Solvency and Financial Condition Report 2017

British Reserve Insurance Company Ltd

Introduction

Summary

This is the solvency and financial condition report ("SFCR") for British Reserve Insurance Company Ltd ("BRIC"). Publication of an SFCR is a mandatory requirement of the Solvency II Directive[1] for all insurance companies domiciled in the EU. Solvency II, which entered into force on 1st January 2016, is a comprehensive updating of the way in which insurance companies in the EU are supervised by their local regulators.

The main Solvency II Directive is supplemented by further texts[2] which set out in detail the required contents and structure[3] of the report. This introduction is intended to fulfil the requirement[4] that the SFCR should contain a clear and concise summary, which highlights material changes over the year.

British Reserve Insurance Company Ltd is an insurance company within the Allianz Group in the UK which is in runoff. As a runoff entity the plan for BRIC continues to be to run off the company solvently in line with the defined risk appetite. BRIC ceased to underwrite business during 2015, the remaining material lines of business are fire and other damage to property insurance and non-proportional marine, aviation and transport reinsurance. The only material geographical area in which the company carries out business is the United Kingdom.

Further information about Allianz's operations in the UK can be found on the Allianz UK website[5]. That website also contains the 2017 Allianz Holdings plc Report and Accounts, which includes some technical information required for this SFCR.

Globally, Allianz SE (the ultimate holding company) is a financial services provider with 88 million clients in more than 70 countries. It had revenue in 2017 of €126.1bn and made an operating profit of €11.1bn. At the same time as this SFCR for British Reserve Insurance Company Ltd is published, Allianz SE will be publishing its own SFCR for the whole Allianz group. More information about the Allianz SE group and its operations around the world can be found on the Allianz group website.[6]

Section A looks at the business and performance of BRIC during 2017. It starts with a section describing the legal structure of BRIC and its place in the Allianz group before covering the two main sources of Allianz's profit – its underwriting of insurance and its investment of the money it holds in order to pay future claims. In 2017 BRIC made a loss of £39k from underwriting activities and a profit of £112k from investment activities.

Section B looks at the System of Governance. This is the set of rules and processes by which the company is managed. This section describes the ways in which BRIC ensures that its business runs prudently and within the regulations of Solvency II.

[1] Directive 2009/138/EC, as amended by Directive 2014/51/EU, articles 51 – 56.
[2] Commission delegated regulation (EU) 2015/35, articles 290 - , Implementing Regulation (EU) 2015/2452
[3] See in particular Annex XX, Commission delegated regulation (EU) 2015/35
[4] Article 292, Commission delegated regulation (EU) 2015/35
[5] https://www.allianz.co.uk/about-allianz-insurance.html
[6] www.allianz.com

The company is run by the Board of Directors, who rely on other managers to operate on their behalf. The actions of those other managers take place within the confines of the System of Governance.

The section confirms that all the required components of the System of Governance are in place. These are:

- Assessment and remuneration policies, to ensure that managers have the skills and capability required to run the company and are that they are paid appropriately;
- Independent safeguarding functions, whose responsibility is to ensure that the managers of the company understand and manage risks appropriately;
- A process, the Own Risk and Solvency Assessment, by which all risks facing the company are assessed, managed and reported to the Board.

Finally the section reviews how BRIC relies on other companies to undertake some activities on its behalf. Although some activities are outsourced – section B.7 outlines the most material – BRIC itself is responsible for the delivery of those activities.

Section C reviews the risks which BRIC faces. These are:

- Underwriting Risk
- Market Risk
- Credit Risk
- Liquidity Risk
- Operational Risk

Each kind of risk is covered in turn. The risk itself and the methods for understanding, managing and mitigating that risk are described, and any major concentration of that risk type is identified.

This section confirms that each risk type to which BRIC is exposed is appropriately understood, managed and mitigated.

Section D reviews the balance sheet of BRIC. The balance sheet is the main mechanism by which the solvency of the company – the amount of money it has available to protect it and its policyholders against a shock – is assessed. This section describes the methods used to value the items on that balance sheet in accordance with the Solvency II Directive and explains any significant valuation difference with the valuation applied for the preparation of the 2017 Statutory Accounts.

An important section is section D.2 on Technical Provisions. “Technical Provisions” represent the current amount required to transfer insurance obligations immediately to another insurance entity. They include the funds the company has put aside specifically to pay future claims, and so they represent the most important part of the balance sheet. They are also the most uncertain, as it is difficult to assess the funds required accurately.

Section E confirms that BRIC is able to withstand unexpected shocks according to the standards required by Solvency II. “Own Funds” refer to the capital available within the company for this purpose, and section E.1 describes how that capital is managed. It also confirms that the Own Funds are of appropriate quality and will be available if required.

The amount of Own Funds required by Solvency II is defined by the Minimum Capital Requirement (MCR) and the Solvency Capital Requirement (SCR). The MCR is the level of Own Funds below which the company cannot legally continue to trade, while the SCR is the minimum level treated as acceptable in normal circumstances by the Solvency II regime.

BRIC uses the Standard Formula to calculate its SCR. The SCR at 31 December 2017 amounts to £0.9m, and is covered by £9.1m of Tier 1 Own Funds. BRIC's Solvency ratio (that is, the percentage coverage of the SCR by Own Funds) is 1063%. BRIC's MCR at 31 December 2017 amounts to £3.3m, equal to the absolute floor in MCR set by Solvency II converted at the exchange rate mandated by the PRA.

Finally, the SFCR contains a Statement of Directors' responsibilities and an audit opinion in respect of those parts of the SFCR which have to be audited.

A. Business and Performance

This section is unaudited.

A.1 Business

British Reserve Insurance Company Ltd (“BRIC”) is a private limited company incorporated in the UK under company no 307622.

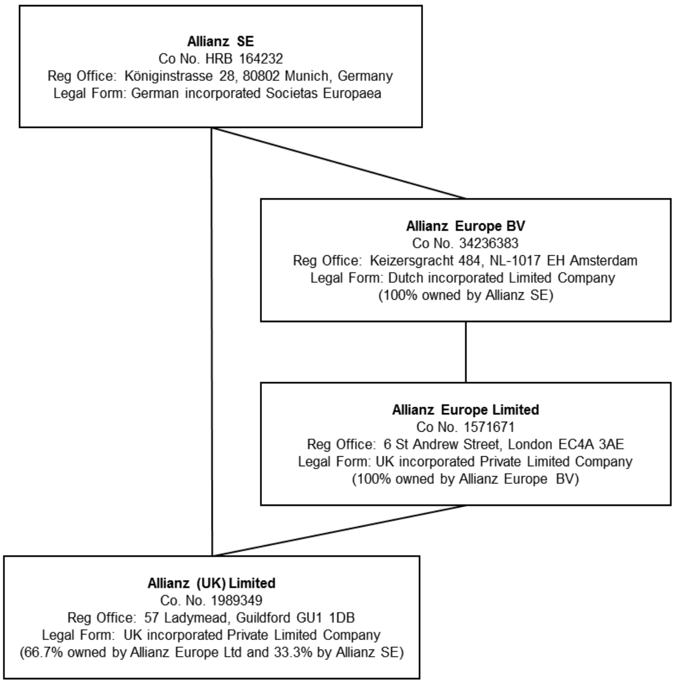
It is supervised by the Prudential Regulation Authority (PRA), Bank of England, 20 Moorgate, London EC2R 6DA, in respect of financial and prudential matters, and by the Financial Conduct Authority (FCA), 25 The North Colonnade, London E14 5HS, in respect of conduct matters.

It is a wholly owned subsidiary of Allianz SE, of Königinstraße 28, 80802 München, Germany. For the financial supervision of the Allianz Group the German Federal Financial Supervisory Authority (“Bundesanstalt für Finanzdienstleistungsaufsicht” – BaFin), Dreizehnmorgenweg 13-15, 53175 Bonn is responsible.

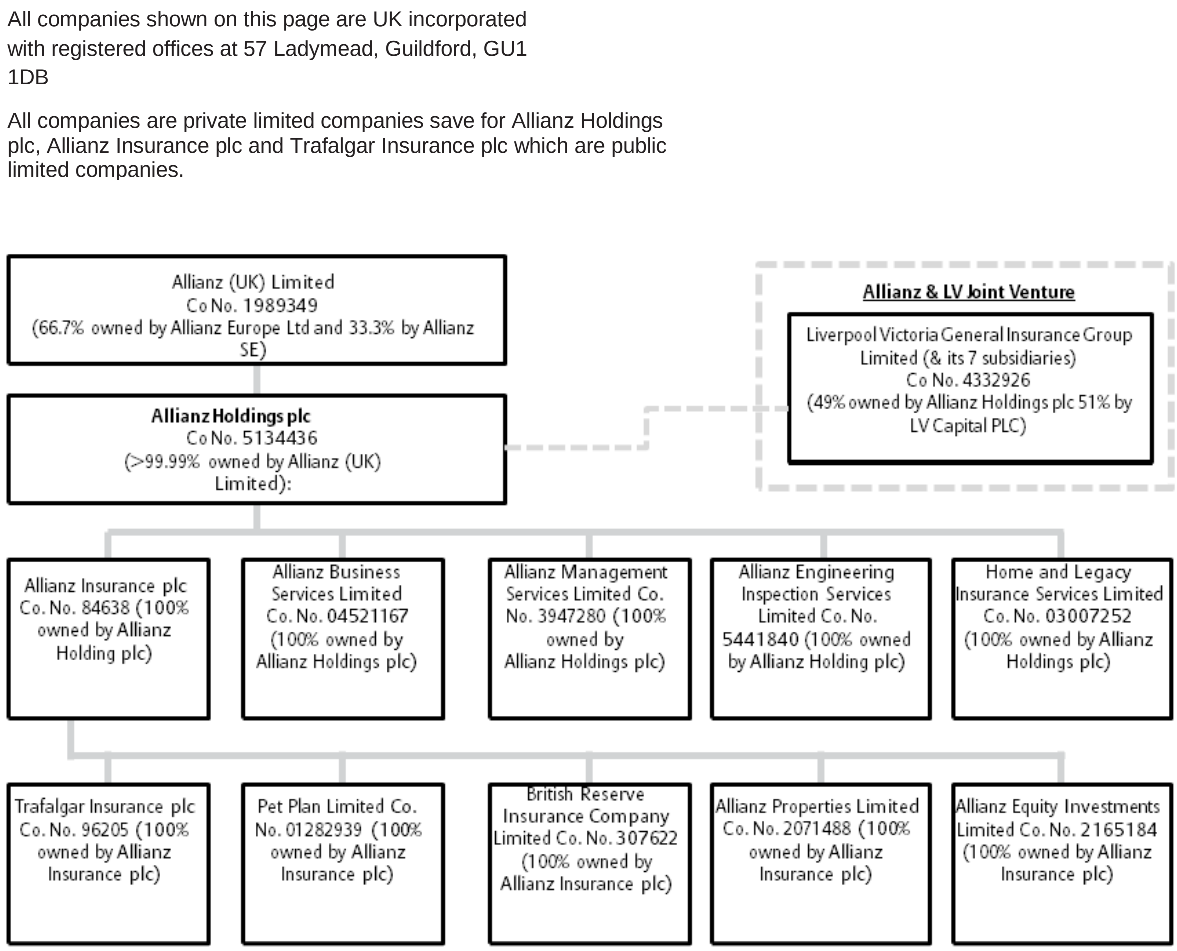
BRIC’s external auditor is KPMG LLP, 15 Canada Square, London, E14 5GL.

The structure charts below describe the structure of BRIC within the Allianz SE group, including the holders of qualifying holdings, and also the material related undertakings of Allianz Insurance plc.

Allianz (UK) Limited and its parent companies



Allianz (UK) and its material subsidaries/interests



BRIC ceased to underwrite business during 2015 and is now in run-off. As a result of historical activity it has provisions in respect of fire and other damage to property insurance and non-proportional marine, aviation and transport reinsurance. The only material geographical area in which the company carries out business is the United Kingdom.

There have been no material changes to the business of the company during 2017.

A.2 Underwriting Performance

During 2017, BRIC made a loss of £39k (2016: profit £236k) from underwriting activities. The fall from 2016 was due to the negative runoff of prior year liabilities following the cessation of new business in 2015.

A.3 Investment Performance

During 2017, BRIC made a net gain of £112k (2016: £241k) from investment activities. The drop against the prior year performance is attributable to the inclusion of 131k of realised gains in 2016. In 2017 there were no realised gains.

The asset portfolio is invested entirely in cash and fixed interest securities.

A.4 Performance of Other Activities

In 2017, there were no material items of other income.

A.5 Other Information

There is no other information to report for 2017.

B. System of Governance

This section is unaudited.

B.1 General Information on System of Governance

The Board and its Committees

As at 31 December 2017, the Board comprised three Directors. The Board is responsible for deciding strategy and for ultimate oversight of the conduct and performance of BRIC. It is also responsible for External Reporting.

The members of the Board of BRIC are:
Simon McGinn
Mark Churchlow
Jon Dye

BRIC is managed together with the other subsidiaries of Allianz Holdings plc. The committees of Allianz Holdings plc are responsible for oversight of all companies in the Allianz Holdings plc group, including BRIC. Full information about the governance of the insurance companies within the Allianz Holdings plc group is found in the Solvency and Financial Condition Report of Allianz Insurance plc.

The four key functions required by Solvency II are provided by the respective holders of those functions for Allianz Insurance plc. They are:

Risk Function: Dr. Karina Schreiber – Chief Risk Officer [7]
Internal Audit Function: Andrew Gascoyne – Head of Internal Audit
Compliance Function: Ann Alexander – Group Compliance Officer
Actuarial Function: Kevin Wenzel – Chief Actuary [8]

B.2 to B.6

Within the Solvency and Financial Condition Report for Allianz Insurance plc will be found descriptions of the Remuneration principles, Fit and proper requirements, Key Function authority, operational independence and resource. These also apply to BRIC.

[7] Dr. Karina Schreiber took over the role of Chief Risk Officer with effect from 23rd October 2017; she replaces Stephen Wilcox.
[8] Kevin Wenzel was Chief Actuary until 31 December 2017, replaced by Phil Singh with effect from 1st January 2018, subject to regulatory approval.

B.7 Outsourcing

The table below outlines the critical or important operational functions or activities that are outsourced, and the jurisdiction in which the service providers are located. BRIC does not outsource any Solvency II key functions outside the Allianz Holdings plc group. They are all provided as part of the Management Services outsourcing shown in the final row of the table.

Activity outsourced	Fellow member of the Allianz SE Group	Outsourcing Provider's Jurisdiction
Handling of runoff claims	Y	Germany
Management Services, including provision of staff	Y	United Kingdom

B.8 Any other Information

BRIC continuously monitors the effectiveness of its system of governance, including the effectiveness of specific functions, and believes them to be operating effectively.

C. Risk Profile

This section is unaudited.

Risk is measured and steered using a number of qualitative and quantitative tools. There have been no material changes to the measures used to assess risks during 2017.

BRIC has insured only non-life insurance risks. As a result of its asset management activities to support its primary business activities it is also exposed to market and credit risks.

This section provides information on BRIC’s overall risk profile followed by a description of each risk category in detail.

BRIC does not use Special Purpose Vehicles to transfer risk. It is not exposed to risk from positions off its balance sheet.

C.1 Underwriting Risk

Underwriting risk consists solely of reserve risk.

Due to the risk management practices in place there are no concentrations regarding underwriting risk that could materially affect BRIC’s solvency ratio.

Reserve risk
BRIC holds reserves for claims resulting from past events that have not yet been settled. If the claims reserves are not sufficient to cover claims to be settled in the future due to unexpected changes, losses would be incurred. Claims reserves could be under-estimated if, for example, more claims had occurred in the past than have been estimated.

BRIC monitors the development of reserves for insurance claims on a line of business level annually.

The main technique for mitigating reserve risk is the reinsurance of certain types of claim to a fellow Allianz SE group subsidiary. The continuing effectiveness of this reinsurance is reviewed periodically by the members of the BRIC Board.

C.2 Market risk

The guiding principle for BRIC’s investment risk management is the Prudent Person Principle (Article 132 of the Solvency II EU Directive).

BRIC meets the Prudent Person Principle by using the expertise of the Allianz Insurance plc Chief Investment Officer, who is backed up by the global and specialist expertise of Allianz Investment Management. It also invests according to a Strategic Asset Allocation (SAA) which defines its long term investment strategy for the investment portfolio as a whole.

When setting up the SAA, care is taken to ensure an adequate target level of quality and security (for example, ratings and collateral) together with a sustainable return as well as sufficient liquidity. Compliance with the SAA is monitored by the Risk function and by the Board Risk Committee with support from the Investment Committee. The SAA forms the main method for mitigating market risk, and its continuing effectiveness is monitored by the members of the BRIC Board and their advisors.

BRIC assesses its market risk exposure via quantitative and qualitative processes carried out by the Investment and Risk functions, including regular dialogue between the functions and formal reporting to Investment, Finance and Board Risk Committees.

BRIC has no material concentration of market risks and no material sensitivity to market risk. BRIC does not use derivatives to seek or to hedge risk.

C.3 Credit risk

BRIC's credit risk exposure arises from its investment portfolio and reinsurance counterparties. BRIC has material concentration of credit risk with the UK government in respect of its investment portfolio and with a fellow subsidiary of Allianz SE in respect of reinsurance. Each concentration is considered appropriate because of the financial strength of the counterparty.

C.4 Liquidity risk

Liquidity risk is the risk that requirements from current or future payment obligations cannot be met.

BRIC has negligible liquidity risk because its assets are all readily realizable.

C.5 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the company's processes, personnel, technology and infrastructure, or from external factors other than financial risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

BRIC uses the processes and policies of the Allianz Holdings plc group to manage its operational risk.

C.6 Other material risks

BRIC has no other material risk exposures.

D. Valuation for solvency purposes

Introduction

The scope of this section of the report is to represent the excess of asset over liabilities of British Reserve Insurance Company Ltd (BRIC) valued according to Solvency II Directive.

The recognition, measurement and valuation policies for IFRS reporting purposes applied by the Allianz Holdings plc group, of which BRIC is a member, are summarised in note 1.4 and 2 to the Financial statements of that group (pages 44 - 52)[9]. BRIC adopts the same recognition, measurement and valuation policies for IFRS purposes as the other members of the Allianz Holdings plc group. This report summarises any differences to those valuation policies for solvency purposes.

The table below shows the IFRS balance sheet as at 31st December 2017, and the key valuation and reclassification differences between that and the balance sheet used for solvency purposes (Market Value Balance Sheet – "MVBS").

(£000s)	**IFRS**	**Reclassifications**	**Valuation Differences**	**MVBS**
Assets				
Investments				
Government Bonds	2,226	12		2,238
Deposits other than cash	370			370
Accrued interest	12	(12)		-
Other loans and mortgages	-	6,994		6,994
Reinsurance recoverables	3,238		(158)	3,080
Insurance and intermediaries receivables	21	(14)		7
Receivables (Trade, not insurance)	7,040	(6,994)		46
Cash and cash equivalents	245			245
Total Assets	**13,152**	**(14)**	**(158)**	**12,980**
Liabilities				
Technical provisions				
Best Estimate	3,746	(14)	(179)	3,553
Risk margin	-		142	142
Deferred tax liabilities	148		(20)	128
Payables (Trade, not insurance)	48			48
Other liabilities	25			25
Total Liabilities	**3,967**	(14)	**(57)**	**3,896**
Excess of Assets over Liabilities	**9,185**		**(101)**	**9,084**

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

[9] https://www.allianz.co.uk/about-allianz-insurance/company-info.html#financials

D.1 Assets

Receivables are measured at nominal value with an adjustment for a provision for bad or doubtful debts under IFRS and MVBS, unless the market value deviates materially from the adjusted nominal value. In that case, the market value is used in the MVBS. In the case of insurance-related receivables, the difference between IFRS and MVBS mainly relates to the recognition of certain premiums that are already included in the receivables under IFRS, while they are recognized within technical provisions in the MVBS, because such premiums are not yet due by the balance sheet date.

For Technical provisions – Reinsurance receivables, please refer to section D.2.

Investments held are classified as Level 1 and are reported in the MVBS at the value included under the IFRS accounts.

For the following classes of asset there is no material difference in valuation between the MVBS and the IFRS accounts: Cash and cash equivalents. Full details of the valuation methodology used are disclosed in the IFRS accounts of Allianz Holdings plc referred to above in the introduction to this section.

Deferred Taxes

Deferred taxes, except deferred tax assets arising from the carry forward of unused tax losses, are valued on the basis of the difference between the values ascribed to assets and liabilities recognised and valued in accordance with the Solvency II Directive, and the values ascribed to assets and liabilities as recognised and valued for tax purposes.

Temporary differences between the Solvency II value of the assets and liabilities and their corresponding tax base as defined in IAS 12 are assessed, and any deferred tax asset or liability is adjusted or set up as required. The methods used to value deferred tax assets and/or liabilities under IAS 12 are disclosed in the IFRS accounts of Allianz Holdings plc referred to above in the introduction to this section.

The tax rates used in the calculation are the applicable UK tax rates. For losses, this is a blended rate based on the applicable rate at the time the deferred tax items are expected to reverse. Deferred tax on all other items is calculated at the rate that was in force on the reporting date.

The SII to IFRS valuation differences, their applicable tax rate and deferred tax impact are outlined in the table below.

	Valuation Differences before Deferred Tax	Tax Rate Applied	Deferred Tax Impact	Differences between IFRS and SII
Reinsurance Recoverables	(158)	17%	26	(132)
Best Estimate	179	17%	(30)	149
Risk Margin	(142)	17%	24	(118)
Total	**(121)**		**20**	**(101)**

D.2 Technical Provisions

Basis

Technical provisions are calculated in respect of all insurance obligations to policyholders. The value of the technical provisions corresponds to the current amount required to transfer insurance obligations immediately to another insurance entity.

The technical provisions consist of the claims provision, premium provision and risk margin, and these elements are calculated separately. Together the claims provision and the premium provision constitute the best estimate liabilities (BEL).

Methods and assumptions

The calculation of the BEL is based on up-to-date and credible information and realistic assumptions and is performed using relevant actuarial and statistical methods.

The *claims provision* is based on the IFRS claims provision, with the addition of an allowance for future investment management expenses. A payment pattern is applied to each element of the claims provisions to obtain future cash flows, which are discounted to reflect the time value of money in line with Solvency II requirements.

The *risk margin* is calculated by determining the cost of providing an amount of eligible own funds equal to the Solvency Capital Requirement necessary to support the insurance obligations over their lifetime.

Our approach to estimating future SCRs is based on the current SCR as a proportion of best estimate provisions, adjusted to reflect the increased levels of riskiness of the claims reserves over time. It uses ratios to assess premium risk and reserve risk capital throughout the runoff period, and grossing up factors to scale up for other risks. The cost of capital rate used in the calculation of the risk margin is set by EIOPA at 6%.

The table below shows technical provisions both gross and net of reinsurance by Solvency II line of business (LoB).

SII line of business (£000s)	**Gross**			**Net**		
	Claims Provision	**Premium Provision**	**Risk Margin**	**Claims Provision**	**Premium Provision**	**Risk Margin**
Fire and other damage to property insurance	5	(2)	1	5	(2)	1
Non-proportional marine, aviation and transport reinsurance	3,562	(12)	141	482	(12)	141
Total	**3,567**	**(14)**	**142**	**487**	**(14)**	**142**

The Solvency II basis carries uncertainty around the discount benefit arising from future movements in the yield curve and payment patterns. Other than discounting assumptions, the assumptions that have the greatest effect on the movement of provisions are those that affect the expected level of claims. These can come from a number of sources, including, but not limited to:

- claim reporting patterns being different from those expected;

- claim handling costs being different from those expected.

There is no material difference between IFRS provisions and Solvency II Technical provisions other than the introduction of a risk margin.

No matching adjustment or volatility adjustment is applied to the risk free yield curve used to discount the technical provisions. No transitional arrangements are applied.

Reinsurance recoverables

Reinsurance recoverables are calculated for the claims provision based on the reinsurance in place.

Material changes in assumptions

Assumptions are subject to a regular review cycle with the period between reviews chosen to reflect the materiality of the assumption. During 2017, no assumptions were materially changed.

Simplifications

The calculation of the technical provisions is carried out using materially appropriate, complete and correct data and using valuation methods which are appropriate to the nature and complexity of the insurance technical risks. Their limitations are identified and understood. Selection of the appropriate method is based on expert judgement, considering the quality, quantity and reliability of the available data and analysis of all important characteristics of the business.

The method used to calculate the Risk Margin is defined by Solvency II regulation as a simplification.

D.3 Other liabilities

There is no material difference in valuation methodology for any other class of liability. Full details of the valuation methodology used are disclosed in the IFRS accounts of Allianz Holdings plc referred to above in the introduction to this section.

D.4 Alternative Methods of Valuation

No alternative methods of valuation are used.

D.5 Any other information

There is no other material information on the valuation of assets or liabilities.

E. Capital Management

E.1. Own Funds

The core objective of the company's management of capital is to ensure, as far as possible, a solvent runoff of liabilities in line with risk appetite.

The Allianz Group maintains a formal capital management policy, and capital management planning is embedded within the main planning process, with a time horizon of three years. Capital management protects the company's Own Funds base in line with the Allianz Risk Strategy and Appetite.

The core element of the approach to capital management is the approval by the BRIC Board of any dividends or requests for additional capital. This approval is subject to maintaining an adequate buffer over the SCR.

The current liquidity plan and solvency projections reflect all planned changes in own funds for the next 3 years.

There were no material changes over the reporting period with regards to objectives, policies and processes employed by BRIC for managing its Own Funds.

The table below shows the breakdown of the Own Funds by Tier, and the SCR and MCR coverage.

	2017	2016
	£m	£m
Tier 1		
Ordinary shares	5.0	5.0
Reconciliation reserve	4.1	4.4
Total Tier 1	**9.1**	**9.4**
Total eligible own finds to meet the SCR	**9.1**	**9.4**
SCR (see below)	0.9	1.1
SCR coverage ratio	**1063%**	**831%**
Total eligible own finds to meet the MCR	**9.1**	**9.4**
MCR (see below)	3.3	3.3
MCR coverage ratio	**279%**	**281%**

No Own Fund items for BRIC rely on transitional measures for their inclusion in Tier 1. There are no restrictions on the availability of Own Funds to support the SCR and MCR, and no matching adjustment portfolio exists. The company has no subordinated debt, or ancillary Own Fund items. No Own Fund items were issued or redeemed during the year.

The changes in Tier 1 capital over the reporting period are all within the reconciliation reserve.

The significant changes were:

	£m
Profit after tax earned by the company in the year	0.0
Revaluation of prior year retained earnings denominated in foreign currency	(0.2)

The reconciliation reserve is made up of retained earnings and reconciliation adjustments from IFRS to Solvency II balance sheet only.

E.2. Solvency Capital Requirement & Minimum Capital Requirement

BRIC uses the Standard Formula to calculate its SCR. The SCR at 31 December 2017 amounts to £854k, and the MCR amounts to £3,251k, equal to the absolute floor in MCR set by Solvency II converted at the exchange rate mandated by the PRA. A split of the SCR by the different risk modules is shown in the following table.

Risk Category	**2017** (£000s)	**2016** (£000s)	**Movement**
Market risk			
Interest rate risk	8	21	(13)
Currency risk	693	755	(62)
Counterparty risk	129	512	(383)
Premium and reserve risk	290	306	(16)
Lapse risk	6	6	0
Operational risk	107	105	2
Sum of standalone risks	1,231	1,705	(474)
Diversification benefit	(249)	(416)	167
SCR before deferred tax	982	1,289	(307)
Deferred tax	(128)	(160)	32
SCR	854	1,129	(275)

The calculation of the MCR follows the methodology described in the Solvency II regulation. It uses the SCR as an input parameter for determining the possible range for the MCR, as well as the standard set of inputs required by the formula-based calculation.

The total diversified SCR has reduced by £275k over the reporting period. This is mainly driven by counterparty risk, which reduced by £383k primarily due to a reduction in the assumed probability of default for Allianz Re.

E.3 Use of various options in the Standard Formula calculation

Simplifications, undertaking-specific parameters and the duration-based equity risk sub-module are not used.

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

No internal model is used by the firm.

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

BRIC has complied continuously with the Minimum Capital Requirement and the Solvency Capital Requirement.

E.6 Any other information

All important information regarding the capital management of the undertaking is addressed in the above sections.

Statement of Directors' responsibilities

We acknowledge our responsibility for preparing the SFCR in all material respects in accordance with the PRA Rules and the Solvency II Regulations.

We are satisfied that:

a) throughout the financial year in question, the insurer has complied in all material respects with the requirements of the PRA Rules and the Solvency II Regulations as applicable to the insurer; and
b) it is reasonable to believe that the insurer has continued so to comply subsequently and will continue so to comply in future.

By order of the Board
Robin Jack-Kee
Secretary
British Reserve Insurance Company Ltd
Registered Number: 307622
27th April 2018

Auditor’s report

Report of the external independent auditor to the Directors of British Reserve Insurance Company Ltd (‘the Company’) pursuant to Rule 4.1(2) of the External Audit Chapter of the PRA Rulebook applicable to Solvency II firms

Report on the Audit of the Relevant Elements of the Solvency and Financial Condition Report

Opinion

Except as stated below, we have audited the following documents prepared by British Reserve Insurance Company Ltd as at 31 December 2017:

- The ‘Valuation for solvency purposes’ and ‘Capital Management’ sections of the Solvency and Financial Condition Report of British Reserve Insurance Company Ltd as at 31 December 2017, (**‘the Narrative Disclosures subject to audit’**); and
- Company templates S02.01.02 S12.01.02, S17.01.02, S23.01.01, S25.01.21, S28.01.01 (**‘the Templates subject to audit’**).

The Narrative Disclosures subject to audit and the Templates subject to audit are collectively referred to as the **‘Relevant Elements of the Solvency and Financial Condition Report’**.

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

- The ‘Business and performance’, ‘System of governance’ and ‘Risk profile’ elements of the Solvency and Financial Condition Report;
- Company templates S05.01.02, S05.02.01, S19.01.21; and
- the written acknowledgement by management of their responsibilities, including for the preparation of the Solvency and Financial Condition Report (‘**the Responsibility Statement**’).

In our opinion, the information subject to audit in the Relevant Elements of the Solvency and Financial Condition Report of British Reserve Insurance Company Ltd as at 31 December 2017 is prepared, in all material respects, in accordance with the financial reporting provisions of the PRA Rules and Solvency II regulations on which they are based, as modified by relevant supervisory modifications, and as supplemented by supervisory approvals and determinations.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), including ISA (UK) 800 and ISA (UK) 805, and applicable law. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Relevant Elements of the Solvency and Financial Condition Report section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Solvency and Financial Condition Report in the UK, including the

FRC's Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – special purpose basis of accounting

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you if:

- the Directors' use of the going concern basis of accounting in the preparation of the SFCR is not appropriate; or
- the Directors have not disclosed in the SFCR any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the SFCR is authorised for issue.

Other Information

The Directors are responsible for the Other Information.
Our opinion on the Relevant Elements of the Solvency and Financial Condition Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

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

Responsibilities of Directors for the Solvency and Financial Condition Report

The Directors are responsible for the preparation of the Solvency and Financial Condition Report in accordance with the financial reporting provisions of the PRA rules and Solvency II regulations and modifications granted by the PRA under The Solvency 2 Regulations 2015 and section 138A of FSMA respectively. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of a Solvency and Financial Condition Report that is free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Relevant Elements of the Solvency and Financial Condition Report

It is our responsibility to form an independent opinion as to whether the Relevant Elements of the Solvency and Financial Condition Report are prepared, in all material respects, with financial reporting provisions of the PRA Rules and Solvency II regulations on which they are based, as modified by relevant supervisory modifications, and as supplemented by supervisory approvals and determinations.

Our objectives are to obtain reasonable assurance about whether the Relevant Elements of the Solvency and Financial Condition Report are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decision making or the judgement of the users taken on the basis of the Relevant Elements of the Solvency and Financial Condition Report.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities.

Report on Other Legal and Regulatory Requirements

In accordance with Rule 4.1(3) of the External Audit Chapter of the PRA Rulebook we are required to consider whether the Other Information is materially inconsistent with our knowledge obtained in the audit of British Reserve Insurance Company Ltd statutory financial statements. If, based on the work we have performed, we conclude that there is a material misstatement of the Other Information, we are required to report that fact. We have nothing to report in this regard.

The purpose of our audit work and to whom we owe our responsibilities

This report of the external auditor is made solely to the Company's Directors, as its governing body, in accordance with the requirement in Rule 4.1(2) of the External Audit Part of the PRA Rulebook and the terms of our engagement. We acknowledge that the Directors are required to submit the report to the PRA, to enable the PRA to verify that an auditor's report has been commissioned by the Company's Directors and issued in accordance with the requirement set out in Rule 4.1(2) of the External Audit Part of the PRA Rulebook and to facilitate the discharge by the PRA of its regulatory functions in respect of the Company, conferred on the PRA by or under the Financial Services and Markets Act 2000.

Our audit has been undertaken so that we might state to the Company's Directors those matters we are required to state to them in an auditor's report issued pursuant to Rule 4.1(2) and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company through its governing body, for our audit, for this report, or for the opinions we have formed.

Salim Tharani for and on behalf of KPMG LLP
Chartered Accountants
15 Canada Square
London
E14 5GL

27th April 2018

- The maintenance and integrity of website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the Solvency and Financial Condition Report since it was initially presented on the website.
- Legislation in the United Kingdom governing the preparation and dissemination of Solvency and Financial Condition Reports may differ from legislation in other jurisdictions.

Appendix – relevant elements of the Solvency and Financial Condition Report that are not subject to audit

Solo standard formula

The Relevant Elements of the Solvency and Financial Condition Report that are not subject to audit comprise:

- The following elements of template S.12.01.02
  - Rows R0110 to R0130 – Amount of transitional measure on technical provisions

- The following elements of template S.17.01.02
  - Rows R0290 to R0310 – Amount of transitional measure on technical provisions

- The following elements of template S.22.01.21
  - Column C0030 – Impact of transitional on technical provisions

- Elements of the Narrative Disclosures subject to audit identified as ‘unaudited’.

S.02.01.02

Balance sheet

		Solvency II value
Assets		
Intangible assets	R0030	
Deferred tax assets	R0040	
Pension benefit surplus	R0050	
Property, plant & equipment held for own use	R0060	
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	2,608
Property (other than for own use)	R0080	
Holdings in related undertakings, including participations	R0090	
Equities	R0100	
Equities - listed	R0110	
Equities - unlisted	R0120	
Bonds	R0130	2,238
Government Bonds	R0140	2,238
Corporate Bonds	R0150	
Structured notes	R0160	
Collateralised securities	R0170	
Collective Investments Undertakings	R0180	
Derivatives	R0190	
Deposits other than cash equivalents	R0200	370
Other investments	R0210	
Assets held for index-linked and unit-linked contracts	R0220	
Loans and mortgages	R0230	6,994
Loans on policies	R0240	
Loans and mortgages to individuals	R0250	
Other loans and mortgages	R0260	6,994
Reinsurance recoverables from:	R0270	3,080
Non-life and health similar to non-life	R0280	3,080
Non-life excluding health	R0290	3,080
Health similar to non-life	R0300	
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	
Health similar to life	R0320	
Life excluding health and index-linked and unit-linked	R0330	
Life index-linked and unit-linked	R0340	
Deposits to cedants	R0350	
Insurance and intermediaries receivables	R0360	7
Reinsurance receivables	R0370	
Receivables (trade, not insurance)	R0380	46
Own shares (held directly)	R0390	

Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	
Cash and cash equivalents	R0410	245
Any other assets, not elsewhere shown	R0420	
Total assets	R0500	12,981
Liabilities		
Technical provisions - non-life	R0510	3,694
Technical provisions - non-life (excluding health)	R0520	3,694
TP calculated as a whole	R0530	
Best Estimate	R0540	3,553
Risk margin	R0550	142
Technical provisions - health (similar to non-life)	R0560	
TP calculated as a whole	R0570	
Best Estimate	R0580	
Risk margin	R0590	
Technical provisions - life (excluding index-linked and unit-linked)	R0600	
Technical provisions - health (similar to life)	R0610	
TP calculated as a whole	R0620	
Best Estimate	R0630	
Risk margin	R0640	
Technical provisions - life (excluding health and index-linked and unit-linked)	R0650	
TP calculated as a whole	R0660	
Best Estimate	R0670	
Risk margin	R0680	
Technical provisions - index-linked and unit-linked	R0690	
TP calculated as a whole	R0700	
Best Estimate	R0710	
Risk margin	R0720	
Contingent liabilities	R0740	
Provisions other than technical provisions	R0750	
Pension benefit obligations	R0760	
Deposits from reinsurers	R0770	
Deferred tax liabilities	R0780	128
Derivatives	R0790	
Debts owed to credit institutions	R0800	
Financial liabilities other than debts owed to credit institutions	R0810	
Insurance & intermediaries payables	R0820	
Reinsurance payables	R0830	
Payables (trade, not insurance)	R0840	48
Subordinated liabilities	R0850	
Subordinated liabilities not in BOF	R0860	
Subordinated liabilities in BOF	R0870	
Any other liabilities, not elsewhere shown	R0880	26
Total liabilities	R0900	3,896
Excess of assets over liabilities	R1000	9,085

S.05.01.02 - 01

Premiums, claims and expenses by line of business

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of business for: accepted non-proportional reinsurance				
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	Total
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written																		
Gross - Direct Business	R0110	0																
Gross - Proportional reinsurance accepted	R0120																	
Gross - Non-proportional reinsurance accepted	R0130																	
Reinsurers' share	R0140																	
Net	R0200																	
Premiums earned																		
Gross - Direct Business	R0210																	
Gross - Proportional reinsurance accepted	R0220																	
Gross - Non-proportional reinsurance accepted	R0230																	
Reinsurers' share	R0240																	
Net	R0300																	
Claims incurred																		
Gross - Direct Business	R0310							21										21
Gross - Proportional reinsurance accepted	R0320																	0
Gross - Non-proportional reinsurance accepted	R0330															183		183
Reinsurers' share	R0340															166		166
Net	R0400	0	0	0	0	0	0	21	0	0	0	0	0	0	0	17	0	38
Changes in other technical provisions																		
Gross - Direct Business	R0410																	
Gross - Proportional reinsurance accepted	R0420																	
Gross - Non- proportional reinsurance accepted	R0430																	
Reinsurers'share	R0440																	
Net	R0500	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Expenses incurred	R0550	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	1
Other expenses	R1200																	0
Total expenses	R1300																	1

S.17.01.02
Non-life Technical Provisions

		Direct business and accepted proportional reinsurance									Direct business and accepted proportional reinsurance			Accepted non-proportional reinsurance				
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	Total Non-Life obligation
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	R0010																	
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0050																	
Technical provisions calculated as a sum of BE and RM																		
Best estimate																		
Premium provisions																		
Gross	R0060	0	0	0	0	0	0	-2	0	0	0	0	0	0	0	-12	0	-14
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140																	
Net Best Estimate of Premium Provisions	R0150	0	0	0	0	0	0	-2	0	0	0	0	0	0	0	-12	0	-14
Claims provisions																		
Gross	R0160	0	0	0	0	0	0	5	0	0	0	0	0	0	0	3,562	0	3,567
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,080	0	3,080
Net Best Estimate of Claims Provisions	R0250	0	0	0	0	0	0	5	0	0	0	0	0	0	0	482	0	487
Total Best estimate - gross	R0260	0	0	0	0	0	0	3	0	0	0	0	0	0	0	3,550	0	3,553
Total Best estimate - net	R0270	0	0	0	0	0	0	3	0	0	0	0	0	0	0	470	0	473
Risk margin	R0280							1								141		142
Amount of the transitional on Technical Provisions																		
Technical Provisions calculated as a whole	R0290							0								0		0
Best estimate	R0300							0								0		0
Risk margin	R0310							0								0		0
Technical provisions - total																		
Technical provisions - total	R0320	0	0	0	0	0	0	3	0	0	0	0	0	0	0	3,691	0	3,694
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,080	0	3,080
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	0	0	0	0	0	0	3	0	0	0	0	0	0	0	611	0	614

S.19.01.21 - 01 **Accident**

Non-life Insurance Claims Information

Accident year / Underwriting year	Z0020	Accident Year

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

		Development year													In Current year	Sum of years (cumulative)
		0	1	2	3	4	5	6	7	8	9	10 & +				
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110			C0170	C0180
Prior	R0100											98		R0100	98	98
N-9	R0160	1,720	0	0	0	0	0	0	0	0	0			R0160	0	1,720
N-8	R0170	1,570	0	0	0	0	0	0	0	0				R0170	0	1,570
N-7	R0180	1,322	0	0	0	0	0	0	0					R0180	0	1,322
N-6	R0190	1,447	0	0	0	0	0	2						R0190	2	1,449
N-5	R0200	1,436	0	0	0	0	1							R0200	1	1,436
N-4	R0210	1,789	0	0	14	4								R0210	4	1,807
N-3	R0220	1,472	0	32	28									R0220	28	1,532
N-2	R0230	645	41	-12										R0230	-12	673
N-1	R0240	2	0											R0240	0	2
N	R0250	0												R0250	0	0
													Total	R0260	119	11,607

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

		Development year													Year end (discounted data)
		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											3,744		R0100	3,562
N-9	R0160	0	0	0	0	0	0	0	0	0	0			R0160	0
N-8	R0170	0	0	0	0	0	0	1	0	0				R0170	0
N-7	R0180	0	0	0	0	0	1	0	0					R0180	0
N-6	R0190	0	0	0	0	4	0	0						R0190	0
N-5	R0200	0	0	0	3	0	0							R0200	0
N-4	R0210	0	0	8	0	0								R0210	0
N-3	R0220	0	-3	2	0									R0220	0
N-2	R0230	213	4	5										R0230	5
N-1	R0240	0	0											R0240	0
N	R0250	0												R0250	0
													Total	R0260	3,567

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Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35						
Ordinary share capital (gross of own shares)	R0010	5,000	5,000		0	
Share premium account related to ordinary share capital	R0030	0				
Iinitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	0				
Subordinated mutual member accounts	R0050	0				
Surplus funds	R0070	0				
Preference shares	R0090	0				
Share premium account related to preference shares	R0110	0				
Reconciliation reserve	R0130	4,085	4,085			
Subordinated liabilities	R0140	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				
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					
Deductions						
Deductions for participations in financial and credit institutions	R0230	0				
Total basic own funds after deductions	R0290	9,085	9,085	0	0	0
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	0				
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	0				
Unpaid and uncalled preference shares callable on demand	R0320	0				
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0				
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	0				
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	0				
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	0				
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	0				
Other ancillary own funds	R0390	0				
Total ancillary own funds	R0400	0				
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	9,085	9,085			
Total available own funds to meet the MCR	R0510	9,085	9,085			
Total eligible own funds to meet the SCR	R0540	9,085	9,085			
Total eligible own funds to meet the MCR	R0550	9,085	9,085			
SCR	R0580	854				
MCR	R0600	3,251				
Ratio of Eligible own funds to SCR	R0620	10.64				
Ratio of Eligible own funds to MCR	R0640	2.79				

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Own funds

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	9,085
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	5,000
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	4,085
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	9
Total Expected profits included in future premiums (EPIFP)	R0790	9

S.25.01.21

Solvency Capital Requirement (for undertakings on Standard Formula)

		Gross solvency capital requirement	Simplifications	USP
		C0110	C0120	C0090
Market risk	R0010	695	2 - Simplifications not used	
Counterparty default risk	R0020	129		
Life underwriting risk	R0030	0	2 - Simplifications not used	None
Health underwriting risk	R0040	0	2 - Simplifications not used	None
Non-life underwriting risk	R0050	290	2 - Simplifications not used	None
Diversification	R0060	-238		
Intangible asset risk	R0070	0		
Basic Solvency Capital Requirement	R0100	875		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	107
Loss-absorbing capacity of technical provisions	R0140	0
Loss-absorbing capacity of deferred taxes	R0150	-128
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	0
Solvency capital requirement excluding capital add-on	R0200	854
Capital add-on already set	R0210	0
Solvency capital requirement	R0220	854
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	0
Total amount of Notional Solvency Capital Requirement for remaining part	R0410	0
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	0
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430	0
Diversification effects due to RFF nSCR aggregation for article 304	R0440	0

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

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCRNL Result	R0010	88

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	0	0
Income protection insurance and proportional reinsurance	R0030	0	0
Workers' compensation insurance and proportional reinsurance	R0040	0	0
Motor vehicle liability insurance and proportional reinsurance	R0050	0	0
Other motor insurance and proportional reinsurance	R0060	0	0
Marine, aviation and transport insurance and proportional reinsurance	R0070	0	0
Fire and other damage to property insurance and proportional reinsurance	R0080	3	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	470	0
Non-proportional property reinsurance	R0170	0	0

Linear formula component for life insurance and reinsurance obligations

		C0040
MCRL Result	R0200	

		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		
Obligations with profit participation - future discretionary benefits	R0220		
Index-linked and unit-linked insurance obligations	R0230		
Other life (re)insurance and health (re)insurance obligations	R0240		
Total capital at risk for all life (re)insurance obligations	R0250		

Overall MCR calculation

		C0070
Linear MCR	R0300	88
SCR	R0310	854
MCR cap	R0320	384
MCR floor	R0330	214
Combined MCR	R0340	214
Absolute floor of the MCR	R0350	3,251
Minimum Capital Requirement	R0400	3,251