurance recoverables, whereas under GAAP they are shown separately on the balance sheet.

D.3.3 Trade payables and accruals

Trade payables and accruals comprises certain costs, including taxes, due at 31 December 2024. Examples of such costs include claims handling fees, insurance premium tax, levies and other accruals.

These items are valued at fair value, being the amounts payable. There have been no estimates or judgements and no changes in the recognition and valuation basis.

D.3.4 Deferred reinsurance commission

EICL receives commission from its reinsurance partners. This is earned in line with the underlying premium and commission relating to premium unearned at the reporting date is deferred to future periods. At 31 December 2024 EICL had a total of £1.7m (2023: £0.9m) in deferred commissions.

The Solvency II balance sheet is prepared on the basis of best estimates of future cash flows. Deferred reinsurance commissions do not result in future cash flows and these amounts are therefore excluded from the Solvency II balance sheet. There has been no change in the recognition and valuation basis during the year.

D.4 Alternative methods for valuation

No alternative methods for valuation have been applied.

D.5 Any other information

There is no other material information to disclose regarding the valuation of assets and liabilities during the reporting period.

E. Capital Management

E.1 Own funds

E.1.1 Management of own funds

E.1.1.1 Objectives, policies and processes in managing own funds

The Group maintains an efficient capital structure consistent with its risk profile and the regulatory and market requirements of its business. The objectives in managing capital are:

- to match the profile of its assets and liabilities, taking account of the risks inherent in the business;
- to maintain financial strength to support new business growth;
- to satisfy the requirements of its policyholders, regulators and rating agencies;
- to retain financial flexibility by maintaining strong liquidity and access to a range of capital markets;
- to allocate capital efficiently to support growth; and
- to manage exposures to movement in exchange rates.

The Solvency II regime has been effective from 1 January 2016 and establishes a new set of EU-wide capital requirements, risk management and disclosure standards which has been implemented into Gibraltar law under the Financial Services (Insurance Companies) Regulations 2020. The insurance entity within the Group, EICL, is regulated by the GFSC and is subject to insurance solvency regulations which specify the minimum amount and type of capital that must be held in addition to the insurance liabilities.

From 1 January 2025 onwards, EICL is in scope for Group Supervision by the GFSC meaning that EICL and the Group are independently required to meet a SCR calibrated to ensure a 99.5% confidence in the ability to meet obligations over a 12 month time horizon. The Group and EICL calculate their SCRs in accordance with the standard formula prescribed in the Solvency II regulations as the assumptions underlying the standard formula are considered to be a good fit for the Group's risk profile.

During the year, EICL was subject to the GFSC's capital adequacy requirements (which are based on EU Directive requirements). EICL aims to maintain capital at a level of 200% of these minimum requirements. At 31 December 2024, under Solvency II the total capital available to meet this requirement is approximately £20.0m (2023: £13.4m) which exceeds this 200% target. EICL manages its own regulatory capital by reference to both minimum capital requirements and solvency capital requirements under the EU's Solvency II Directive. Both the Group and regulated entities within it have complied with all externally imposed capital requirements throughout the year.

EICL has in place a Capital Management Policy to ensure that EICL has the appropriate levels and quality of capital to meet the SCR. The intention is for capital requirements to be met in both the immediate and medium-term future. While EICL's ORSA process is carried out formally on an annual basis, the capital requirements and own funds to meet these requirements are considered at least quarterly as part of the quarterly regulatory reporting process.

E.1.1.2 Time horizon for business planning and material changes

The Group's business planning period for capital management encompasses a three year time horizon, with emphasis on the current and next year. Given the unpredictability and historical volatility of the UK motor market, a longer time horizon would not be realistic. There have been no changes in the planning time horizon over the year.

E.1.2 Description of own funds

E.1.2.1 Structure, amount and quality of own funds

The Group currently only has basic own funds and no ancillary own funds. Own funds are composed entirely of Share Capital and the Reconciliation Reserve and therefore all qualify as Tier 1 funds. The tables below set out the own funds balances as at 31 December 2024:

Group Own Funds	Share Capital £'000s	Reconciliation Reserve £'000s	Total Eligible Own Funds £'000s
At 31 December 2024	206,024	(179,879)	26,145

EICL Own Funds	Share Capital £'000s	Reconciliation Reserve £'000s	Total Eligible Own Funds £'000s
At 1 January 2023	12,500	1,927	14,427
Movement during the year	-	(1,069)	(1,069)
At 31 December 2023	12,500	858	13,358
Movement during the year	5,000	908	5908
At 31 December 2024	**17,500**	**1,766**	**19,266**

The Reconciliation Reserve effectively represents retained earnings on a Solvency II valuation basis. There are no foreseeable dividends.

E.1.2.2 Terms and conditions of own funds

The Group's own funds are Tier 1 for Solvency II purposes, and have no terms or conditions attached. There are no restrictions affecting the availability and transferability of its own funds. The own funds are not redeemable and do not carry any guaranteed dividend or other return.

E.1.2.3 Difference in own funds between financial statements and Solvency II valuation

The difference in the valuation of own funds as shown in the Financial Statements compared to Solvency II is due to the valuation differences in the underlying assets and liabilities, as set out in the table below:

Group Own Funds	2024 Own Funds £'000s
Own funds per financial statements	**35,601**
Items with no value under SII	(4,618)
Replace reserves with Technical Provisions	3,969
Profit share	895
Risk margin	(420)
VAT assets	(897)
Sliders provision	(5,585)
QS provision	(2,800)
Own funds per Solvency II valuation	**26,145**

EICL Own Funds	2024 Own Funds £'000s	2023 Own Funds £'000s
Own funds per financial statements	**17,696**	**11,694**
Move to actuarial best estimate	2,465	2,710
Increase in profit commission	895	247
Adjusting other assets / liabilities	(320)	-
Earned expense adjustment	(953)	(841)
Unearned expense adjustment	(1,430)	(841)
UPR profit excluding unearned expenses	1,258	444
BBNI	2	29
Reinsurance bad debt	(3)	(3)
Discount	874	473
Risk margin	(459)	(317)
Deferred tax liability	(358)	(238)
QS provision	(400)	-
Own funds per Solvency II valuation	**19,266**	**13,358**

E.2 Solvency capital requirement (SCR) and minimum capital requirement (MCR)

E.2.1 SCR and MCR

The Group's SCR and MCR coverage is set out below:

	Group	EICL	
Solvency Coverage	2024 £'000s	2024 £'000s	2023 £'000s
Eligible Own Funds	26,145	19,266	13,358
Solvency Capital Requirement	9,189	7,621	6,251
SCR Coverage	**285%**	**253%**	**214%**
Minimum Capital Requirement	3,500	3,500	3,495
MCR Coverage	**747%**	**550%**	**432%**

All capital is Tier 1 and therefore fully eligible to cover the SCR and MCR.

In accordance with the Solvency II standard formula a firm's SCR Non-Life underwriting risk is predominantly a function of the firm's volume measure for premium and reserve risk. Such volume measures are determined by taking the higher of the premium and reserve risk volume for the previous 12 months or following 12 months as at the calculation date. Such volume measures are the amounts net of reinsurance.

As at 31 December 2024, the Group complied with both its SCR and its MCR.

E.2.2 SCR by risk module

The following table sets out the Group's SCR broken down by risk module:

	Group	EICL	
SCR Risk Category	2024 £'000s	2024 £'000s	2023 £'000s
Market Risk	936	239	1,271
Counterparty Default Risk	4,079	2,435	2,049
Non-Life Underwriting Risk	4,848	4,848	3,256
Operational Risk	1,127	1,127	1,108
Total before diversification between risk modules	10,991	8,650	7,684
Diversification	(1,802)	(1,028)	(1,432)
Solvency Capital Requirement	**9,189**	**7,621**	**6,251**
Minimum Capital Requirement	3,500	3,500	3,495
MCR as % of SCR	38.1%	45.9%	55.9%

E.2.3 Simplifications

No simplified calculations have been used in applying the standard model and no undertaking specific parameters have been used.

E.2.4 Changes over the period

There have been no other material changes to SCR or MCR during the period, other than can be observed from this report as a result of growth in business.

E.3. Use of the duration-based equity risk sub-module in the calculation of the SCR

The duration-based equity sub-module has not been used in the calculation of the Solvency Capital Requirement.

E.4. Differences between the standard formula and any internal models used

The standard formula has been used for the calculations.

E.5. Non-compliance with the MCR and the SCR

There have been no instances of non-compliance of the MCR or SCR during 2024.

E.6 Any other information

There is no other material information to disclose regarding capital management during the reporting period.

Quantitative Reporting Templates

The following pages contain Quarterly Reporting Templates (QRTs) for the Group and Solo insurance entity, EICL.

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

The following **Group QRTs** are provided:

Template	Description
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.23.01.04	Own funds
IR.25.04.22	Solvency Capital Requirement
IR.32.01.22	Undertakings in the scope of the group

The following **Solo QRTs** are provided:

Template	Description
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 Insurance Claims Information
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

Group QRTs

IR.02.01.02 - 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**	0
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	13,923
Property (other than for own use)	**R0080**	0
Holdings in related undertakings, including participations	**R0090**	0
Equities	**R0100**	0
Equities - listed	**R0110**	0
Equities - unlisted	**R0120**	0
Bonds	**R0130**	0
Government Bonds	**R0140**	0
Corporate Bonds	**R0150**	0
Structured notes	**R0160**	0
Collateralised securities	**R0170**	0
Collective Investments Undertakings	**R0180**	13,923
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
Loans and mortgages	**R0230**	0
Loans on policies	**R0240**	0
Loans and mortgages to individuals	**R0250**	0
Other loans and mortgages	**R0260**	0
Reinsurance recoverables from:	**R0270**	29,305
Non-life and health similar to non-life	**R0280**	29,305
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**	0
Insurance and intermediaries receivables	**R0360**	2,926
Reinsurance receivables	**R0370**	895
Receivables (trade, not insurance)	**R0380**	4,668
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**	58,838
Any other assets, not elsewhere shown	**R0420**	91
Total assets	**R0500**	110,646

Liabilities

Technical provisions - total	**R0505**	36,008
Technical provisions - non-life	**R0510**	36,008
Technical provisions - life	**R0515**	0
Best estimate - total	**R0542**	35,587
Best estimate - non-life	**R0544**	35,587
Best estimate - life	**R0546**	0
Risk margin - total	**R0552**	420
Risk margin - non-life	**R0554**	420
Risk margin - life	**R0556**	0
Transitional (TMTP) - life	**R0565**	0
Other technical provisions	**R0730**	
Contingent liabilities	**R0740**	0
Provisions other than technical provisions	**R0750**	2,800
Pension benefit obligations	**R0760**	0
Deposits from reinsurers	**R0770**	0
Deferred tax liabilities	**R0780**	0
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**	25,868
Reinsurance payables	**R0830**	0
Payables (trade, not insurance)	**R0840**	19,825
Subordinated liabilities	**R0850**	0
Subordinated liabilities not in Basic Own Funds	**R0860**	0
Subordinated liabilities in Basic Own Funds	**R0870**	0
Any other liabilities, not elsewhere shown	**R0880**	0
Total liabilities	**R0900**	84,501
Excess of assets over liabilities	**R1000**	26,145

IR.05.02.01 - Premiums, claims and expenses by country

			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		GB					
			C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written	Gross - Direct Business	R0110	0	43,288	0	0	0	0	43,288
	Gross - Proportional reinsurance accepted	R0120	0	3,002	0	0	0	0	3,002
	Gross - Non-proportional reinsurance accepted	R0130	0	0	0	0	0	0	0
	Reinsurers' share	R0140	0	35,366	0	0	0	0	35,366
	Net	R0200	0	10,924	0	0	0	0	10,924
Premiums earned	Gross - Direct Business	R0210	0	36,795	0	0	0	0	36,795
	Gross - Proportional reinsurance accepted	R0220	0	4,865	0	0	0	0	4,865
	Gross - Non-proportional reinsurance accepted	R0230	0	0	0	0	0	0	0
	Reinsurers' share	R0240	0	31,851	0	0	0	0	31,851
	Net	R0300	0	9,809	0	0	0	0	9,809
Claims incurred	Gross - Direct Business	R0310	0	10,040	0	0	0	0	10,040
	Gross - Proportional reinsurance accepted	R0320	0	3,100	0	0	0	0	3,100
	Gross - Non-proportional reinsurance accepted	R0330	0	0	0	0	0	0	0
	Reinsurers' share	R0340	0	7,205	0	0	0	0	7,205
	Net	R0400	0	5,935	0	0	0	0	5,935
Net expenses incurred		R0550	0	4,976	0	0	0	0	4,976

			Home Country	Top 5 countries (by amount of gross premiums written) - life obligations					Total Top 5 and home country
			C0150	C0160	C0170	C0180	C0190	C0200	C0210
		R1400							
			C0220	C0230	C0240	C0250	C0260	C0270	C0280
Premiums written	Gross	R1410	0	0	0	0	0	0	0
	Reinsurers' share	R1420	0	0	0	0	0	0	0
	Net	R1500	0	0	0	0	0	0	0
Premiums earned	Gross	R1510	0	0	0	0	0	0	0
	Reinsurers' share	R1520	0	0	0	0	0	0	0
	Net	R1600	0	0	0	0	0	0	0
Claims incurred	Gross	R1610	0	0	0	0	0	0	0
	Reinsurers' share	R1620	0	0	0	0	0	0	0
	Net	R1700	0	0	0	0	0	0	0
Net expenses incurred		R1900	0	0	0	0	0	0	0

IR.05.04.02 - Non-life income and expenditure

					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	
							Motor vehicle liability insurance - non-personal lines	Motor vehicle other motor insurance - non-personal lines
					C0010	**C0015**	**C0141**	**C0151**
Income	Premiums written	Gross written premiums		**R0110**		46,290	41,661	4,629
			Gross written premiums - insurance (direct)	**R0111**		43,288	38,959	4,329
			Gross written premiums - accepted reinsurance	**R0113**		3,002	2,702	300
		Net written premiums		**R0160**		10,924	9,831	1,092
	Premiums earned and provision for unearned	Gross earned premiums		**R0210**		41,660	37,494	4,166
		Net earned premiums		**R0220**		9,809	8,828	981
Expend-iture	Claims incurred	Gross (undiscounted) claims incurred		**R0610**		13,140	11,826	1,314
			Gross (undiscounted) direct business	**R0611**		10,040	9,036	1,004
			Gross (undiscounted) reinsurance accepted	**R0612**		3,100	2,790	310
		Net (undiscounted) claims incurred		**R0690**		5,935	5,341	593
		Net (discounted) claims incurred		**R0730**	5,935	5,935		
	Analysis of expenses incurred	Technical expenses incurred net of reinsurance ceded		**R0910**	4,976			
		Acquisition costs, commissions, claims management costs		**R0985**	12,496	12,496	11,247	1,250
	Other expenditure	Other expenses		**R1140**	19,026			
	Total expenditure			**R1310**	42,433			

IR.23.01.04 - Own funds

Basic own funds		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Ordinary share capital (gross of own shares)	R0010	206,024	206,024		0	
Non-available called but not paid in ordinary share capital at group level	R0020	0	0		0	
Share premium account related to ordinary share capital	R0030	0	0		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
Non-available subordinated mutual member accounts at group level	R0060	0		0	0	0
Surplus funds	R0070	0	0			
Non-available surplus funds at group level	R0080	0	0			
Preference shares	R0090	0		0	0	0
Non-available preference shares at group level	R0100	0		0	0	0
Share premium account related to preference shares	R0110	0		0	0	0
Non-available share premium account related to preference shares at group level	R0120	0		0	0	0
Reconciliation reserve	R0130	-179,879	-179,879			
Subordinated liabilities	R0140	0		0	0	0
Non-available subordinated liabilities at group level	R0150	0		0	0	0
An amount equal to the value of net deferred tax assets	R0160	0				0
The amount equal to the value of net deferred tax assets not available at the group level	R0170	0				0
Other items approved by supervisory authority as basic own funds not specified above	R0180	0	0	0	0	0
Non available own funds related to other own funds items approved by supervisory authority	R0190	0	0	0	0	0
Minority interests (if not reported as part of a specific own fund item)	R0200	0	0	0	0	0
Non-available minority interests at group level	R0210	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						

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				
Deductions						
Deductions for participations where there is non-availability of information	**R0250**	0	0	0	0	0
Deduction for participations included by using D&A when a combination of methods is used	**R0260**	0	0	0	0	0
Total of non-available own fund items	**R0270**	0	0	0	0	0
Total deductions	**R0280**	0	0	0	0	0
Total basic own funds after deductions	**R0290**	26,145	26,145	0	0	0
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	0
Supplementary members calls	**R0360**	0			0	
Supplementary members calls - other	**R0370**	0			0	0
Non available ancillary own funds at group level	**R0380**	0			0	0
Other ancillary own funds	**R0390**	0			0	0
Total ancillary own funds	**R0400**	0			0	0
Own funds of other financial sectors						
Credit institutions, investment firms, financial institutions, alternative investment fund managers, UCITS management companies – total	**R0410**	0	0	0	0	
Institutions for occupational retirement provision	**R0420**	0	0	0	0	0
Non regulated entities carrying out financial activities	**R0430**	0	0	0	0	
Total own funds of other financial sectors	**R0440**	0	0	0	0	0
Own funds when using the D&A, exclusively or in combination of method 1						
Own funds aggregated when using the D&A and combination of method	**R0450**	0	0	0	0	0
Own funds aggregated when using the D&A and combination of method net of IGT	**R0460**	0	0	0	0	0

Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	**R0520**	26,145	26,145	0	0	0
Total available own funds to meet the minimum consolidated group SCR	**R0530**	26,145	26,145	0	0	
Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	**R0560**	26,145	26,145	0	0	0
Total eligible own funds to meet the minimum consolidated group SCR	**R0570**	26,145	26,145	0	0	
Consolidated Group SCR	**R0590**	9,189				
Minimum consolidated Group SCR	**R0610**	3,500				
Ratio of Eligible own funds to the consolidated Group SCR (excluding other financial sectors and the undertakings included via D&A)	**R0630**	2.8454				
Ratio of Eligible own funds to Minimum Consolidated Group SCR	**R0650**	7.4701				
Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)	**R0660**	26,145	26,145	0	0	0
SCR for entities included with D&A method	**R0670**	0				
Group SCR	**R0680**	9,189				
Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	**R0690**	2.8454				

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Reconciliation reserve		**C0060**
Excess of assets over liabilities	**R0700**	26,145
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**	206,024
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	**R0740**	0
Other non available own funds	**R0750**	0
Reconciliation reserve	**R0760**	-179,879

IR.25.04.22 - Solvency Capital Requirement

Rows		C0010
Net of loss-absorbing capacity of technical provisions		
Market risk	**R0140**	936
Interest rate risk	**R0070**	239
Equity risk	**R0080**	0
Property risk	**R0090**	0
Spread risk	**R0100**	0
Concentration risk	**R0110**	0
Currency risk	**R0120**	847
Other market risk	**R0125**	0
Diversification within market risk	**R0130**	-150
Counterparty default risk	**R0180**	4,080
Type 1 exposures	**R0150**	3,740
Type 2 exposures	**R0160**	439
Other counterparty risk	**R0165**	0
Diversification within counterparty default risk	**R0170**	-99
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
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**	4,848
Non-life premium and reserve risk	**R0330**	4,771
Non-life catastrophe risk	**R0340**	279
Lapse risk	**R0350**	0

Other non-life underwriting risk	**R0355**	0
Diversification within non-life underwriting risk	**R0360**	-201
Intangible asset risk	**R0400**	0
Operational and other risks	**R0430**	1,127
Operational risk	**R0422**	1,127
Other risks	**R0424**	0
Total before all diversification	**R0432**	11,442
Total before diversification between risk modules	**R0434**	10,991
Diversification between risk modules	**R0436**	-1,803
Total after diversification	**R0438**	9,189
Loss-absorbing capacity of technical provisions	**R0440**	0
Loss-absorbing capacity of deferred taxes	**R0450**	0
Other adjustments	**R0455**	0
Solvency capital requirement including undisclosed capital add-on	**R0460**	9,189
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**	9,189
Biting interest rate scenario	**R0490**	Increase
Biting life lapse scenario	**R0495**	
Information on other entities		
Capital requirement for other financial sectors (Non-insurance capital requirements)	**R0500**	0
Capital requirement for other financial sectors (Non-insurance capital requirements) - Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	**R0510**	0
Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational retirement provisions	**R0520**	0
Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement for non- regulated entities carrying out financial activities	**R0530**	0
Capital requirement for non-controlled participation requirements	**R0540**	0
Capital requirement for residual undertakings	**R0550**	0
Overall SCR		
Solvency capital requirement (consolidation method)	**R0555**	9,189
SCR for undertakings included via D and A	**R0560**	0
SCR for sub-groups included via D and A	**R0565**	0
Solvency capital requirement	**R0570**	9,189

IR.32.01.22 - Undertakings in the scope of the group

Identification code of the undertaking	Type of identification code of the undertaking	Country	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/ non mutual)	Supervisory Authority	Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
								% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if excluded	Method used and under method 1, treatment of the undertaking
C0020	**C0030**	**C0010**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0180**	**C0190**	**C0200**	**C0210**	**C0220**	**C0230**	**C0240**	**C0250**	**C0260**
213800PWERWK52ZV4X52	LEI	GB	Extracover Holdings Limited	5	Company limited by shares	2	Subject to Group Supervision under Solvency II by Gibraltar Financial Service Commission	1.0000	1.0000	1.0000		1	1.0000	1		1
15838575	SC	GB	Extracover Services Management Limited	10	Company limited by shares	2	Not a regulated entity	1.0000	1.0000	1.0000		1	1.0000	1		1
213800B1J8XY5U3ZU336	LEI	GI	Extracover Insurance Company Limited	2	Company limited by shares	2	Gibraltar Financial Services Commission	1.0000	1.0000	1.0000		1	1.0000	1		1
10128841	SC	GB	Extracover Limited	2	Company limited by shares	2	Financial Conduct Authority	1.0000	1.0000	1.0000		1	1.0000	1		1
510861474	SC	PT	Bahub Business Analysis Systems	10	Company limited by shares	2	Not a regulated entity	1.0000	1.0000	1.0000		1	1.0000	1		1
78737958	SC	NL	Zego Holdings BV	5	Company limited by shares	2	Not a regulated entity	1.0000	1.0000	1.0000		1	1.0000	1		1
78746930	SC	NL	Zego BV	2	Company limited by shares	2	Dutch Authority for the Financial Markets (Autoriteit Financiele Markten)	1.0000	1.0000	1.0000		1	1.0000	1		1

Solo QRTs

IR.02.01.02 - 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	0
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	13,923
Property (other than for own use)	R0080	0
Holdings in related undertakings, including participations	R0090	0
Equities	R0100	0
Equities - listed	R0110	0
Equities - unlisted	R0120	0
Bonds	R0130	0
Government Bonds	R0140	0
Corporate Bonds	R0150	0
Structured notes	R0160	0
Collateralised securities	R0170	0
Collective Investments Undertakings	R0180	13,923
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
Loans and mortgages	R0230	0
Loans on policies	R0240	0
Loans and mortgages to individuals	R0250	0
Other loans and mortgages	R0260	0
Reinsurance recoverables from:	R0270	29,305
Non-life and health similar to non-life	R0280	29,305
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	0
Insurance and intermediaries receivables	R0360	0
Reinsurance receivables	R0370	895
Receivables (trade, not insurance)	R0380	0
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	16,147
Any other assets, not elsewhere shown	R0420	0
Total assets	R0500	60,270

Liabilities

Technical provisions - total	**R0505**	36,046
Technical provisions - non-life	**R0510**	36,046
Technical provisions - life	**R0515**	0
Best estimate - total	**R0542**	35,587
Best estimate - non-life	**R0544**	35,587
Best estimate - life	**R0546**	0
Risk margin - total	**R0552**	459
Risk margin - non-life	**R0554**	459
Risk margin - life	**R0556**	0
Transitional (TMTP) - life	**R0565**	0
Other technical provisions	**R0730**	
Contingent liabilities	**R0740**	0
Provisions other than technical provisions	**R0750**	400
Pension benefit obligations	**R0760**	0
Deposits from reinsurers	**R0770**	0
Deferred tax liabilities	**R0780**	358
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**	0
Reinsurance payables	**R0830**	0
Payables (trade, not insurance)	**R0840**	4,199
Subordinated liabilities	**R0850**	0
Subordinated liabilities not in Basic Own Funds	**R0860**	0
Subordinated liabilities in Basic Own Funds	**R0870**	0
Any other liabilities, not elsewhere shown	**R0880**	0
Total liabilities	**R0900**	41,004
Excess of assets over liabilities	**R1000**	19,266

IR.05.02.01 - Premiums, claims and expenses by country

			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		GB					
			C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written	Gross - Direct Business	R0110	0	43,288	0	0	0	0	43,288
	Gross - Proportional reinsurance accepted	R0120	0	3,002	0	0	0	0	3,002
	Gross - Non-proportional reinsurance accepted	R0130	0	0	0	0	0	0	0
	Reinsurers' share	R0140	0	35,366	0	0	0	0	35,366
	Net	R0200	0	10,924	0	0	0	0	10,924
Premiums earned	Gross - Direct Business	R0210	0	36,795	0	0	0	0	36,795
	Gross - Proportional reinsurance accepted	R0220	0	4,865	0	0	0	0	4,865
	Gross - Non-proportional reinsurance accepted	R0230	0	0	0	0	0	0	0
	Reinsurers' share	R0240	0	31,851	0	0	0	0	31,851
	Net	R0300	0	9,809	0	0	0	0	9,809
Claims incurred	Gross - Direct Business	R0310	0	10,040	0	0	0	0	10,040
	Gross - Proportional reinsurance accepted	R0320	0	3,100	0	0	0	0	3,100
	Gross - Non-proportional reinsurance accepted	R0330	0	0	0	0	0	0	0
	Reinsurers' share	R0340	0	7,205	0	0	0	0	7,205
	Net	R0400	0	5,935	0	0	0	0	5,935
Net expenses incurred		R0550	0	4,976	0	0	0	0	4,976

IR.05.04.02 - Non-life income and expenditure

					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: Motor vehicle liability insurance - non-personal lines	Line of Business for: non-life insurance and accepted proportional reinsurance obligations: Motor vehicle other motor insurance - non-personal lines
					C0010	**C0015**	**C0141**	**C0151**
Income	Premiums written	Gross written premiums		**R0110**		46,290	41,661	4,629
Income	Premiums written	Gross written premiums	Gross written premiums - insurance (direct)	**R0111**		43,288	38,959	4,329
Income	Premiums written	Gross written premiums	Gross written premiums - accepted reinsurance	**R0113**		3,002	2,702	300
Income	Premiums written	Net written premiums		**R0160**		10,924	9,831	1,092
Income	Premiums earned and provision for unearned	Gross earned premiums		**R0210**		41,660	37,494	4,166
Income	Premiums earned and provision for unearned	Net earned premiums		**R0220**		9,809	8,828	981
Expend-iture	Claims incurred	Gross (un-discounted) claims incurred		**R0610**		13,140	11,826	1,314
Expend-iture	Claims incurred	Gross (un-discounted) claims incurred	Gross (undiscounted) direct business	**R0611**		10,040	9,036	1,004
Expend-iture	Claims incurred	Gross (un-discounted) claims incurred	Gross (undiscounted) reinsurance accepted	**R0612**		3,100	2,790	310
Expend-iture	Claims incurred	Net (undiscounted) claims incurred		**R0690**		5,935	5,341	593
Expend-iture	Claims incurred	Net (discounted) claims incurred		**R0730**	5,935	5,935		
Expend-iture	Analysis of expenses incurred	Technical expenses incurred net of reinsurance ceded		**R0910**	4,976			
Expend-iture	Analysis of expenses incurred	Acquisition costs, commissions, claims management costs		**R0985**	15,166	15,166	13,649	1,517
Expend-iture	Other expenditure	Other expenses		**R1140**	0			
Expend-iture	Total expenditure			**R1310**	10,456			

IR.17.01.02 - Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance		Total Non-Life obligation
		Motor vehicle liability insurance	Other motor insurance	
Best estimate		**C0050**	**C0060**	**C0180**
Premium provisions				
Gross	**R0060**	5,230	630	5,860
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**	2,803	207	3,011
Net Best Estimate of Premium Provisions	**R0150**	2,427	422	2,849
Claims provisions				
Gross	**R0160**	27,103	2,625	29,728
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**	23,758	2,536	26,295
Net Best Estimate of Claims Provisions	**R0250**	3,345	88	3,433
Total Best estimate - gross	**R0260**	32,333	3,254	35,587
Total Best estimate - net	**R0270**	5,771	511	6,282
Risk margin	**R0280**	439	20	459
Technical provisions - total (best estimate plus risk margin)				
Technical provisions - total	**R0320**	32,772	3,274	36,046
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**	26,562	2,744	29,305
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0340**	6,210	530	6,741

IR.19.01.21 - Non-life Insurance Claims Information

Total Non-Life Business

Accident year / Underwriting year	Z0020	Underwriting year [UWY]

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)	Gross earned premium at reporting reference date	Estimate of future gross earned premium
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180	C0570	C0580
Prior	R0100											0	0	0		
N-9	R0160	0	0	0	0	0	0	0	0	0	0		0	0	0	0
N-8	R0170	0	0	0	0	0	0	0	0	0			0	0	0	0
N-7	R0180	0	0	0	0	0	0	0	0				0	0	0	0
N-6	R0190	0	0	0	0	0	0	0					0	0	0	0
N-5	R0200	0	0	0	0	0	0						0	0	0	0
N-4	R0210	590	2,397	1,346	577	302							302	5,211	11,558	0
N-3	R0220	1,169	2,138	1,048	1,074								1,074	5,429	22,664	0
N-2	R0230	858	4,908	3,732									3,732	9,498	30,592	0
N-1	R0240	1,049	4,323										4,323	5,372	29,784	0
N	R0250	4,216											4,216	4,216	35,153	11,590
												Total	13,647	29,726		

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

		Development year											Year end (discounted data)
Year		0	1	2	3	4	5	6	7	8	9	10 & +	
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
Prior	R0100											0	0
N-9	R0160	0	0	0	0	0	0	0	0	0	0		0
N-8	R0170	0	0	0	0	0	0	0	0	0			0
N-7	R0180	0	0	0	0	0	0	0	0				0
N-6	R0190	0	0	0	0	0	0	0					0
N-5	R0200	0	0	0	0	0	0						0
N-4	R0210	3,975	3,941	2,025	664	455							418
N-3	R0220	7,096	8,674	13,367	8,749								8,027
N-2	R0230	10,563	14,494	11,338									10,401
N-1	R0240	6,826	9,532										8,745
N	R0250	8,455											7,757
												Total	35,347

IR.23.01.01 - Own Funds

Basic own funds		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Ordinary share capital (gross of own shares)	R0010	17,500	17,500		0	
Share premium account related to ordinary share capital	R0030	0	0		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	1,766	1,766			
Subordinated liabilities	R0140	0		0	0	0
An amount equal to the value of net deferred tax assets	R0160	0				0
Other own fund 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						
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	19,266	19,266	0	0	0
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	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**	19,266	19,266	0	0	0
Total available own funds to meet the MCR	**R0510**	19,266	19,266	0	0	
Total eligible own funds to meet the SCR	**R0540**	19,266	19,266	0	0	0
Total eligible own funds to meet the MCR	**R0550**	19,266	19,266	0	0	
SCR	**R0580**	7,621				
MCR	**R0600**	3,500				
Ratio of Eligible own funds to SCR	**R0620**	2.5279				
Ratio of Eligible own funds to MCR	**R0640**	5.5046				

SHEET (Z)	

		c
Reconciliation reserve		**C0060**
Excess of assets over liabilities	**R0700**	19,266
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**	17,500
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	**R0740**	0
Reconciliation reserve	**R0760**	1,766

IR.25.04.21 - Solvency Capital Requirement

Rows		C C0010
Net of loss-absorbing capacity of technical provisions		
Market risk	R0140	239
Interest rate risk	R0070	239
Equity risk	R0080	0
Property risk	R0090	0
Spread risk	R0100	0
Concentration risk	R0110	0
Currency risk	R0120	0
Other market risk	R0125	0
Diversification within market risk	R0130	0
Counterparty default risk	R0180	2,436
Type 1 exposures	R0150	1,156
Type 2 exposures	R0160	1,446
Other counterparty risk	R0165	0
Diversification within counterparty default risk	R0170	-166
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	4,848
Non-life premium and reserve risk (ex catastrophe risk)	R0330	4,771
Non-life catastrophe risk	R0340	279
Lapse risk	R0350	0
Other non-life underwriting risk	R0355	0
Diversification within non-life underwriting risk	R0360	-201
Intangible asset risk	R0400	0
Operational and other risks	R0430	1,127
Operational risk	R0422	1,127
Other risks	R0424	0
Total before all diversification	R0432	9,017
Total before diversification between risk modules	R0434	8,650
Diversification between risk modules	R0436	-1,029
Total after diversification	R0438	7,621
Loss-absorbing capacity of technical provisions	R0440	0
Loss-absorbing capacity of deferred taxes	R0450	0
Other adjustments	R0455	0
Solvency capital requirement including undisclosed capital add-on	R0460	7,621
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	7,621
Biting interest rate scenario	R0490	Increase
Biting life lapse scenario	R0495	

IR.28.01.01 - Minimum Capital Requirement - Only life or only non-life activity

		MCR components
		C0010
MCRNL Result	**R0010**	1,535

		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**	5,771	9,831
Other motor insurance and proportional reinsurance	**R0060**	511	1,092
Marine, aviation and transport insurance and proportional reinsurance	**R0070**	0	0
Fire and other damage to property insurance and proportional reinsurance	**R0080**	0	0
General liability insurance and proportional reinsurance	**R0090**	0	0
Credit and suretyship insurance and proportional reinsurance	**R0100**	0	0
Legal expenses insurance and proportional reinsurance	**R0110**	0	0
Assistance and proportional reinsurance	**R0120**	0	0
Miscellaneous financial loss insurance and proportional reinsurance	**R0130**	0	0
Non-proportional health reinsurance	**R0140**	0	0
Non-proportional casualty reinsurance	**R0150**	0	0
Non-proportional marine, aviation and transport reinsurance	**R0160**	0	0
Non-proportional property reinsurance	**R0170**	0	0

		c
		C0040
MCRL Result	R0200	0

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

		c
		C0070
Linear MCR	R0300	1,535
SCR	R0310	7,621
MCR cap	R0320	3,430
MCR floor	R0330	1,905
Combined MCR	R0340	1,905
Absolute floor of the MCR	R0350	3,500
Minimum Capital Requirement	R0400	3,500