Solvency and Financial Condition Report 2025

Liverpool Victoria Insurance Company Limited

Summary

This is the Solvency and Financial Condition Report (“SFCR”) for Liverpool Victoria Insurance Company Limited (“the Company”). Publication of an SFCR is a mandatory requirement of Solvency II as it applies in the UK (defined in this report as "Solvency UK" or “SUK”).

The Company is, via intermediate companies, a wholly owned subsidiary of Allianz Holdings plc (“AzH”) which is itself owned by Allianz (UK) Limited (“AZ(UK)”). AZ(UK) and its subsidiaries are collectively referred to in this document as “Allianz UK”. The Company’s ultimate shareholder is Allianz Societas Europaea (“Allianz SE”), which is headquartered in Germany.

The SFCR is made up of five key sections that together give a comprehensive view of the Company’s business strategy and performance, its system of governance for the sound and prudent management of the business (“System of Governance”), its risk profile, its current valuation for Solvency UK purposes, and its capital management approach and current capital position.

Section A looks at the business and performance of the Company during 2025. It starts with a section describing the legal structure of the Company before covering the two main sources of the Company’s result – the underwriting of insurance and the return on the investment portfolio. The Company reported a profit before tax for the year of £81m (2024: £43m). The Company had a Whole Account Quota Share (“WAQS”) reinsurance arrangement of 40% impacting the net results.

Section B looks at the System of Governance. This section describes the ways in which the Company ensures that its business runs effectively and in compliance with the regulations of Solvency UK.

The Company’s Board of Directors (“the Board”) has overall oversight of the business, while day-to-day running is conducted by management. The actions of management take place within the confines of the System of Governance. Further details regarding the Board and its committees are provided in section B.1.

The Company operates a “Three Lines of Defence” model to risk management. The Enterprise Risk Management Framework is embedded in the operations of the Company and is managed by the Chief Risk Officer (“CRO”).

The Own Risk and Solvency Assessment (“ORSA”) process forms a substantial part of the Company’s Enterprise Risk Management Framework. Produced at least annually, the ORSA report is provided to the Board to inform it of all risks facing the Company and outlines how these are assessed and managed. The ORSA process is overseen by the Board Risk Committee.

Finally, the section reviews how the Company relies on other companies to undertake some activities on its behalf. In section B.7, the Company has outlined the most material outsourced activities.

Section C reviews the risks which the Company faces. These include:

- Underwriting Risk;
- Market Risk;
- Credit Risk;
- Liquidity Risk; and
- Operational Risk.

Each type 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 the Company is exposed to is appropriately understood, managed and mitigated.

Section D looks at the Balance Sheet of the Company. The Balance Sheet is the main mechanism by which the solvency of the Company, the amount of capital 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 Solvency UK and explains any significant valuation differences to the valuation applied in the preparation of the Annual Report and Financial Statements.

In section D.2, Technical Provisions are considered. 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. Section D.2 examines in detail the separate elements that make up the Technical Provisions and explains the actuarial methods and assumptions used.

Section E refers to the capital available within the Company for the purpose of absorbing shocks. The amount of Own Funds required by Solvency UK 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 may no longer legally continue to trade, while the SCR is the minimum level treated as acceptable in normal circumstances by the Solvency UK regime.

The Company uses the standard formula approach as prescribed by Solvency UK to determine its capital requirements. Further details on the approach used is outlined in section E.4.

As at 31 December 2025, the MCR was £171m and was covered by £744m of eligible Own Funds (tier 1 only). As at 31 December 2025, the SCR was £550m and was covered by £765m of eligible Own Funds (£744m tier 1 and £21m tier 3). The Solvency Coverage Ratio (that is, the percentage coverage of the SCR by Own Funds) is 139%. The Company has fully complied with the SCR throughout the period.

Further information about the quality of the Own Funds and the makeup of the SCR is provided in sections E.1 and E.2.

The SFCR contains a Statement of Directors' Responsibilities and the independent auditors' opinion in respect of those parts of the SFCR which are audited.

Finally, the following Insurance Reporting Templates ("IRTs") have been disclosed as an appendix to the SFCR;

- IR.02.01.02 Balance Sheet;
- IR.05.02.01 Premiums, claims and expenses by country;
- IR.05.04.02 Non-Life income, expenditure and business model analysis;
- IR.12.01.02 Life Technical Provisions;
- IR.17.01.02 Non-life Technical Provisions;
- IR.19.01.21 Non-life claim development;
- IR.23.01.01 Own Funds;
- IR.25.04.21 Solvency Capital Requirement; and
- IR.28.01.01 Minimum Capital Requirement – Only life or only non-life activity.

A. Business and Performance
This section is unaudited.

A.1 Business

Name and legal form of undertaking
The Company is incorporated in England and Wales and domiciled in the United Kingdom ("UK"), limited by shares, under company number 03232514.

Registered office: 57 Ladymead, Guildford, Surrey, GU1 1DB

Name and contact details of the supervisory authority responsible for financial supervision
The Company is regulated by the Financial Conduct Authority ("FCA") and is authorised and regulated by the Prudential Regulation Authority ("PRA").

PRA: 20 Moorgate, London, EC2R 6DA

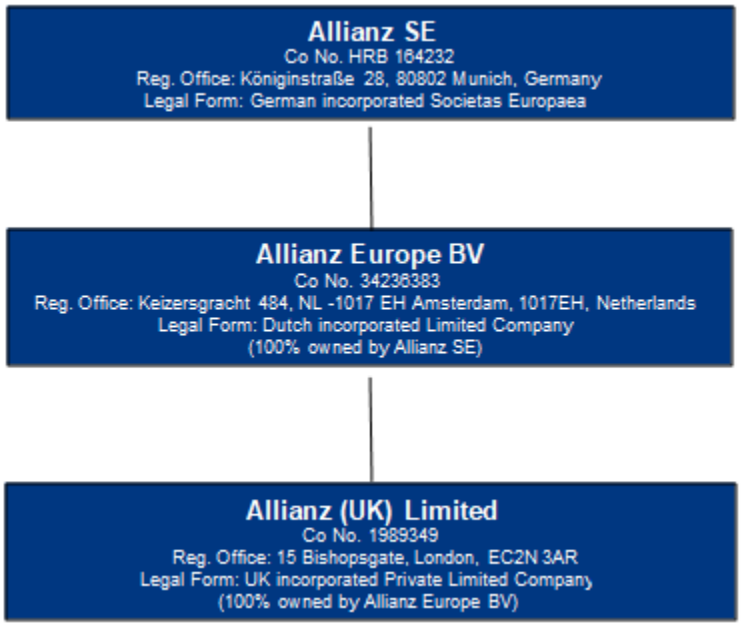
FCA: 12 Endeavour Square, London, E20 1JN

Name and contact details of the independent auditor

PricewaterhouseCoopers LLP: 7 More London Riverside, London, SE1 2RT

Description of the holders of qualifying holdings in the undertaking
The Company is a wholly owned subsidiary (via intermediate holding companies) of Allianz SE, incorporated in Germany (Registered address; Koeniginstrasse 28, 80802 München, Germany).

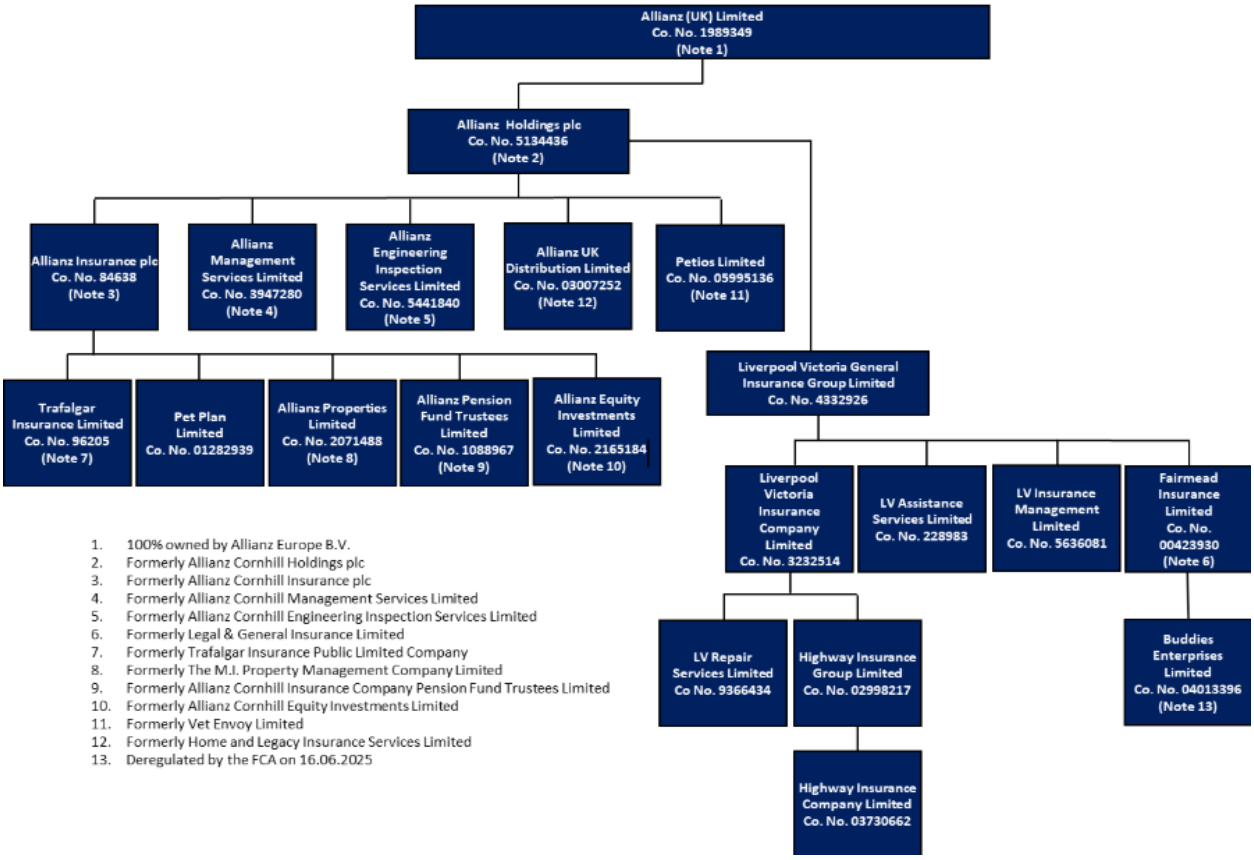
The structure charts below describe the position of AZ(UK) within the Allianz SE Group, including details of the holders of qualifying holdings in the Company, and also its material related undertakings.



A. Business and Performance
This section is unaudited.

Details of the undertakings within Allianz UK
All Allianz UK companies are incorporated in England and Wales and domiciled in the UK.

All Allianz UK companies shown on this page are private limited companies, except for AzH and Allianz Insurance plc ("AZI") which are public limited companies.



1. 100% owned by Allianz Europe B.V.
2. Formerly Allianz Cornhill Holdings plc
3. Formerly Allianz Cornhill Insurance plc
4. Formerly Allianz Cornhill Management Services Limited
5. Formerly Allianz Cornhill Engineering Inspection Services Limited
6. Formerly Legal & General Insurance Limited
7. Formerly Trafalgar Insurance Public Limited Company
8. Formerly The M.I. Property Management Company Limited
9. Formerly Allianz Cornhill Insurance Company Pension Fund Trustees Limited
10. Formerly Allianz Cornhill Equity Investments Limited
11. Formerly Vet Envoy Limited
12. Formerly Home and Legacy Insurance Services Limited
13. Deregulated by the FCA on 16.06.2025

A. Business and Performance
This section is unaudited.

Material lines of business and material geographic areas
The Company underwrites general insurance contracts within the UK.

The Company conducts general insurance business through both the direct and broker distribution channels. The primary sources of premium income are from the sale of motor ("Motor") and household insurance products ("Household"). Motor insurance products include Private Car and Motorcycle. LVIC also underwrites Road Rescue and Travel Insurance ("Assistance").

As such the following Solvency UK non-life lines of business are written on either a standalone or bundled product basis:

- Motor vehicle liability insurance;
- Other motor insurance;
- Fire and other damage to property insurance;
- General liability insurance;
- Legal expenses insurance;
- Assistance; and
- Medical expense insurance.

Significant business or other events occurring during the reporting period that have a material impact on the undertaking
Inflationary pressure and macroeconomic factors continue to impact all aspects of the UK insurance industry, from pricing and claims to repairs and procurement. Personal lines showed signs of recovery in the last quarter of 2025, with targeted pricing actions and initiatives driving strong retention in the second half of the year.

Operational changes driven by increased digital customer support and a continued reduction in Motor insurance claims are expected to enhance productivity, with the full impact on the Company's expense ratio taking effect from 2026.

There have been no significant changes to the structure or operations of the Company throughout 2025.

The SFCR and all tables within it are presented in pounds sterling rounded to the nearest million. The IRTs are presented in pounds sterling rounded to the nearest thousand. Rounding differences of +/- one unit can occur.

A. Business and Performance
This section is unaudited.

A.2 Underwriting performance

The table below summarises the premium volume and underwriting performance in 2025 split by Solvency UK line of business.

The table below shows the performance net of reinsurance, including the WAQS.

	2025		
	Gross Written Premium ("GWP") (£m)	Net Earned Premium (£m)	Combined Operating Ratio ("COR")
Motor Vehicle Liability	835	472	95%
Other Motor	496	281	95%
Fire and Other Damage to Property	353	200	80%
Assistance	54	31	58%
Legal Expenses	30	17	24%
Medical Expenses	6	4	75%
General Liability	4	2	100%
Total	**1,778**	**1,007**	**95%**

COR is defined as the sum of the loss ratio, reinsurance ratio and the expense ratio. Loss ratio is defined as total claims and benefits (including loss component) as a percentage of insurance service revenue. Reinsurance ratio is defined as net expenses from reinsurance contracts held as a percentage of insurance service revenue. Expense ratio is defined as insurance service expenses less claims and benefits (including loss component) as a percentage of insurance service revenue. Insurance service revenue and insurance service expenses are defined IFRS 17 concepts and are presented in the Company's Annual Report and Financial Statements.

Solvency UK lines of business without written premiums will not be included as individual lines in the above table. Without written premiums, the COR is skewed and does not accurately reflect the performance of these lines of business. The claims and expenses for these lines of business are included in the total COR.

The Company has placed a WAQS treaty with an Allianz SE Group reinsurance company, in order to ensure the Company was able to deliver its ambitions and to improve the solvency position under Solvency UK.

GWP fell by 1.1% to £1,778m (2024: £1,798m). The primary sources of premium income are from the sale of Motor and Household insurance products (Solvency UK lines of business: Motor Vehicle Liability, Other Motor and Fire and Other Damage to Property). The reduction in GWP was primarily a result of the soft market environment. A shift of customers to direct and price comparison website channels particularly impacted the Broker Motor segment, resulting in lower new business volumes.

The Company delivered a Combined Operating Ratio ("COR") of 94.7% (2024: 99.4%), with a focus on maintaining profitable margins. Claims were affected by ongoing inflation, while weather losses stayed within expectations, though large Motor claims offset some gains. Strong expense control led to an improved expense ratio for 2025.

A. Business and Performance
This section is unaudited.

A.3 Investment performance

The table below summarises the investment performance of the funds directly invested by the Company in 2025 and provides a comparison with the prior year.

(£m)	Carrying Value 31/12/2023	Net Additions/(Disposals)	Net unrealised gains/(losses)	Carrying value 31/12/2024	Net Additions/(Disposals)	Net unrealised gains/(losses)	Carrying value 31/12/2025	2025			2024		
								Net realised gains/write downs	Income	Expense	Net realised gains/write downs	Income	Expense
Government Bonds	**560**	83	(220)	**423**	287	12	**722**	-	19	(2)	(3)	11	(2)
Collateralised securities	**38**	117	(34)	**121**	3	-	**124**	-	6	-	-	1	-
Corporate Bonds	**1,075**	175	248	**1,498**	6	31	**1,535**	(2)	59	-	(4)	51	-
Collective Investments Undertakings	**43**	6	-	**49**	3	-	**52**	-	3	-	-	2	-
Loans and mortgages	**72**	(49)	-	**23**	3	-	**26**	-	1	-	-	6	-
Total	**1,788**	**332**	**(6)**	**2,114**	**302**	**43**	**2,459**	**(2)**	**88**	**(2)**	**(7)**	**71**	**(2)**

The investment strategy of the Company is to invest in a high-quality, well-diversified investment portfolio that maximises investment return, subject to solvency, liquidity, asset liability matching and other constraints. The Company invests insurance assets to ensure the security, liquidity and quality of the portfolio as a whole, while taking into account the business model, nature and duration of its insurance liabilities.

Government bonds include an allocation to emerging market issuers. Covered bonds in the portfolio are classified under corporate bonds. The allocation to high-quality, corporate bonds remained overweight to enhance yield. In order to increase diversification, the Company has a small allocation to securitised assets, which include high-quality asset-backed securities, and also an investment in a middle market lending fund. Overall liquidity remains strong with a sufficient level of cash being retained in money market instruments.

Investment income in 2025 was £88m compared with £71m in 2024. Income increased strongly over the year due to strong investment in-flows into the Company and high interest rates, which supported reinvestment of maturing bonds at higher yields and income from floating rate assets (covered bonds, floating rate notes). The Company experienced unrealised gains of £43m, due to falling yield curves and narrowing credit spreads on corporate and emerging market bonds. Investment expenses were flat compared with the previous year.

A. Business and Performance
This section is unaudited.

A.4 Performance of other activities

In 2025, the Company incurred £11m (2024: £3m) in management charges from fellow Allianz UK companies for administrative and claims management services.

A.5 Any other information

During the year, the Company undertook restructuring activities with related costs reported within other expenses. A restructuring charge of £9m (2024: £8m) was incurred in 2025. During 2025, Allianz UK announced a reduction of roles due to increasing digital customer support and fewer accidents in Motor insurance.

A dividend was received during 2025 from Liverpool Victoria Repair Services of £25m (2024: £65m).

The intention is that the Board will apply for a Part VII transfer as part of the programme to rationalise the insurance entities in Allianz UK during 2026. The Part VII transfers all insurance related liabilities and assets from the Company to AZI. While detailed plans have been developed for the rationalisation programme, completion remains subject to regulatory and Court approvals outside the Company's control. At the date the Financial Statements are approved for issue, court dates to obtain legal and regulatory approval are May and October 2026. Whilst management remain confident that the Part VII transfer will complete on 1 January 2027, the timing of regulatory deauthorisation and subsequent liquidation remains uncertain. Should the Part VII transfer not complete as anticipated, the Company will continue to carry out its principal activity.

Allianz SE is the parent of the largest and smallest group of undertakings for which consolidated group SFCRs are drawn up and which the Company is a member.

B. System of Governance
This section is unaudited.

B.1 General information on the system of governance

Boards and committees
The key regulated entities and holding company within Allianz UK, namely AzH, AZI, Highway Insurance Company Limited ("HICO") and the Company operate a Combined Board (the "Combined Board").

Combined Board meetings are held together, with each Company board discussing matters relevant to it and the Directors considering matters at an Allianz UK level where relevant for each item on the agenda.

As of 31 December 2025, the Board of the Company comprised of five independent non-executive Directors (one performing the role of Chair), a shareholder nominated non-executive Director and two executive Directors including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"). The following changes to the Combined Board came into effect during 2025; D J Larnder stepped down from her role as a Director effective 14 November 2025 and U Lange stepped down from his role as Director effective 30 November 2025. C A Guthrie was appointed as a Director of the Company effective 19 November 2025 and M F Ruf was appointed a Director effective 1 December 2025.

The role of the Chair (being the Chair of the Combined Board including the Company) and the role of the CEO are separate and clearly defined. The Chair is responsible for the effectiveness of the Board, including facilitating objective debate to ensure effective decision making. The CEO is responsible for executing the strategy of the Company with support from the Allianz UK Executive Committee.

The Combined Board has established several committees and a system of internal control to ensure the efficient and effective operation of Allianz UK. The tier 1 (Board level) committees are the Audit Committee, the Compensation & Nomination Committee, the Customer & Conduct Committee and the Risk Committee. In 2025, all of the Combined Board's committees were chaired by a non-executive Director, who provided constructive challenge and oversight across the work carried out by those committees. The committees carry out their duties within their terms of reference for the Combined Board entities and for Allianz UK. Rolling forward agendas are reviewed at committee meetings and updated as required, to ensure members have an advanced view of the key matters for consideration throughout the year. The Board is satisfied that the governance structure is appropriate and that the committees effectively consider matters on behalf of the Company.

The Combined Board, including the Board of the Company, develops the Company's strategy, monitors its performance, and has oversight of the conduct of the Company. The Board also considers the Company's external reporting.

The Directors of the Company during the year ended 31 December 2025 are detailed below, as well as their memberships of the Combined Board committees.

		Risk Committee	Audit Committee	Compensation & Nomination Committee	Customer & Conduct Committee
O R P Corbett	Non-Executive Director	X	Chair	Chair*	X
P J Evans	Non-Executive Director – Chair	X	X	X	X
C A Guthrie	Non-Executive Director	X**		X*	X**
C J Holmes	CEO				***
D J Larnder	Non-Executive Director	X	X		X
T Robson-Capps	Non-Executive Director	X	X	X	Chair
M F Ruf	CFO				
C G Townsend	Non-Executive Director				
J R Vazquez	Non-Executive Director	Chair	X		X

*O R P Corbett stepped down as Chair of the Compensation & Nomination Committee effective 31 December 2025 23:59 and C A Guthrie was appointed Chair effective 1 January 2026 00:01.
**C A Guthrie became a member of the Customer & Conduct Committee, Compensation & Nomination Committee and Risk Committee effective 19 November 2025.
*** the Customer & Conduct Committee terms of reference were updated to limit the memberships to those of non-executive Directors with effect from 16 December 2025.

Potential conflicts of interest are regularly considered and managed. The processes in place to manage such conflicts, in accordance with the Board Conflicts of Interest Policy, include documented requirements for governance and appropriate independence. The Company's Board maintains and regularly reviews a register of the interests of the Directors.

The Customer & Conduct Committee is responsible for oversight of material customer and conduct matters both current and emerging, including reviewing matters from a customer impact perspective and implementation of the Consumer Duty requirements. The committee is responsible for highlighting such matters that may require attention by the Combined Board. Membership of the committee as per its terms of reference comprises of an independent non-executive Director who acted as chair, at least three other members who were independent non-executive Directors, one of whom is the Risk Committee chair.

The Risk Committee is responsible for oversight of risks (current and emerging) that the Company faces and the links between different risks, the Enterprise Risk Management Framework within which the Company manages those risks, and the activities of the Risk function. The committee is also responsible for highlighting any risk issues that may require attention by the Combined Board. Membership of the committee as per its terms of reference comprises an independent non-executive Director who acts as chair and at least three other independent non-executive Directors.

The Audit Committee is responsible for the oversight of policies and procedures relating to internal control and financial/regulatory reporting, to ensure the independence and effectiveness of internal and external audit functions and the integrity of financial and narrative statements for the Company. The committee is responsible for highlighting such matters that may require attention by the Combined Board. Membership of the committee as per its terms of reference comprises an independent non-executive Director, who acts as chair, and at least two other members who must be independent non-executive Directors.

The Compensation & Nomination Committee is responsible for oversight of all compensation matters relating to executives and employees of Allianz UK and nomination matters for the Board. The committee's responsibilities include matters such as oversight of the design, governance and operation of Allianz UK's compensation system; identifying local material risk takers and controlling their compensation according to applicable regulations; reviewing the size, structure, and composition of the Combined Board; identifying non-executive Director candidates when vacancies arise; reviewing the leadership needs of the organisation; and reviewing gender pay gaps and diversity and inclusion matters. The committee is responsible for highlighting matters that may require attention by the Combined Board. Membership of the committee as per its terms of reference comprises an independent non-executive Director who acts as Chair and at least two other members who must be independent non-executive Directors. The Chair of the Risk Committee is invited annually to participate in the committee's discussions around rewards reflecting risk taking and conduct issues. The committee also reviews any Board performance evaluation process and recommendations.

The implementation of the Company's strategy is delegated by the Combined Board to the Allianz UK CEO who is supported in this by the Allianz UK Executive Committee and its sub-committees consisting of the accountable executives for Allianz UK.

The Allianz UK Executive Committee meets at least 10 times each year and otherwise as required. The members of the Allianz UK Executive Committee as at 31 December 2025 were:

- CEO, ("the Chair");
- CFO;
- Managing Director, Commercial;
- Managing Director, Personal;
- Managing Director, Specialty;
- Chief People and Culture Officer;
- Chief Operating Officer;
- CRO;
- Chief Compliance and Corporate Affairs Officer ("CCCAO");

- Chief Legal Officer and Company Secretary;
- Chief Actuary;
- Chief Audit Officer ("CAO");
- Chief Transformation Officer ("CTO"); and
- Chief Claims Officer.

The sub-committees of the Allianz UK Executive Committee comprise:

- Change & Investment Committee;
- Executive Conduct Committee;
- Executive Risk Committee ("ERC");
- People Committee;
- Insurance Committee;
- Governance & Control Committee;
- Financial Reporting & Disclosure Committee; and
- Finance & Investment Committee.

Defined Roles and Responsibilities
The following four key functions required by Solvency UK are each headed by the following individuals:

- Risk Function: Hanna Kam – CRO;
- Compliance Function: Alison Rayner – CCCAO;
- Actuarial Function: Laurence Townley – Chief Actuary; and
- Internal Audit Function: Jennifer Yeo – (Interim) Chief Internal Audit Officer. David Kelly joined as the Chief Internal Audit Officer on 2 March 2026.

In addition, Allianz SE has designated the following as additional key functions:

- Legal Function: Christopher Twemlow – Chief Legal Officer and Company Secretary; and
- Accounting and Reporting Function: Christoph Rosenfeld – Group Financial Controller.

Key function authority, operational independence and resources are described in sections B.3 – B.6 of this report. Where required, members of the Company's Board and the Allianz UK Executive Committee, the heads of the key functions and certain other senior managers have been approved by the PRA and/or the FCA.

The Senior Managers and Certification Regime ("SM&CR") sets out the prescribed responsibilities which must be allocated to specific individuals in insurance companies. The following table sets out which role within the Company is responsible for the execution of each specific responsibility.

Prescribed Responsibility	Allocation
Senior Managers Regime	SMF1 CEO
Certification Regime	SMF1 CEO
Conduct rules training and reporting	SMF1 CEO
Management Responsibilities Map	SMF16/SMF17 CCCAO
Anti-financial crime policies and controls	SMF1 CEO
Induction, training and professional development of all members of the firm's governing body	SMF9 Chair
Induction, training and professional development of all the firm's SMF managers and Key Function Holders	SMF1 CEO
Overseeing adoption of the firm's culture in the day-to-day management of the firm	SMF1 CEO
Leading development of the firm's culture by the governing body as a whole	SMF9 Chair

B. System of Governance
This section is unaudited.

Development and implementation of remuneration policies and practices	SMF12 Chair of Remuneration Committee
Oversight of the independence, autonomy and effectiveness of Whistleblowing policies and procedures	SMF11 Chair of Audit Committee
Management of the allocation and maintenance of the firm's capital and liquidity	SMF2 CFO
Responsibility for production and integrity of firm's financial information and its regulatory reporting	SMF2 CFO
Development and maintenance of the firm's business model by the governing body	SMF1 CEO
Responsibility for the performance of the firm's ORSA	SMF4 CRO
Obligations in Insurance for Fitness and Propriety	SMF9 Chair
Obligations in respect of outsourced operational functions and activities	SMF1 CEO

An insurance undertaking must have in place an effective system of governance which provides for sound and prudent management of its business (its "System of Governance"). UK legal and regulatory requirements and Solvency UK require that the System of Governance be subject to regular internal review. Allianz UK, including the Company, conducts this review annually. It is a consolidated cross-functional assessment of elements of the System of Governance through all relevant sources for evaluation. Entity level control assessment testing forms part of the review, and is carried out by the Risk and Internal Audit functions. An adequacy assessment of certain selected System of Governance elements is also conducted.

The requirement to conduct the System of Governance review is reflected in the Allianz UK Governance and Control Policy. The System of Governance review is assessed by the Governance & Control Committee. The System of Governance review is then considered by the Allianz UK Executive Committee, and the Risk Committee before being approved by the Combined Board, ahead of a Statement of Accountability Attestation being completed by the CEO and CFO and returned to Allianz SE.

The System of Governance review for 2025 concluded that Allianz UK has in place an effective System of Governance. There have been no material observations for further improvement of the System of Governance for inclusion in the Statement of Accountability provided to Allianz SE.

The Company remuneration framework has been constructed to ensure that it is competitive and provides a balance of both fixed and variable pay but does not encourage excessive risk taking. The framework and the processes within it are reviewed by the Compensation & Nomination Committee. The review also monitors the remuneration framework's consistency with Allianz UK's identified risk appetite.

The Compensation & Nomination Committee is responsible for the sign-off of all remuneration decisions affecting the senior executive managers of Allianz UK. This ensures impartiality of decision-making and ensures there are no conflicts of interest in respect of remuneration decisions and is guided by Allianz UK and Allianz SE principles and requirements.

The remuneration of all employees comprises a combination of basic salary, appropriate benefits and a performance-related bonus. In the case of some senior employees the bonus is paid as a combination of cash and long-term equity incentives whose value is related to the price of Allianz SE shares. The performance-related bonus is based upon a combination of Allianz UK performance against targets and personal performance against specific personal objectives. Personal objectives comprise both business and behavioural components which receive equal emphasis. The most senior managers complete a 360-degree feedback process to contribute to their assessment. There is also a standard compliance objective. It is the responsibility of managers to ensure that personal targets which are in place are objective and understood by the participants.

Independent non-executive Directors receive fixed remuneration.

B. System of Governance
This section is unaudited.

B.2 Fit and proper

The Company requires that all Directors and other senior managers possess integrity, good repute, specific skills, knowledge and the experience necessary to execute their respective roles. This requirement aligns to the requirements of the PRA and FCA within the UK regulatory SM&CR, and includes all managers identified as senior management function holders or certified staff. The individuals, with the support of their line managers, are responsible for ensuring that their skills, knowledge and experience remain adequate and kept up to date.

Processes are in place to assess the fitness and propriety of individual managers and Directors subject to the SM&CR prior to those persons joining the Company or assuming a relevant position. Thereafter, annually throughout their employment, a detailed attestation is required from the relevant individual. This includes declarations concerning:

- Criminal proceedings or investigations against them (or any firm over which they have held influence);
- Civil proceedings and bankruptcy orders or liquidation or similar proceedings against them (or any firm over which they have held influence);
- Disciplinary proceedings or findings against them;
- Regulatory proceedings or findings against them (or any firm over which they have held influence);
- Compliance with procedures concerning personal account dealings in Allianz SE and other securities; and
- Potential or actual conflicts of interest.

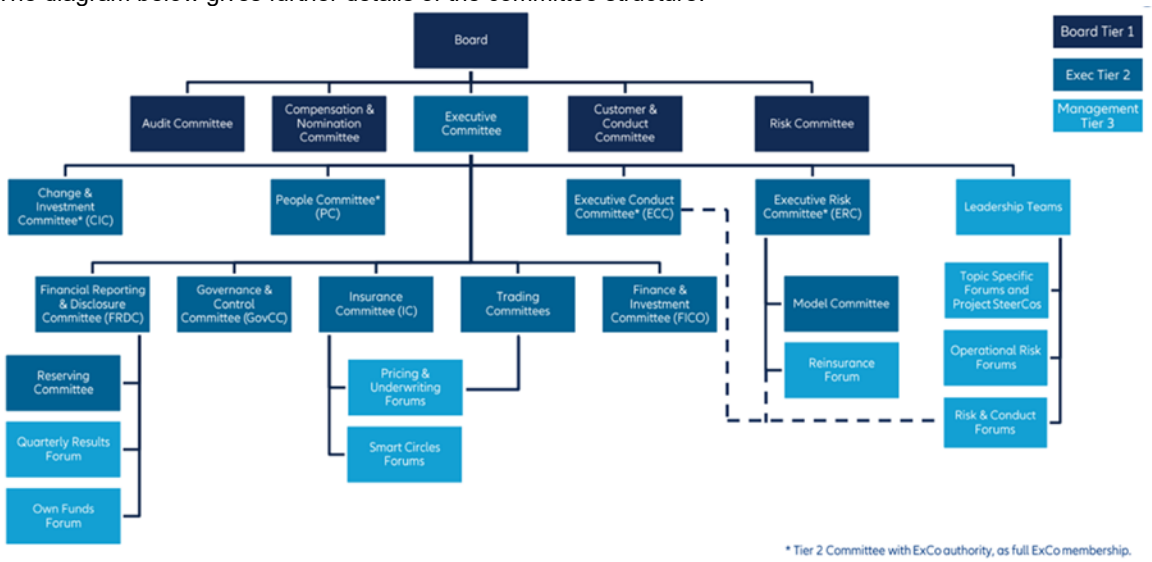
B.3 Risk Management system including ORSA

Enterprise Risk Management Framework
The Board oversees the Enterprise Risk Management Framework and the activities of the Risk Function. The Enterprise Risk Management Framework encompasses all levels of the Company's management and is embedded in the operations of the organisation, as well as being documented within the Risk Policy Framework.

The Enterprise Risk Management Framework is built around the Three Lines of Defence model:

- The First Line of Defence comprises risk taking units which are responsible for delivering profit or loss;
- The Second Line of Defence comprises independent risk controlling units, including Risk and Compliance, which oversee the framework in which the business works, and validate risk and control information coming from the First Line; and
- The Third Line of Defence is the Internal Audit function, which independently reviews the activities of both First and Second Lines of Defence.

A comprehensive governance committee structure is in place to ensure that risks are considered at the appropriate level. The diagram below gives further details of the committee structure.



B. System of Governance
This section is unaudited.

The Board identifies and prioritises all the material risks facing its business, supported by the Risk Committee, the Allianz UK Executive Committee and its sub-committees, the ERC, and the Risk function. After the risks have been identified, the ERC ensures that arrangements are put in place to control those risks.

The Board is responsible for setting the business strategy and risk strategy and appetite. Business strategy is determined by the Board and its implementation in terms of types of business, business volumes, capital requirements, financial performance and other appropriate measures, is set out in the business plan. The business plan is prepared annually and outlines the goals in support of corporate strategy to be implemented by the Allianz UK Executive Committee.

To ensure risk management is fully integrated into the business, and effective control is maintained, key risks and controls are owned by members of the ERC and other senior managers. As appropriate to their roles, the members of the ERC and senior managers assume First Line accountability for the identification and management of all risks in the organisation.

The main risks are kept under regular review by the Board via reports from the CRO and Risk Function to the Risk Committee. The Allianz UK Executive Committee is supported in its oversight of risk by sub-committees, including the ERC. The role and responsibilities of the CRO, the Allianz UK Executive Committee and its sub-committees are laid down in relevant job descriptions or terms of reference.

The CRO is supported by an independent Risk function consisting of risk and actuarial professionals. Its main objectives are:

- Providing independent oversight and challenge of the risk taking and controls by the First Line of Defence;
- Defining the overarching control frameworks within which the Company operates, reviewing the control design environment and evaluation/validation of the control operating environment, and performing oversight on the First Lines adherence to control frameworks and challenge of business decisions;
- Supporting the First Line of Defence by helping to ensure employees at all levels of the Company are aware of the risks related to their business activities and how to properly respond to them so that potential risks are identified, assessed and managed effectively;
- Supporting the Allianz UK Executive Committee and Combined Board with development and approval of a risk strategy and risk appetite; and
- Monitoring of the risk profile to ensure it remains within the approved risk appetite and following up on instances of any risk appetite breaches (i.e. via resolution directly with the First Line of Defence and other stakeholders or escalation to the Allianz UK Executive Committee or Combined Board).

In order to ensure comprehensive coverage of the risk landscape Allianz UK has a Risk Register that provides a comprehensive view of the risks Allianz UK is exposed to. It consists of three levels:

- Level 1 (L1) risks are groupings at Board level – the broad risk types Allianz UK are exposed to;
- Level 2 (L2) are Management Level risks within each L1; and
- Level 3 (L3) more detailed risks that also map to the Group's Non-Financial Risk Management ("NFRM") framework risk vectors.

Risk analysis is undertaken within this taxonomy. Level 1 risks consist of the following:

- Insurance (also termed Underwriting) Risk;
- Market Risk;
- Credit Risk;
- Strategic Risk;
- Business Risk;
- Operational Risk;
- Liquidity Risk;
- Reputational Risk; and
- Conduct Risk.

B. System of Governance
This section is unaudited.

Exposures and capital requirements relating to Insurance (Underwriting), Market, Credit, Business and Operational risks are quantified using the standard formula and recalculated in full each quarter. Risk tolerance limits are used to monitor quantifiable risks regularly. A number of qualitative risk assessment processes covering all risks are undertaken by the First Line of Defence, with support, challenge and oversight from the Risk function. The results of these assessments are used to inform key business decisions and planning.

Own Risk and Solvency Assessment
The ORSA process forms a substantial part of the Enterprise Risk Management Framework described above. The ORSA consists of a number of interlinked processes, including but not limited to:

- Business Strategy and Planning;
- System of Governance and Control Framework;
- Top Risk and Emerging Risk Assessments;
- Solvency Calculations, including Stress and Scenario Testing; and
- Forward Looking Assessment.

The Company manages risk in line with the stated risk appetite through its Enterprise Risk Management framework. This consists of ORSA processes, which identify, evaluate, treat, mitigate and monitor events or a combination of events, so that through an informed decision-making process the likelihood and consequences of occurrence are within limits considered acceptable by the Board.

The ORSA covers the overall solvency requirements from a forward-looking perspective, taking into account the Company risk profile, approved risk tolerance limits, the business strategy and the significance with which the Company risk profile may deviate from the assumptions underlying the Standard Formula. The ORSA is an integral part of the development and monitoring of the business strategy, and is considered on an ongoing basis in strategic decisions. Roles and responsibilities relating to the ORSA include the Board setting process requirements and challenging and approving the ORSA report.

The ORSA report is produced annually in alignment with the corporate planning process. A full non-regular ORSA process may be required after any event that could substantially alter the risk profile or solvency position of the Company. Potential trigger events for a non-regular ORSA are documented within the Company's ORSA policy.

The ORSA process is underpinned by individual accountabilities and processes undertaken by First Line managers across the Company. These include but are not limited to, defined authority levels for claim handling and underwriting as well as limits on investment risk-taking.

The Company uses the Standard Formula to determine its solvency needs (refer to section C). The Standard Formula is used as the primary input for decisions on capital management (refer to section E). The CFO ensures that recommendations to the Board on capital management take account of risk management activities. The Company's policy on capital management is documented and approved by the Board.

Dividends are planned through the Company's annual planning mechanisms taking into account liquidity, available distributable reserves and the Board's requirement to hold an appropriate buffer of capital over the SCR and MCR.

The Company has received approval from the PRA for a modification to the relevant rules from the PRA rulebook so that it is allowed to perform a single ORSA report covering the Company and the other regulated entities of Allianz UK (AZI, HICO, Trafalgar Insurance Limited, and Fairmead Insurance Limited). This reflects the fact that the businesses have a common management and governance structure and ensures that an aggregated Allianz UK view is considered in addition to the legal entity view.

B.4 Internal control system

To ensure an effective internal control system, all functions cooperate to exchange necessary information and advice. Second-line and third-line functions maintain open lines of communication with first-line functions, and attend key committees at all levels of the Company's governance structure.

Regarding financial reporting integrity, the Risk function oversees internal control processes via the NFRM framework. Under this framework, controls relevant to financial reporting are tested by both the First and Second lines of defense, with results feeding into relevant committees. Additional testing is conducted by Internal Audit and external auditors. Internal Audit also complete testing on the operating effectiveness of entity-level controls.

B. System of Governance
This section is unaudited.

Our senior managers across the organisation, led by the CFO and CEO, are accountable for the effective design and performance of processes within their control. The NFRM framework, including the reporting of risks outside of appetite, reasons for such assessments and remedial actions to bring them back into appetite, is monitored by the Risk Committee.

Compliance Function
Compliance is a key function within the internal control system of the Company. The function's primary responsibilities and activities are:

- To support and monitor compliance with applicable law, regulations and administrative provisions to protect the Company against compliance and conduct risks; and
- To advise senior management, committees and the Board on compliance with laws, regulations and administrative provisions adopted pursuant to Solvency UK and regulatory matters.

The activities and processes of the Compliance function are not exclusively performed by Compliance and may be delegated to, or supported by, other departments or external resources.

During the period of the report, the Compliance Department comprised a team of Compliance professionals led by the CCCAO who is a member of the Allianz UK Executive Committee. Compliance is a second-line function; independence of the function is ensured by written policy and by the oversight of the Customer & Conduct Committee. The Compliance Department produces an annual monitoring plan, in consultation with the Risk and Internal Audit functions, for approval by the Customer & Conduct Committee. Delivery of this plan, findings from monitoring exercises and remediation of those findings are overseen by the Executive Conduct Committee and the Customer & Conduct Committee.

B.5 Internal audit

The vision of Allianz UK's Internal Audit ("IA") function is to make a difference by strengthening risk focus, driving impact and enhancing collaboration within the global IA community and other control functions. The purpose of IA is to strengthen Allianz UK's ability to create, protect, and sustain value by providing the Audit Committee with independent, risk-based, and objective assurance, advice, insight, and foresight. Allianz UK's IA helps Allianz UK accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes. The IA function supports the Audit Committee to deliver on their obligation to ensure or oversee the set up and maintenance of an adequate and effective Internal Control System ("ICS"). Allianz UK's IA has an Internal Audit Policy and a separate Charter, both of which are approved annually by the Audit Committee to document its vision, scope, independence, accountabilities, responsibilities, authorities, and standards.

The CAO reports functionally to the Chair of the Audit Committee and administratively (i.e. day-to-day operations) to the CEO. The CAO has unrestricted access to, and communicates and interacts directly with, the Allianz UK Executive Committee and Audit Committee, including in private meetings without management present. The CAO does not have any additional roles or responsibilities outside of Internal Audit.

Allianz UK's IA is an independent assurance function. This independence is mainly achieved through having accountability to the governing bodies, unfettered access to people, resources and data needed to complete its work, and freedom from bias, direct or indirect interference in the planning, scoping and delivery of audit services, including the assessment and communication of results. Internal Auditors maintain an unbiased attitude that allows them to perform engagements objectively. The CAO ensures that Allianz UK's IA remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of audit selection, scope, procedures, frequency, timing, and report content.

Allianz UK's IA prepares and presents, at least annually, a risk-based Internal Audit Plan to the Audit Committee for review and approval. Senior management and second-line assurance functions are consulted during the preparation of the plan. Over the five-year planning cycle, all applicable audit universe components and legal entities are expected to be audited, with exceptions identified to the Audit Committee for ratification.

The plan is reviewed and adjusted, as necessary, in response to changes in Allianz UK's business, risks, operations, programmes, systems, and controls. Plan performance, including the results of audits, completion of open audit findings and any significant interim changes to the internal audit plan are regularly communicated to senior management and the Audit Committee.

B. System of Governance
This section is unaudited.

B.6 Actuarial Function

Solvency UK, requires that each Company has an Actuarial function to:

- Coordinate the calculation and validation of technical items under International Financial Reporting Standards ("IFRS") and Solvency UK, including Technical Provisions calculations;
- 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;
- Compare best estimates against experience;
- 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, in particular with respect to the risk modelling underlying the calculation of the capital requirements;
- Prepare an annual report on the actuarial function ("Actuarial Function Report"); and
- Report the results of the reserve valuations to the Board and Allianz SE via the Audit committee.

The Actuarial function's independence is supported by written policy. It recommends the level of Technical Provisions to the Financial Reporting & Disclosure Committee. The work of the Actuarial function, and its independence, is overseen on behalf of the Board by the Audit committee.

The Actuarial function consists of the Chief Actuary who is supported by a team of actuarial professionals. The Chief Actuary holds an Institute and Faculty of Actuaries Chief Actuary Practising Certificate and is the approved SMF20 Chief Actuary Function Holder. The Actuarial function reports on compliance with the above requirements in the Actuarial Function Report.

B.7 Outsourcing

All outsourcing arrangements are entered into and managed in accordance with the requirements of the Outsourcing Policy ("the Policy"). The Policy is owned by the Chief Claims Officer and is approved by the Combined Board on an annual basis.

The Policy sets out a clear framework for making decisions on when to outsource, the requirements to contract with a service provider and the management of the outsourcing arrangement. Compliance with the Policy is overseen by the UK outsourcing function, who, with the procurement team, also provide expert advice on setting up, managing and terminating outsourcing and other contracts. Suppliers are risk-assessed by Procurement at the point of initial engagement, and at intervals throughout the lifetime of the contract, drawing advice from key functions as and where required. Risks considered include cyber risk, information security risk, business continuity risk and data privacy risk. Material outsourcers are managed closely ensuring that the appropriate monitoring and oversight is in place for these suppliers.

All requirements set out in the Policy also apply to outsourcing to another Allianz SE Group company.

All outsourcing arrangements are recorded on an Outsourcing Register. The Outsourcing Register records the rationale for outsourcing of each arrangement, the location of the outsource provider and confirmation that appropriate oversight is in place.

In 2025 the approach to oversight included the following controls:

- All outsourcing arrangements must have a signed contract incorporating standard terms and conditions or specific terms which have been fully risk assessed;
- Financial health monitoring using an automated alerting system;
- Monitoring of third-party companies and Directors against the HM Revenue & Customs ("HMRC") Sanctions list;
- Where information is shared with third parties a series of questionnaires (including those relating to cyber risk, information security and data protection) are sent to each supplier prior to the commencement of their service and subsequently the risks are assessed against appetite;
- Privacy impact assessments are used to inform data protection;

B. System of Governance
This section is unaudited.

- Due diligence is completed on all potential service providers to ensure they have the capability, capacity and authorisations required to meet the requirements of the business;
- Creation of supplier service specific business continuity and exit plans, including provisions for management of cyber risk events and alternative suppliers to be used if required; and
- Outsourcing arrangements and third-party risk across the organisation are overseen by the Outsourcing and TPRM (Third-Party Risk Management) forum. Chaired by senior procurement and TPRM leadership it brings together stakeholders from Procurement, Supplier Relationship Management, Information Security, Operational Resilience, Risk, and Compliance. The forum meets quarterly to review and report on material outsourcing providers, ensuring compliance with regulatory requirements and internal policies.

The table below outlines the critical or important functions or services that at the end of 2025, the Company outsourced, and the jurisdiction in which the service providers are located.

Activity outsourced	Fellow member of the Allianz SE Group	Outsourcing Provider's Jurisdiction
Delegated authority to handle specific claims and/or underwriting of specific segments	Y N	United Kingdom United Kingdom
Handling of claims and/or provision of specific underwriting expertise	N	United Kingdom
Provision of document preparation, printing and distribution	N	United Kingdom
Information technology services including software, hosting, development and support of business services	Y Y N	Germany India United Kingdom
Information technology infrastructure	Y	Germany
Asset and Real Estate Management	Y N	United Kingdom United Kingdom
Business support services	Y N	India United Kingdom

The Company does not outsource any of the four key functions defined by Solvency UK – Risk, Compliance, Actuarial and Internal Audit.

B.8 Additional information

The Company monitors the effectiveness and adequacy of its System of Governance, including the effectiveness of specific functions. As noted above, the annual review of the System of Governance for 2025, concluded that there was in place a System of Governance that provides for sound and prudent management of the business. In the course of 2025, certain matters arose which indicate further improvement is needed in the broader implementation and operation of the System of Governance to ensure its continued effectiveness. These matters have been identified through the operation of the System of Governance and effective improvement plans have been agreed and either have already been implemented or are in the process of being implemented.

There have been no significant changes to the structure or operations of the Company throughout 2025.

C. Risk Profile
This section is unaudited.

This section provides information on the Company's overall risk profile followed by a description of each risk category in detail.

Measurement of Risk
Risk is measured and steered using quantitative and qualitative tools that allow management to identify the key areas of risk exposure and make informed decisions on whether the current levels of exposure are consistent with risk appetite:

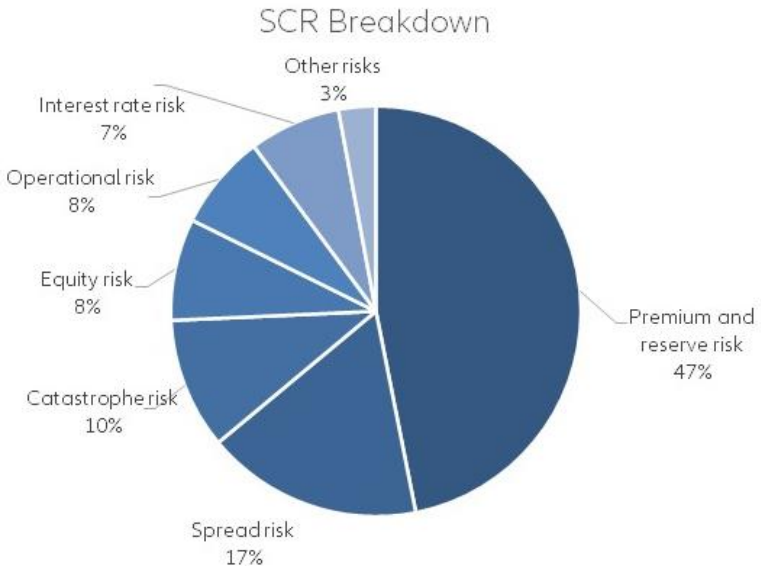
- The main quantitative tool is the Solvency UK Standard Formula, under which the Company derives its risk capital from potential adverse developments of Own Funds. The resulting profile provides an overview of how risks are distributed over different risk categories and determines the regulatory capital requirements in accordance with Solvency UK;
- An analysis of change is performed on the regulatory capital requirements on a quarterly basis, looking at individual risks, as well as the SCR;
- Capital and Own Funds are monitored on a regular basis and the results reported to senior management;
- Stress testing and sensitivity analysis for all material risks and events is performed annually for the ORSA and business planning exercises. Information on the Company's risk sensitivities, including a description of methods used, the assumptions made and the outcome of stress testing and sensitivity analysis for material risks, is provided in section C.7; and
- The Company uses a combination of processes, including expert analysis and judgement and outputs from incident management, to identify, assess and control qualitative risks. Qualitative risks are regularly monitored by management to ensure that they do not materially impact on the operational activities necessary for the achievement of business plans.

Risk Exposures Overview
The Company insures non-life insurance risks though it is also exposed to some life insurance risks because it settles certain claims as Periodic Payment Orders ("PPOs"). These make up a small proportion of the Company's overall claims. As a result of its asset management activities to support its primary business activities, the Company is also exposed to market and credit risks.

The Company does not use Special Purpose Vehicles to transfer risk and is not exposed to risk from positions off its Balance Sheet, except in relation to securitised investments.

During the year there were no material changes in the methods used to assess risks.

The chart below shows the 2025 year-end split of the Standard Formula SCR by risk type, before diversification between categories.



C. Risk Profile
This section is unaudited.

Prudent Person Principle
The Company operates within an investment framework which ensures that all assets are invested in accordance with the prudent person principle (objective standards for prudent investment). All investment and strategic management decisions are set within Board approved risk appetite limits. The Company employs a professional Chief Investment Officer, who is supported by the global and specialist expertise of Allianz Investment Management. It also invests with reference to a Strategic Asset Allocation ("SAA") which defines its long-term investment strategy for the investment portfolio as a whole. All investment guidelines are approved by the Board or a delegated authority of the Board.

C.1 Underwriting risk

Underwriting risk, (also termed Insurance risk), consists of unexpected financial losses due to the inadequacy of premiums received for catastrophe and non-catastrophe risks written, and the inadequacy of reserves.

Underwriting/Insurance risk consists of:

- Premium and reserve risk;
- Catastrophe risk; and
- Lapse risk.

The key underwriting risk concentration for the Company is geographical. Almost all of its business is domiciled in the UK so it is exposed to UK government decisions, such as the change in the Personal Injury Ogden Discount Rate. Nevertheless, the Company's insurance portfolio is geographically dispersed across England, Scotland, Wales, and Northern Ireland to help reduce concentration and potential impacts from natural catastrophes. There is significant diversification between products, as illustrated by the table in section A.2. The geographical diversity of the Company's risk exposure has remained fairly stable over the year.

Reinsurance purchase is the main tool used to keep underwriting exposure within risk appetite. A range of reinsurance contracts are entered into, across different lines of business to mitigate peak risks including accumulation risks:

- Excess of loss programmes to limit the impact of individual losses;
- Catastrophe reinsurance, which covers total losses stemming from an event; and
- A WAQS programme to reduce the total premium risk, reserve risk and catastrophe risk.

The continued effectiveness of these contacts is overseen by the Reinsurance Forum, which is a sub-committee of the ERC.

The risk capital held for underwriting risk before diversification within this category or with other risk categories was £448m. More details can be found in section E.2.

Premium and reserve risk
As the Company is predominantly a Motor and Household writer, its underwriting risk capital is driven by premium and reserve risks, which under the Standard Formula are considered as a single risk category.

The Company receives premiums from its customers and provides insurance protection in return. The Company faces the risk that underwriting profitability is less than expected because there are more claims than expected, or claims are higher in value than expected. This risk is referred to as premium risk.

The Company actively manages its premium risk. There are clear underwriting limits and restrictions, and other controls defined and monitored by the holders of the SMF23 roles under SM&CR. There is a product development process which defines governance around product development, including review by the Technical and Risk teams. Reinsurance purchase is also used to keep underwriting exposure within risk appetite. A range of reinsurance contracts are entered into, typically annually, across different lines of business to mitigate the losses arising from individual large losses and catastrophe events.

Furthermore, the Company holds reserves for claims resulting from past events that have not yet been settled. If the claims reserves are insufficient to cover claims to be settled in the future due to unexpected changes, losses would be incurred. Claims reserves could be underestimated if, for example, more claims had occurred in the past than have

been estimated or average amounts paid per claim to settle these are higher than expected. This risk is referred to as reserve risk.

The Company monitors the development of reserves for insurance claims on a line of business level quarterly through a reserving exercise assessing the unpaid claims reserves both gross and net of reinsurance. In addition, it conducts annual reserve uncertainty analyses based on similar methods to those used for premium risk calculations. In addition, independent reviews of these analyses are undertaken regularly.

The undiversified risk capital for premium and reserve as at 31 December 2025 was £366m.

Catastrophe risk
Catastrophe risk is defined as the risk that losses from catastrophe events differ from expectation. This could be due to a divergence from expectations in either the claim frequency and/or average claim severity. The Company writes Household business which is exposed to natural catastrophe events, primarily floods and windstorms. The risk of catastrophe losses is heavily mitigated by the use of a Catastrophe Excess of Loss reinsurance programme, as well as the WAQS reinsurance programme.

The undiversified risk capital for catastrophe risk as at 31 December 2025 was £81m.

Lapse risk
Lapse risk is modelled explicitly within the Standard Formula and is the risk that profitable policies lapse over the one-year time horizon. The undiversified risk capital for lapse risk as at 31 December 2025 was £1m, and after allowing for diversification against other risks it is of limited materiality in combination.

C.2 Market risk

Market risk consists of unexpected losses arising from changes in market prices or parameters influencing market prices. These include changes driven by equity prices, interest rates, real estate prices, exchange rates, credit spreads and inflation rates.

The Company actively takes on Market Risk by investing premiums received in advance of claims being paid to maximise risk-adjusted returns, subject to containing risk exposures within the accepted tolerances and other constraints.

The Company manages its Market risk by primarily investing in a well-diversified portfolio of liquid, traded assets mostly with a UK domicile.

The Company 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 the Finance & Investment Committee and the Risk Committee.

The guiding principle for the Company's investment risk management, covering market risk, credit risk and liquidity risk, is the Prudent Person Principle. The Company only invests in assets it can properly identify, measure, monitor, manage, control, report and appropriately integrate in its solvency assessment. The table in section A.3 provides information on the investment portfolio as at 31 December 2025.

The SAA is the main mechanism used to mitigate investment risk. It covers both the target value of assets in each asset class and the matching of duration between the asset and liability portfolios. Compliance with the SAA is monitored by the Risk function and by the Risk Committee with support from the Finance & Investment Committee. When specifying the SAA, care is taken to ensure an adequate target level of asset quality and security (for example, ratings and collateral) together with a sustainable return, as well as sufficient liquidity.

Concentrations in any one company or industry are limited by investment policies in place.

The risk capital held for market risk before diversification within this category or with other risk categories was £252m. The main driver is credit spread risk.

C. Risk Profile
This section is unaudited.

The main movements in the market risk capital over the year were driven by the growth in the business over the year and the increase in the asset exposure. More details can be found in section E.2.

Interest rate risk
Movements in interest rates can cause the value of the Company's investments to move adversely relative to its Technical Provisions which are discounted on the Solvency UK Balance Sheet. Exposure to this risk is mitigated substantially by undertaking asset-liability matching exercises, in order to consider the liability duration when setting a target asset duration as part of the SAA.

The undiversified risk capital for interest rate risk as at 31 December 2025 was £56m.

Credit spread risk
Credit spread is the difference in yield between two assets of similar maturity but different credit quality.

The Company is directly exposed to credit spread risk through its investments in fixed income assets – such as bonds. Credit spread risk is mitigated by managing the credit quality of the fixed interest portfolio by monitoring the credit ratings and large exposures in the portfolio, in conjunction with stress testing to assess the sensitivity of credit spread risk to movements in spreads.

The undiversified credit spread risk as at 31 December 2025 was £133m.

Equity risk
The only equity risk exposure relates to the strategic participations which the Company holds.

The undiversified risk capital for equity risk as at 31 December 2025 was £63m.

C.3 Credit risk

Credit Risk consists of unexpected losses in the market value of the portfolio due to deterioration in the credit quality of counterparties including their failure to meet payment obligations or due to non-performance of instruments (i.e. payment overdue).

The Company accepts credit risk that arises from the pursuit of its business objectives. The main sources of credit risk faced are:

- Investment - Counterparty risk in respect of debt securities, cash and cash equivalents;
- Reinsurance - Reinsurers' share of insurance liabilities, amounts due from reinsurers in respect of claims already paid; and
- Other counterparties - Amounts due from insurance intermediaries and policyholders.

The only material concentration of counterparty default risk is in respect of fellow Allianz SE companies. The Company's current reinsurance programme is placed with Allianz Re Dublin Designated Activity Company ("Allianz Re") for all risks. In respect of reinsurance, the credit rating of Allianz Re is such that an impact on the Company would only be experienced following a very significant global market or insurance risk event impacting Allianz Re or its ultimate parent company, Allianz SE. The exposure to Allianz Re is also maintained within a specified risk tolerance limit.

The Company is exposed to off-balance-sheet credit risk in respect of the collateral maintained by issuing institutions to back certain securitised investments. This credit risk is managed by means of a careful selection of counterparties and by ensuring over-collateralisation of securitised investments.

The Company uses a variety of measures to limit any excess concentrations in credit risk, such as investing in a range of assets governed by investment mandates and asset counterparty limits, as well as managing counterparty risk through risk limits on exposure and concentration.

The risk capital before diversification with other risk categories allocated to credit risk as at 31 December 2025 was £20m.

C. Risk Profile
This section is unaudited.

C.4 Liquidity Risk

Liquidity risk consists of the Company not having sufficient liquidity available to meet payment obligations as they fall due, which may require refinancing on unfavourable terms or selling assets below book value.

Liquidity risk is not modelled within the Standard Formula SCR because capital is not an appropriate mitigant. Instead, the Company closely monitors liquidity risk on a quarterly basis through scenarios.

The nature of the Company's core business limits its exposure to liquidity risk, to the extent that it has negligible residual risk in normal circumstances.

Premiums are received well in advance of liabilities and most assets are traded in deeply liquid markets, so that funds are available from the selling of these without a material discount except in the most extreme situations.

The Company monitors the liquidity position under stressed scenarios, including major claim events and extreme reductions in market liquidity, to ensure that should large amounts of liquidity be required at short notice adequate liquidity would be available. Even in the most extreme modelled situation, the Company is able to meet its ongoing liquidity requirements.

There have been no material changes in exposure to liquidity risk over the reporting period and the Company has no major concentrations which affect its liquidity risk. Any large cash transfers are managed closely by the accounting functions in conjunction with the Chief Investment Officer.

C.5 Operational Risk

Operational risk is the risk of unexpected losses resulting from inadequate or failed internal processes and systems, from human misbehaviour or errors, or from external events.

The Company acknowledges that a certain level of operational risk is a necessary consequence of doing business, while seeking in all instances to minimise exposures to within defined tolerance thresholds through appropriate controls. It controls its exposure by having effective processes and a robust risk and control culture. The Company actively seeks to avoid:

- Misconduct or fraud and will always seek to comply fully with all applicable laws and regulations; and
- Foreseeable operational risks that threaten customers, regulatory compliance, financial viability, or the continuity of important business services.

The risk capital before diversification with other risk categories allocated to operational risk as at 31 December 2025 was £59m.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Company standards for the management of operational risk.

The key mitigants around operational risk are the development and maintenance of controls to address the risks. First Line governance forums and the Operational Risk Forum undertake monitoring of operational risks, including reviewing operational losses and key control failings on a quarterly basis. Operational risks are assessed regularly, and an annual plan is produced for risk and control assessments.

Concentration of internal operational risks is monitored and managed through First and Second Line review and oversight. In addition, Internal Audit assesses the effectiveness of the internal control system through planned audit reviews.

C. Risk Profile
This section is unaudited.

C.6 Other material risks

Strategic risk
Strategic risk consists of unexpected negative changes in the Company's value arising from the adverse effect of management decisions regarding business strategies and their implementation. The Company accepts Strategic risk as a consequence of writing insurance business. Strategic risks are mitigated by the review of strategies and plans by the Board.

Reputational risk
Reputational risks could lead stakeholders to form a negative view of the Company or negatively affect the perception and behaviour of stakeholders. They are caused by events, behaviours, actions or inaction by the Company, decisions and processes which business areas hold responsibility for, employees and parties the Company are associated with.

The Company recognises that its reputation is one of our most valuable assets and is critical to its success. The Company is committed to maintaining the trust and confidence of its stakeholders, including customers, employees, partners, and the communities in which it operates. The Company accepts a moderate level of reputational risk in pursuit of its strategic objectives, recognising that providing insurance often involves making complex underwriting, pricing, and claims decisions that may generate adverse public or stakeholder reaction, even when those decisions are fair, legal, compliant and supported by commercially sound rationale. However, the Company seeks to minimise all material reputational risk as far as possible.

Conduct risk
Conduct risk is the risk that inappropriate decisions, actions, omissions or processes affect the ability to achieve good outcomes for customers, in addition to the effect this may have on market stability, effective competition, relationships with regulators, and the Company's reputation.

The Company puts customers at the heart of everything it does, and acts with integrity, aiming to deliver good outcomes for all customers throughout the product lifecycle, whilst maintaining good standards of market and regulatory conduct. Where issues are identified that may create potential conduct risks, the Company will actively seek to minimise those risks and avoid causing foreseeable harm to customers. If a conduct risk event occurs, the Company will promptly take action to put matters right and ensure good outcomes for its customers.

C.7 Any Other Information

Risk sensitivity analysis
To adequately understand its risk exposures, the Company uses stress testing and sensitivity analysis for all material risks and events.

These stresses are used to identify the most material impacts to the Company and then feed into investment decisions and underwriting activities, as well as areas of focus for monitoring.

It is also periodically used to perform investigations into specific real-world scenarios of relevance to the Company, across all risk types, and also to undertake regular analyses of one-factor stresses. This analysis covers both the direct impact on the Balance Sheet and also secondary impacts on solvency. These analyses are reported to the Risk Committee and are also used as input into decisions about capital requirements.

As at 31 December 2025, the Company's solvency coverage ratio was 139%. The table below shows the results of the sensitivity analysis for one-factor stresses, covering both market and non-market risks. The results include the impact on Own Funds and on the Company's SCR and the resulting combined impact on the Company's solvency coverage ratio.

The results represent the estimated direct quantitative impact of the stresses and do not consider future management actions that could potentially alleviate the situation. Examples of possible recovery options that the Company's management could decide to implement following a stress include changing the investment portfolio to address market or credit risk, changing reinsurance arrangements or restricting new business volumes.

C. Risk Profile
This section is unaudited.

The results are reasonable given the strategy and business of the Company.

	Impact on Own Funds (£m)	Impact on SCR (£m)	Impact on SCR %
Market risk			
Interest Rates: 100bps increase	(43)	(3)	(7%)
Interest Rates: 100bps decrease	45	3	7%
Credit Spreads: 100bps increase relative to swaps	(77)	-	(14%)
Credit Spreads: 100bps decrease relative to swaps	83	-	15%
Inflation: 100bps increase	(17)	-	(3%)
Inflation: 100bps decrease	15	-	3%
Non-market risk			
Premium risk: 1 in 5 year event	(56)	-	(10%)
Reserve risk: 1 in 5 year event	(65)	14	(15%)

In addition to the one-factor stresses presented above, the Company performs a regular assessment of how its solvency position could be affected in a range of adverse real-world economic scenarios.

D. Valuation for Solvency Purposes

The scope of this section of the report is to represent the excess of assets over liabilities of the Company.

The recognition, measurement and valuation policies for IFRS reporting purposes applied by the Company are summarised in notes 1.4 and 2 within the Company Annual Report and Financial Statements. This report summarises any differences to those valuation policies for solvency purposes.

The table below shows the IFRS Statement of Financial Position ("SoFP") of the Company as at 31 December 2025, mapped to the Solvency UK Balance Sheet line items and the key reclassification and valuation differences between that and the Balance Sheet used for Solvency UK purposes.

	IFRS (£m)	Reclassifications (£m)	Valuation Difference (£m)	SUK (£m)
Intangible assets	26	-	(26)	-
Deferred tax assets	9	(8)	20	21
Holdings in related undertakings, including	199	-	73	272
Government Bonds	722	-	-	722
Corporate Bonds	1,535	-	-	1,535
Collateralised securities	124	-	-	124
Collective investments undertakings	51	1	-	52
Derivatives	1	-	-	1
Loans and mortgages	-	26	-	26
Reinsurance recoverables from:				
Non-life and health similar to non-life	983	-	(19)	964
Life and health similar to life, excluding index-linked and unit-linked	29	-	4	33
Insurance and intermediaries receivables	466	(466)	-	-
Receivables (trade, not insurance)	59	(26)	-	33
Cash and cash equivalents	30	(1)	-	29
Any other assets, not elsewhere shown	2	-	-	2
Total Assets	**4,236**	**(474)**	**52**	**3,814**
Best estimate - non-life	2,326	(347)	(25)	1,954
Best estimate - life	36	-	6	42
Risk margin - non-life	17	-	14	31
Provisions other than Technical Provisions	2	-	-	2
Deposits from reinsurers	840	15	54	909
Deferred tax liabilities	8	(8)	-	-
Debts owed to credit institutions	1	-	-	1
Insurance and intermediaries payables	66	(53)	-	13
Reinsurance payables	29	(29)	-	-
Payables (trade, not insurance)	145	(52)	-	93
Any other liabilities, not elsewhere shown	4	-	-	4
Total Liabilities	**3,474**	**(474)**	**49**	**3,049**
Excess of Assets over Liabilities	**762**	**-**	**3**	**765**

D. Valuation for Solvency Purposes

D.1 Assets

Intangible assets
For Solvency UK valuation purposes, these are valued at £nil.

Participations
Participations are valued using the adjusted equity method, that is, at their IFRS Net Asset Value, adjusted for Solvency UK valuation differences.

Receivables
Non-insurance receivables have been reported in the Solvency UK Balance Sheet at the value included in the Company's Annual Report and Financial Statements. This is deemed market consistent given that the receivables are due within 12 months, and therefore the discounting effect of the time value of money is not deemed significant.

In the case of insurance-related receivables, the difference between IFRS and Solvency UK Balance Sheet mainly relates to the recognition of certain premiums that are included in the receivables under IFRS as per the table above, while they are recognised within Technical Provisions in the Solvency UK Balance Sheet, because such premiums are not yet past due by the SoFP date.

Under IFRS, cash pooling arrangements are recognised within trade receivables, however within Solvency UK, they are recognised within loans and mortgages.

Loans and mortgages
Cash pooling arrangements are reported in the Company's Annual Report and Financial Statements at £26m and the market value is £26m.

Cash and cash equivalents
The reclassification in cash and cash equivalents between the Company's Annual Report and Financial Statements and the Solvency UK Balance Sheet relates to the transfer of a short-term liquidity fund from cash and cash equivalents under IFRS to collective investments undertakings under Solvency UK. There is no material difference in the valuation of cash and cash equivalents between the Solvency UK and IFRS Balance Sheets.

Investments
The Company uses a three-level fair value hierarchy for financial assets depending on the inputs used to determine fair value:

- Level 1: quoted prices in active markets for identical assets;
- Level 2: valuation technique which uses the current prices in an active market of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences; and
- Level 3: if one or more of the significant inputs is not based on observable market data.

All valuations under IFRS are deemed applicable for the Solvency UK Balance Sheet value.

The split of investment classifications is provided in the table below.

	Level 1 (£m)	Level 2 (£m)	Level 3 (£m)	Total (£m)
Government bonds	484	238	-	**722**
Corporate bonds	-	1,535	-	**1,535**
Collateralised securities	-	124	-	**124**
Collective investments undertakings	-	-	52	**52**
Total	**484**	**1,897**	**52**	**2,433**

Deferred tax
Deferred taxes are valued on the basis of the difference between the values ascribed to assets and liabilities recognised and valued in accordance with Solvency UK, and the values ascribed to assets and liabilities as recognised and valued

for tax purposes. The valuation difference relating to deferred taxes mainly results from differences in Technical Provisions, intangible assets and insurance receivables for Solvency UK.

Temporary differences between the Solvency UK value of the assets and liabilities and their corresponding tax base as defined in International Accounting Standards ("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 Company Annual Report and Financial Statements.

The tax rates used in the calculation are the applicable UK tax rates. For losses this is a 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 Solvency UK to IFRS valuation differences, their applicable tax rate and the deferred tax impact are outlined below.

	Valuation differences before deferred tax (£m)	Tax rate applied	Deferred tax impact (£m)	Net difference between IFRS and SUK (£m)
Intangible assets	(16)	25%	4	(12)
Intangible assets	(10)	0%	-	(10)
Holdings in related undertakings, including participations	73	0%	-	73
Non-life and health similar to non-life	(19)	25%	5	(14)
Life and health similar to life, excluding health and index-linked and unit-linked	4	25%	(1)	3
Best estimate – non-life	25	25%	(7)	18
Risk margin – non-life	(14)	25%	4	(10)
Best estimate – life	(6)	25%	2	(4)
Deposits from reinsurers	(54)	25%	13	(41)
Total	**(17)**		**20**	**3**

D. Valuation for Solvency Purposes

Any other assets, not elsewhere shown
For Solvency UK valuation purposes, prepayments and accrued income are valued consistently with IFRS.

D.2 Technical Provisions

The table below shows the Technical Provisions both gross and net of reinsurance by Solvency UK line of business.

	Gross (£m)				Net (£m)			
SUK Line of business	**Claims Provision**	**Premium Provision**	**Risk Margin**	**SUK Technical Provisions**	**Claims Provision**	**Premium Provision**	**Risk Margin**	**SUK Technical Provisions**
Motor vehicle liability insurance	1,384	218	25	1,627	762	82	25	869
Other motor insurance	(55)	122	1	68	(33)	34	1	2
Fire and other damage to property insurance	205	45	5	255	121	9	5	135
General liability insurance	20	-	-	20	12	-	-	12
Legal expenses insurance	5	(4)	-	1	3	(4)	-	(1)
Assistance	6	6	-	12	4	(1)	-	3
Medical expenses insurance	1	1	-	2	1	-	-	1
Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	42	-	-	42	9	-	-	9
Total	**1,608**	**388**	**31**	**2,027**	**879**	**120**	**31**	**1,030**

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. Each element is calculated by line of business, both gross of reinsurance and for associated reinsurance recoveries. For each line of business, the approach taken is the same, and the methods and assumptions used for each line of business are based on the actual exposure and experience of that line of business.

Methods and main assumptions
The calculation of the Technical Provisions is based on up-to-date and credible information and realistic assumptions and is performed using actuarial and statistical methods relevant to the line of business.

Claims Provision
The Claims Provision is based on the undiscounted IFRS claims reserves, with the addition of an allowance for future claims handling and investment management expenses. A payment pattern derived from historical data for each line of business is applied to each element of the Claims Provision to obtain future cashflows, which are discounted to reflect the time value of money in line with Solvency UK requirements. A final adjustment is made as described below in respect of future premiums.

D. Valuation for Solvency Purposes

Premium Provision

To calculate the Premium Provision, the IFRS Liability for Remaining Coverage ("LRC"), adjusted to allow for future premium development arising from mid-term adjustments or cancellations and premiums relating to business written but not incepted, is used as an exposure measure.

Future loss ratio assumptions, derived separately for each line of business, are applied to the adjusted LRC to obtain an estimate of future claims. Allowances are also made for future expenses, profit commission and levies. A payment pattern is applied to each element of the Premium Provision to obtain future cashflows, which are discounted in line with Solvency UK requirements.

Under Solvency UK, all future cashflows arising from insurance contracts, including future premiums except amounts past due, must be included within the Technical Provisions. The future premiums are adjusted for future premium development and future premiums relating to business written but not incepted consistent with the LRC adjustment described above and are discounted.

Negative Premium Provisions may arise when future premium is greater than future claims and expenses. Future claims and expenses are based on the adjusted LRC. On a gross basis, Legal Expenses Insurance has a small negative Premium Provision due to high future premiums as a result of the nature of the policies.

On a net basis, there is the impact of the Whole Account Reinsurance ceded funds which reduces claims, but there is no corresponding Whole Account Reinsurance premium as no premium is paid on this reinsurance arrangement as it is on a funds withheld basis. Therefore, the net Premium Provision is lower than the gross Premium Provision, and in some classes this causes the net Premium Provision to be negative. There is an opposite adjustment outside of the Technical Provisions on the Solvency UK Balance Sheet which partially offsets this.

Risk Margin

The Risk Margin is calculated by determining the cost of providing an amount of eligible Own Funds equal to the SCR necessary to support the insurance obligations over their lifetime.

The 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 risk inherent in the claims reserves over time. It uses ratios to assess premium risk and reserve risk capital throughout the run-off 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 the PRA at 4%.

This approach is based on the following assumptions:

- The current ratios of reserve risk capital to net reserves by line of business will increase over time due to loss of diversification;
- The run-off profile of risks such as Lapse, Broker Default, Catastrophe, and Health assume a one-year run-off pattern; and
- The Risk Margin is held to cover run-off of an ongoing entity, which benefits from its existing diversification between reserve risk and premium risk.

Uncertainty

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

- Claim reporting patterns being different from those expected;
- Claims settlement amounts being different in aggregate to that expected, for example, as a result of higher levels of inflation;
- The impact of regulatory changes/reforms;
- Reinsurance recoveries being different to the levels expected; and
- Claim handling costs being different from those expected.

The calculation of the Technical Provisions requires a number of assumptions in addition to those supporting the IFRS calculations. Key additional assumptions include:

- Future loss ratio assumptions drive the allowance for future claims within the best estimate Premium Provision;
- Future expense assumptions are required for claims management expenses, future policy administrative expenses and future investment management expenses, as well as future reinsurance costs (net of future recoveries) and levies; and
- Future cashflow assumptions are used for the discounting calculation.

Sensitivity analysis has been conducted to understand how the Technical Provisions react to changes in key assumptions. The results are shown below:

Sensitivity	Change in net Technical Provisions (£m)	% Change in net Technical Provisions
Increase future loss ratios by 2%	12	1%
Decrease future loss ratios by 2%	(12)	(1%)
Increase risk yield by 1%	(23)	(2%)
Decrease risk yield by 1%	24	2%
Delay payment by 1 year	(49)	(5%)
Advance payment by 1 year	37	4%

During 2025, geopolitical risks and macro trends have evolved significantly and the interconnectedness of global trade and the UK's reliance on affected supply chains increases the volatility around inflation assumptions. Therefore, inflationary pressure continues to be an area of uncertainty as the ultimate cost of claims is very sensitive to the inflation assumptions made. Close monitoring on the economic and social inflationary environment continues and an allowance is made in the provisions for the impact of inflation on the ultimate cost of claims.

Since December 2024, the Ogden discount rate has been set at +0.5% across all UK jurisdictions. Ultimate claims costs for large personal injury claims have been estimated using the latest Ogden discount rates at +0.5%, with past development used to guide the ultimate cost.

Events Not In Data ("ENIDs")
ENIDs are derived by using a scenario approach, with estimated probabilities and severities for each scenario used to calculate an explicit load for unexpected claims or claim deteriorations. The ENIDs are allocated to line of business and are derived on both a Claims Provisions (i.e. earned) and Premium Provisions (i.e. unearned) basis. ENIDs are calculated on an undiscounted basis and are also included within the IFRS best estimate. ENID scenarios are calculated both gross and net of reinsurance.

Differences in valuation methodologies
The Solvency UK Best Estimate Liabilities ("BEL") is based upon the IFRS Actuarial Best Estimate ("ABE"). However, elements of the ABE which are required under IFRS are not required under Solvency UK and vice versa. Broadly, these can be summarised as follows:

- IFRS reserves held on the SoFP are discounted based on current rates. The current rate is equal to the risk-free rate, plus the addition of an illiquidity premium. The illiquidity premium is set to zero for the calculation of the loss component (if required) within the LRC. The Solvency UK BEL is instead discounted based on the latest PRA risk-free curve;
- Under IFRS, the profitability of each Group of Contracts is assessed to determine whether they are onerous contracts. If at the date of initial recognition or at any time during the coverage period facts and circumstances indicates that a Group of Contracts is onerous, then a Loss Component is determined. There is no Loss Component within the Solvency UK BEL, and instead the profitability of the underlying contracts is inherently captured within the projected future cashflows;
- IFRS includes a risk adjustment, which is the compensation that an entity requires for bearing the uncertainty about the amount and timing of the cashflows that arises from non-financial risk. In the Solvency UK BEL, this is replaced by the Risk Margin;
- Past Deferred Acquisition Costs ("DAC") are not included in the cashflow projections. However, the future DAC expenses in the unincepted business are included; and

- The LRC (net of DAC and Premium receivables) under IFRS is inadmissible under Solvency UK. However, this is replaced by the Premium Provision.

Matching and volatility adjustments
No matching adjustment or volatility adjustment is applied to the risk-free yield curve used to discount the Technical Provisions.

Reinsurance recoverables
Reinsurance recoverables are calculated separately for the Claims Provision and Premium Provision. The following cashflows are taken into account:

Cash inflows:

- Recoverables from reinsurance contracts for claims payments and related expenses.

Cash outflows:

- Future premiums for reinsurance contracts; and
- Counterparty default adjustment.

For the main lines of business, the Company purchases excess of loss contracts with sufficiently high retentions for only relatively few large claims to be recoverable. Any difference in timing between expected claims settlement and related reinsurance recoveries is reflected in the timing of the reinsurance cashflows. A Loss Portfolio Transfer is in place with 40% of reserves on 2020 and prior accident periods ceded to Allianz Re, whilst WAQS arrangements with 40% ceded to Allianz Re have been in place annually since 2021.

For the Claims Provision, reinsurance recoveries for outstanding claims are calculated on a case-by-case basis. Incurred But Not Reported ("IBNR") provisions for outstanding claims are estimated at both gross and net levels separately.

For the Premium Provision, a reinsurance to gross ratio is applied to future gross claims within the Premium Provision to derive the reinsurance recoverable. The net LRC is adjusted to ensure that contract boundaries are consistent between the gross liabilities and the reinsurance recoveries on those liabilities. This involves removing any reinsurance exposure related to future new business and including additional reinsurance exposure for current business covered by the reinsurance treaties incepting on January 1, 2026. This is based on an assumed management action to renew the reinsurance programme at the next renewal date under terms and conditions similar to those which currently apply. Correspondingly, a share of the future reinsurance premiums for these contracts relating to current business is also allowed for within the Technical Provisions.

Reinsurance future premiums are included within the Technical Provisions based on the payment terms of the individual reinsurance contracts. In respect of the WAQS contract with Allianz Re, the assumed management action continues to be that this cover remains in place throughout the run-off of the liabilities. Allowance is made for the expected future cashflows arising from this arrangement.

A counterparty default adjustment is held to reflect the expected amount of losses due to default of reinsurance counterparties. Note that there is no counterparty default adjustment required in respect of the WAQS, since these are on a Funds Withheld basis.

IFRS to Solvency UK Technical Provisions
The following table shows a breakdown of the differences between IFRS Technical Provisions (net of reinsurance and deferred acquisition costs) and Solvency UK Technical Provisions by Solvency UK line of business.

The first column shows the IFRS Technical Provisions net of reinsurance and deferred acquisition costs. The final column shows the Solvency UK net Technical Provisions including the Risk Margin.

The most significant adjustments are in respect of future premiums and exposures, which reflect the removal of the LRC and the inclusion of the Premium Provision.

There is a discount adjustment required when moving between the two bases, as current rates used to discount the IFRS reserves in the Liability for Incurred Claims ("LIC") include an illiquidity premium, whilst the Solvency UK BEL is discounted using the latest PRA yield curve.

Other adjustments relate to the inclusion of Motor Insurers' Bureau levies and outstanding reinsurance payments held within the Claims Provision. For simplicity, these are allocated to the Motor Vehicle Liability Solvency UK Line of Business.

The IFRS Risk Adjustment is replaced by the Solvency UK Risk Margin.

SUK Line of business	IFRS provisions (£m)	Adjustment in respect of future premiums and exposures (£m)	Discounting adjustment (£m)	Replace risk adjustment with Risk Margin (£m)	Other adjustments (£m)	SUK Technical Provisions (£m)
Motor vehicle liability insurance	944	(139)	3	11	49	868
Other motor insurance	137	(122)	-	-	(13)	2
Fire and other damage to property insurance	230	(100)	1	3	-	134
General liability insurance	13	(1)	-	-	1	13
Legal expenses insurance	13	(14)	-	-	-	(1)
Assistance	20	(16)	-	-	-	4
Medical expenses	2	(1)	-	-	-	1
Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	8	-	1	-	-	9
Total	**1,367**	**(393)**	**5**	**14**	**37**	**1,030**

The table below shows the change in the Technical Provisions from 2024 to 2025 both gross and net of reinsurance.

	Gross (£m)			Net (£m)		
	2025	2024	Change	2025	2024	Change
Best Estimate	1,996	1,598	398	999	777	222
Risk Margin	31	26	5	31	26	5
SUK Technical Provisions	2,027	1,624	403	1,030	803	227

Overall, the net Technical Provisions have increased by £227m over the year.

The Claims Provision increased by £212m in the year. This is driven by a £215m increase in undiscounted reserves including ENIDs and claims handling reserves driven by prior year strengthening in third party bodily injury claims and subsidence claims.

There was a £10m increase in the Premium Provision in the year. This is driven by:

- An inclusion of Insurance Premium Tax ("IPT") payables of £52m within the Premium Provision;
- £28m increase in expected future losses driven by increases in future loss ratios, in particular on Motor; and
- Partially offset by £67m increase in future premiums which is a cash inflow which reduces the Premium Provision.

The Risk Margin has increased by £5m over the year following the best estimate increase.

Assumptions are subject to a regular review cycle with the period between reviews chosen to reflect the materiality of the assumption.

D. Valuation for Solvency Purposes

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. The limitations of the calculation methodology 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 assumptions and parameters used in each method are clear and explicitly identified. The key drivers and uncertainties associated with the best estimate are explored and described.

For some elements of the Technical Provisions, simplified methods are applied that are appropriate to the nature and complexity of the risks. These are outlined below.

For the Premium Provision, the recoverables on Motor excess of loss reinsurance arrangements are estimated by applying a reinsurance to gross ratio to the future gross claim cashflows. The stochastic IBNR model used in the Claims Provision calculation produces a gross and reinsurance provision from which the reinsurance to gross ratio used in the Premium Provision is derived. This is defined as a simplified method under Solvency UK.

The Risk Margin is estimated using an adjusted proportional proxy method to project future SCRs. It uses ratios to assess premium risk and reserve risk capital throughout the run-off period allowing for the changing nature of the liabilities through the run-off period and grossing up to allow for other risks, adjusted to reflect the changing levels of riskiness of the claims reserves over time. This method is defined by Solvency UK regulation as a simplification.

D.3 Other liabilities

Insurance and intermediaries payables and reinsurance payables are reclassified to Technical Provisions and deposits from reinsurers. The valuation difference in the deposits from reinsurers relates to differing discount rates and additional ceded investment income.

Insurance and intermediaries payables and reinsurance payables balances remaining on the Solvency UK Balance Sheet pertain to overdue amounts, in accordance with Solvency UK requirements.

Payables (trade, not insurance) include amounts payable to suppliers, intermediaries and other third parties. A component of these payables are IPT liabilities which are reclassified to Technical Provisions.

For all other classes of liability there is no difference between the IFRS valuation and the Solvency UK Balance Sheet valuation. Full details on valuation methodologies can be found in the Company's Annual Report and Financial Statements.

D.4 Alternative methods for valuation

The Company holds a managed fund investment which is classified as Level 3. The fund is a fund of funds ("Fund"). The Fund is valued as the sum of the attributable proportion of the net asset value ("NAV") reported for each target fund. Details of the infrastructure bonds and managed funds and their valuation methodology can be found in the Company Annual Report and Financial Statements.

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

Capital is a resource that supports the risk bearing capacity of the Company, forming a foundation for the Company's long-term viability and the trust of its customers.

The Company maintains a formal capital management policy, and capital management planning is embedded within the main planning process, with a time horizon of three years.

The Company applies an integrated risk capital framework, taking into account appetite and capital allocation across the Company. Capital management protects the Company's Own Funds in line with the Risk Strategy and Appetite. Both risk considerations and Own Funds needs are integrated into management processes through the attribution of risk and allocation of Own Funds to the various lines of business.

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

The current liquidity plan and solvency projections reflect all planned changes in Own Funds for the next three years.

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

The table below shows the breakdown of the Own Funds by tier, and the solvency coverage ratio.

	2025 (£m)	2024 (£m)	Movement (£m)
Ordinary shares	575	575	-
Reconciliation reserve	169	156	13
Total tier 1	**744**	**731**	**13**
Net deferred tax assets	21	12	9
Total tier 3	**21**	**12**	**9**
Total eligible Own Funds to meet SCR	**765**	**743**	**22**
SCR	**550**	**481**	**69**
SCR coverage ratio	**139%**	**154%**	**(15%)**
Total eligible Own Funds to meet the MCR	**744**	**731**	**13**
MCR	**171**	**151**	**20**
MCR coverage ratio	**435%**	**484%**	**(49%)**

Only tier 1 and tier 2 Own Funds are eligible to meet the MCR so tier 3 Own Funds have been excluded from the MCR coverage ratio. No Own Fund items for the Company are subject to transitional measures for their inclusion in tier 1. Tier 1 Capital is fully loss-absorbing and available to cover losses. The Company does not have any tier 2 Own Funds. There are no restrictions on the eligibility of available 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 reconciliation reserve is made up of retained earnings and reconciliation adjustments from the IFRS to Solvency UK Balance Sheet only.

The sensitivity of the Own Funds to both market and non-market risks is provided in the table in section C.7. The changes in Own Funds over the reporting period are provided in the table below.

E. Capital Management

	£m
Profit after tax earned by the Company in the year	70
Dividend payment	(40)
Movement in Technical Provisions	(81)
Movement in intangibles	(9)
Movement in participations	30
Movement in investments - net unrealised movements	35
Movement in deferred tax	17
Total movement over the year	**22**

As at 31 December 2025, there is no difference between the excess of assets over liabilities and Own Funds.

Reconciliation between IFRS and Solvency UK excess of assets over liabilities
The Solvency UK excess of assets over liabilities amounts to £765m, whereas the IFRS excess of assets over liabilities amounts to £762m. The difference of £3m is largely attributable to drivers, previously analysed in section D and summarised in the table below.

	£m
IFRS excess of assets over liabilities	**762**
Intangible assets	(26)
Differences in recognition and valuation of Technical Provisions, reinsurance recoverables and deposits from reinsurers	(64)
Inclusion of participations at Solvency UK value	73
Deferred taxes on the above mentioned balance sheet valuation differences	20
Solvency UK excess of assets over liabilities	**765**

E.2 SCR and MCR

The SCR at 31 December 2025 amounts to £550m, and the MCR amounts to £171m.

The Company uses a Standard Formula basis to calculate the SCR. The approach to calculating the SCR and MCR is in accordance with Solvency UK. The Company is not using any material simplifications or undertaking specific parameters in the calculation of the SCR and does not have any regulatory capital add-ons.

A split of the SCR by the risk modules and sub-modules modelled by the standard formula model is shown in the following table. The comparative figures for 2024 and the movement over the reporting period are also shown.

E. Capital Management

	Capital (£m)		
Category of risk	**2025**	**2024**	**Movement**
Non-life underwriting risk	**448**	**405**	**43**
Premium and reserve risk	366	325	41
Catastrophe risk	81	78	3
Lapse risk	1	2	(1)
Market risk	**252**	**204**	**48**
Equity risk	63	56	7
Interest rate risk	56	41	15
Credit spread risk	133	107	26
Counterparty default risk	**20**	**14**	**6**
Life underwriting risk	**1**	**1**	**-**
Health underwriting risk	**1**	**1**	**-**
Operational risk	**59**	**53**	**6**
Sum of standalone risks	**781**	**678**	**103**
Diversification benefit	(231)	(197)	(34)
SCR	**550**	**481**	**69**

The total diversified SCR for the Company increased by £69m over the year from £481m to £550m. The movement is predominately driven by:

- Premium and reserve risk increased by £41m over the year, mainly due to the increase in reserve risk element as reserves have increased over the year;
- Interest rate risk increased by £15m due to an increase in the market value of the bond portfolio over the year and the impact of this on the asset-liability matching;
- Credit spread risk increased by £26m due to an increase in the market value of the bond portfolio over the year; and
- Diversification benefit has then increased due to the increases in the underlying risks.

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

The Company has not applied the duration-based equity risk sub-module in the calculation of the SCR.

E.4 Differences between Standard Formula and any Internal Model used

This does not apply as the Company does not use an Internal Model to calculate its SCR.

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

The Company has complied continuously with the MCR and the SCR.

E.6 Any other material information

In view of the Solvency UK Solvency Coverage Ratio of 139% as at 31 December 2025, and the stress tests performed, the Company does not expect any breach of its SCR and anticipates that it will remain suitably capitalised going forward.

Statement of Directors' Responsibilities

Financial period ended 31 December 2025

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

The SFCR was approved by the Board of Directors on 1 April 2026 and signed on its behalf by:

M F Ruf

Director

Liverpool Victoria Insurance Company Limited

1 April 2026

Report of the external independent auditors to the Directors of Liverpool Victoria Insurance Company Limited ('the Company') pursuant to Rule 4.1 (2) of the External Audit Part of the PRA Rulebook applicable to Solvency II firms

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

Opinion

We have audited the following documents prepared by the Company as at 31 December 2025:

- The 'Valuation for solvency purposes' and 'Capital management' sections of the Solvency and Financial Condition Report of the Company as at 31 December 2025, ('**the Narrative Disclosures subject to audit**'); and
- Company templates IR.02.01.02, IR.12.01.02, IR.17.01.02, IR.23.01.01, IR.25.04.21 and IR.28.01.01 ('**the Templates subject to audit'**).

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

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

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

In our opinion, the information subject to audit in the relevant elements of the Solvency and Financial Condition Report of the Company as at 31 December 2025 is prepared, in all material respects, in accordance with the financial reporting provisions of the PRA Rules, as modified by relevant supervisory modifications.

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 *Auditors' 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.

Conclusions relating to going concern

Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining management's going concern assessment, considering the company's capital, solvency and liquidity positions, and challenging the material assumptions made using our knowledge of the business, review of regulatory correspondence and obtaining further corroborative evidence; and
- Considering information obtained during the course of the audit and publicly available market information to identify any evidence that would contradict management's assessment of going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date on which the Solvency and Financial Condition Report is authorised for issue.

In auditing the Solvency and Financial Condition Report, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the Solvency and Financial Condition Report is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Emphasis of Matter - Basis of Accounting

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

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 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 this Other Information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Solvency and Financial Condition Report

The Directors are responsible for the preparation of the Solvency and Financial Condition Report in accordance with the financial reporting provisions of the PRA Rules, which have been modified by the modifications made by the PRA under section 138A of FSMA and the PRA Rules, as detailed below:

- Modifications to the PRA Rulebook Group Supervision Rule 17.2, as disclosed in Section B.3; and
- Modifications to the PRA Rulebook Group Supervision Rules 4.2 and 4.4 and the waiver of the PRA Rulebook Group Supervision Rules 5 to 19.

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.

Auditors' 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 information subject to audit in the relevant elements of the Solvency and Financial Condition Report is prepared, in all material respects, in accordance with financial reporting provisions of the PRA Rules.

Our objectives are to obtain reasonable assurance about whether the relevant elements of the Solvency and Financial Condition Report are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 Solvency and Financial Condition Report.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to regulatory principles , such as those governed by the Prudential Regulation Authority and the Financial Conduct Authority and we considered the extent to which non-compliance might have a material effect on the Solvency and Financial Condition Report. We also considered those laws and regulations that have a direct impact on the Solvency and Financial Condition Report such as PRA Rulebook . We evaluated management's incentives and opportunities for fraudulent manipulation of the Solvency and Financial Condition Report (including the risk of override of controls) and determined that the principal risks were related to posting of inappropriate journals and management bias in the Solvency II estimates . Audit procedures performed included:

- Discussions with the Audit Committee, management, Internal Audit, senior management involved in the Risk and Compliance functions and the Company's legal function, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud relevant to the SFCR;

- Reviewing relevant meeting minutes including those of the Board of Directors, Audit Committee, Reserving Committee and Risk Committee;
- Reading key correspondence with the Prudential Regulation Authority and/or the Financial Conduct Authority in relation to compliance with laws and regulations; and
- Identifying and testing journal entries in the production of the underlying IFRS Statement of Financial Position, and auditing adjustment between the IFRS and Solvency II values.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the Solvency and Financial Condition Report. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

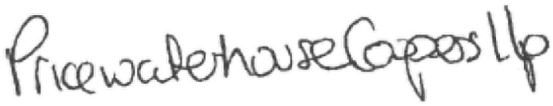
A further description of our responsibilities for the audit is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinion, has been prepared for the Board of Directors of the Company in accordance with External Audit rule 2.1 of the Solvency II firms Sector of the PRA Rulebook and for no other purpose. We do not, in providing this report, accept or assume responsibility for any other purpose or to any other party save where expressly agreed by our prior consent in writing.

Report on Other Legal and Regulatory Requirements

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



PricewaterhouseCoopers LLP

Chartered Accountants

7 More London Riverside

London

SE1 2RT

2 April 2026

Wolters Kluwer
Solvency UK Solution

Balance sheet

Entity: LVIC - Liverpool Victoria Insurance Company Limited
Scenario: 2025 Solvency II
Period: Annual
Currency: GBP - Great British Pounds
PRA QRT: IR.02.01

Balance Sheet

		Solvency II value
		C0010
Assets		
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	
Deferred tax assets	R0040	21,335
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	2,706,076
Property (other than for own use)	R0080	
Holdings in related undertakings, including participations	*R0090*	*271,590*
Equities	R0100	
Equities - listed	R0110	
Equities - unlisted	R0120	
Bonds	R0130	2,381,215
Government Bonds	R0140	722,387
Corporate Bonds	R0150	1,534,623
Structured notes	R0160	
Collateralised securities	R0170	124,205
Collective Investments Undertakings	R0180	52,210
Derivatives	R0190	1,061
Deposits other than cash equivalents	R0200	
Other investments	R0210	
Assets held for index-linked and unit-linked contracts	R0220	
Loans and mortgages	R0230	25,690
Loans on policies	R0240	
Loans and mortgages to individuals	R0250	
Other loans and mortgages	R0260	25,690
Reinsurance recoverables from:	R0270	996,326
Non-life and health similar to non-life	R0280	963,539
Life and health similar to life, excluding index-linked and unit-linked	R0315	32,787
Life index-linked and unit-linked	R0340	
Deposits to cedants	R0350	
Insurance and intermediaries receivables	R0360	
Reinsurance receivables	R0370	
Receivables (trade, not insurance)	R0380	33,175
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	28,947
Any other assets, not elsewhere shown	R0420	1,918
Total assets	R0500	3,813,467

Liabilities		
Technical provisions - total	R0505	2,027,098
Technical provisions - non-life	R0510	1,984,916
Technical provisions - life	R0515	42,181
Best estimate - total	R0542	1,996,252
Best estimate - non-life	R0544	1,954,337
Best estimate - life	R0546	41,914
Risk margin - total	R0552	30,846
Risk margin - non-life	R0554	30,579
Risk margin - life	R0556	267
Transitional (TMTP) - life	R0565	
Other technical provisions	R0730	
Contingent liabilities	R0740	
Provisions other than technical provisions	R0750	2,144
Pension benefit obligations	R0760	
Deposits from reinsurers	R0770	909,094
Deferred tax liabilities	R0780	
Derivatives	R0790	6
Debts owed to credit institutions	R0800	1,010
Financial liabilities other than debts owed to credit institutions	R0810	
Insurance & intermediaries payables	R0820	12,941
Reinsurance payables	R0830	
Payables (trade, not insurance)	R0840	92,728
Subordinated liabilities	R0850	
Subordinated liabilities not in Basic Own Funds	R0860	
Subordinated liabilities in Basic Own Funds	R0870	
Any other liabilities, not elsewhere shown	R0880	3,877
Total liabilities	R0900	3,048,899

Excess of assets over liabilities	R1000	764,569

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Solvency UK Solution

Premiums, claims and expenses by country

Entity: LVIC - Liverpool Victoria Insurance Company Limited
Scenario: 2025 Solvency II
Period: Annual
Category:
Currency: GBP - Great British Pounds
PRA QRT: IR.05.02

Premiums, claims and expenses by country

		Home Country	Country (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
	R0010							
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	R0110	1,777,971						1,777,971
Gross - Proportional reinsurance accepted	R0120							0
Gross - Non-proportional reinsurance accepted	R0130							0
Reinsurers' share	R0140	772,121						772,121
Net	R0200	1,005,851						1,005,851
Premiums earned								
Gross - Direct Business	R0210	1,778,234						1,778,234
Gross - Proportional reinsurance accepted	R0220							0
Gross - Non-proportional reinsurance accepted	R0230							0
Reinsurers' share	R0240	771,360						771,360
Net	R0300	1,006,874						1,006,874
Claims incurred								
Gross - Direct Business	R0310	1,269,684						1,269,684
Gross - Proportional reinsurance accepted	R0320	0						0
Gross - Non-proportional reinsurance accepted	R0330	0						0
Reinsurers' share	R0340	562,030						562,030
Net	R0400	707,654						707,654
Net expenses incurred	R0550	192,173						192,173

		Home Country	Country (by amount of gross premiums written) - life obligations					Total Top 5 and home
		C0150	C0160	C0170	C0180	C0190	C0200	C0210
	R01400							
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
Premiums written								
Gross	R1410							0
Reinsurers' share	R1420							0
Net	R1500							0
Premiums earned								
Gross	R1510							0
Reinsurers' share	R1520							0
Net	R1600							0
Claims incurred								
Gross	R1610							0
Reinsurers' share	R1620							0
Net	R1700							0
Net expenses incurred	R1900							0

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Solvency UK Solution

Non-life income and expenditure

Entity: LVIC - Liverpool Victoria Insurance Company Limited
Scenario: 2025 Solvency II
Period: Annual
Category: Solvency UK: Statutory Account
Currency: GBP - Great British Pounds

PRA QRT: IR.05.04

IR.05.04.02.01 - Non-life income and expenditure: reporting period

					All business (including annuities stemming from accepted non-life insurance and reinsurance contracts)																									
						All non-life business (ie excluding annuities stemming from accepted insurance and reinsurance contracts)																								
							Line of Business for: non-life insurance and accepted proportional reinsurance obligations																		Line of Business for: accepted non-proportional reinsurance				Annuities stemming from non-life insurance contracts	Annuities stemming from non-life accepted reinsurance contracts
																	General liability insurance													
							Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance - personal lines	Motor vehicle liability insurance - non-personal lines	Motor vehicle other motor insurance - personal lines	Motor vehicle other motor insurance - non-personal lines	Marine, aviation and transport insurance	Fire and other damage to property insurance - personal lines	Fire and other damage to property insurance - non-personal lines	Employers Liability	Public & products Liability	Professional Indemnity	Other general liability	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation and transport	Property		
					C0010	C0015	C0110	C0120	C0130	C0140	C0141	C0150	C0151	C0160	C0170	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0310	C0320	C0330	C0340	C0525	C0545
Income	Premiums written	Gross written premiums		R0110		1,777,971	6,326			834,135		496,236			353,292					3,836		29,763	54,383							
			Gross written premiums - insurance (direct)	R0111		1,777,971	6,326			834,135		496,236			353,292					3,836		29,763	54,383							
			Gross written premiums - accepted reinsurance	R0113																										
		Net written premiums		R0160		1,005,851	3,712			472,010		280,773			197,831					2,148		17,465	31,912							
	Premiums earned and provision for unearned	Gross earned premiums		R0210		1,778,234	6,318			833,248		495,567			356,453					3,871		29,407	53,370							
		Net earned premiums		R0220		1,006,874	3,707			472,136		280,769			199,521					2,167		17,257	31,318							
Expenditure	Claims incurred	Gross (undiscounted) claims incurred		R0610		1,355,086	3,385			702,499		418,006			202,973					2,177		4,310	21,736							
			Gross (undiscounted) direct business	R0611		1,355,086	3,385			702,499		418,006			202,973					2,177		4,310	21,736							
			Gross (undiscounted) reinsurance accepted	R0612																										
		Net (undiscounted) claims incurred		R0690		777,143	2,032			398,725		237,290			122,078		78			1,321		2,587	13,032							
		Net (discounted) claims incurred		R0730	707,654	708,254																							-599	
	Analysis of expenses incurred	Technical expenses incurred net of reinsurance ceded		R0910	192,173																									
		Acquisition costs, commissions, claims management costs		R0985	113,603	113,603	332			48,798		28,894			31,968					345		576	2,690							
	Other expenditure	Other expenses		R1140	168,492																									
	Total expenditure			R1310	1,111,928																									

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Solvency UK Solution

Life technical provisions

Entity: LVIC - Liverpool Victoria Insurance Company Limited
Scenario: 2025 Solvency II
Period: Annual
Category: Default Original Amount
Currency: GBP - Great British Pounds
PRA QRT: IR.12.01

				Insurance with profit participation	Index-linked and unit-linked insurance	Life annuities	Non-life annuities	Other life insurance	Health insurance	Total life and health
				C0020	C0030	C0040	C0050	C0060	C0080	C0070
Best Estimate	Gross Best Estimate	Gross Best Estimate (direct business)	R0030				41,014			41,014
			R0040							0
		Gross Best Estimate (reinsurance accepted)	R0035							0
	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default		R0080	0	0	0	32,787	0	0	32,787
	Best estimate minus recoverables from reinsurance/SPV and Finite Re		R0090				8,227			8,227
Risk Margin			R0100				207			207
Amount of the transitional on Technical Provisions	Transitional Measure on Technical Provisions		R0180	0	0	0	0	0	0	0
		TMTP - risk margin	R0140							0
		TMTP - best estimate dynamic component	R0150							0
		TMTP - best estimate non-dynamic component	R0160							0
		TMTP - amortisation adjustment	R0170							0
Technical provisions - total			R0200	0	0	0	41,241	0	0	41,241

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Solvency UK Solution

Non-Life Technical Provisions

Entity: LVIC - Liverpool Victoria Insurance Company Limited
Scenario: 2025 Solvency II
Period: Annual
Category: Default Original Amount
Currency: GBP - Great British Pounds
PRA QRT: IR.17.01

				Direct business and accepted proportional reinsurance								
				Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
				C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100
Best Estimate	Premium provisions	Gross	R0060	1,264			217,335	122,496		45,432	372	
		Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	884	0	0	135,264	88,077	0	36,580	420	0
		Net Best Estimate of Premium Provisions	R0150	379			82,071	34,419		8,852	-48	
Claims provisions	Gross		R0160	1,178			1,383,704	-55,227		204,582	20,150	
	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default		R0240	471	0	0	621,286	-22,029	0	83,920	8,218	0
	Net Best Estimate of Claims Provisions		R0250	707			762,418	-33,198		120,662	11,932	
Total Best estimate - gross			R0260	2,442			1,601,039	67,269		250,014	20,522	
Total Best estimate - net			R0270	1,087			844,489	1,221		129,513	11,884	
Risk margin			R0280	38			23,625	1,082		5,149	291	
Technical provisions - total (best estimate plus risk margin)	Technical provisions - total		R0320	2,480			1,624,665	68,351		255,163	20,812	
	Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total		R0330	1,355			756,550	66,048		120,500	8,637	
	Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total		R0340	1,125			868,115	2,303		134,663	12,175	

				Direct business and accepted proportional reinsurance			Accepted non-proportional reinsurance				
				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
				C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Best Estimate	Premium provisions	Gross	R0060	-3,537	5,535						388,896
		Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	598	5,437	0	0	0	0	0	267,261
		Net Best Estimate of Premium Provisions	R0150	-4,135	98						121,636
Claims provisions	Gross		R0160	5,095	5,959						1,565,441
	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default		R0240	2,032	2,381	0	0	0	0	0	696,278
	Net Best Estimate of Claims Provisions		R0250	3,063	3,578						869,163
Total Best estimate - gross			R0260	1,558	11,494						1,954,337
Total Best estimate - net			R0270	-1,072	3,676						990,798
Risk margin			R0280	154	239						30,579
Technical provisions - total (best estimate plus risk margin)	Technical provisions - total		R0320	1,712	11,733						1,984,916
	Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total		R0330	2,631	7,818						963,539
	Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total		R0340	-918	3,915						1,021,377

Wolters Kluwer
Solvency UK Solution

Non-life claim development

Entity: LVIC - Liverpool Victoria Insurance Company Limited
Scenario: 2025 Solvency II
Period: Annual
Currency: GBP - Great British Pounds
Category: Default Original Amount
*1 - Accident year
PRA QRT: IR.19.01

Non-life claim development

Gross Claims Paid (non-cumulative)

		Development year 0	1	2	3	4	5	6	7	8	9	10 & +	In Current year	Sum of years (cumulative)	Gross Earned Premium - up to and including the reporting reference	Estimate of future gross earned premium at the reporting reference
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180	C0570	C0580
2016	R0100	1,541	1,541	1,541	1,541	1,541	1,541	1,541	1,541	1,541	1,541	1,541	1,541	1,541	1,541	1,541
2017	R0100	1,456,228	1,456,228	1,456,228	1,456,228	1,456,228	1,456,228	1,456,228	1,456,228	1,456,228	1,456,228	1,456,228	1,456,228	1,456,228	1,456,228	1,456,228
2018	R0100	1,407,467	1,408,073	1,408,073	1,408,073	1,408,073	1,408,073	1,408,073	1,408,073	1,408,073	1,408,073	1,408,073	1,408,073	1,408,073	1,407,115	0
2019	R0100	1,406,358	1,406,458	1,406,458	1,406,458	1,406,458	1,406,458	1,406,458	1,406,458	1,406,458	1,406,458	1,406,458	1,406,458	1,406,458	1,406,458	0
2020	R0100	1,512,627	1,512,672	1,512,672	1,512,672	1,512,672	1,512,672	1,512,672	1,512,672	1,512,672	1,512,672	1,512,672	1,512,672	1,512,672	1,512,672	0
2021	R0100	1,554,464	1,554,464	1,554,464	1,554,464	1,554,464	1,554,464	1,554,464	1,554,464	1,554,464	1,554,464	1,554,464	1,554,464	1,554,464	1,554,464	0
2022	R0100	1,538,387	1,538,387	1,538,387	1,538,387	1,538,387	1,538,387	1,538,387	1,538,387	1,538,387	1,538,387	1,538,387	1,538,387	1,538,387	1,538,387	0
2023	R0100	1,610,889	1,610,884	1,610,884	1,610,884	1,610,884	1,610,884	1,610,884	1,610,884	1,610,884	1,610,884	1,610,884	1,610,884	1,610,884	1,610,884	0
2024	R0100	1,760,134	1,761,860	1,761,860	1,761,860	1,761,860	1,761,860	1,761,860	1,761,860	1,761,860	1,761,860	1,761,860	1,761,860	1,761,860	1,760,895	0
2025	R0100	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	0
2026	R0100	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	0
2027	R0100	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	0
2028	R0100	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	0
2029	R0100	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	0
2030	R0100	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	0
2031	R0100	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	0
2032	R0100	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	0
2033	R0100	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	0
2034	R0100	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	0
2035	R0100	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	0
Total	R0200												803,382	11,557,289		

Gross undiscounted Best Estimate Claims Provisions

		Development year 0	1	2	3	4	5	6	7	8	9	10 & +	Year end (discounted data)
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
2016	R0100	1,541	1,541	1,541	1,541	1,541	1,541	1,541	1,541	1,541	1,541	1,541	1,541
2017	R0100	1,456,228	1,456,228	1,456,228	1,456,228	1,456,228	1,456,228	1,456,228	1,456,228	1,456,228	1,456,228	1,456,228	1,456,228
2018	R0100	1,408,441	1,408,441	1,408,441	1,408,441	1,408,441	1,408,441	1,408,441	1,408,441	1,408,441	1,408,441	1,408,441	1,408,441
2019	R0100	1,406,358	1,406,358	1,406,358	1,406,358	1,406,358	1,406,358	1,406,358	1,406,358	1,406,358	1,406,358	1,406,358	1,406,358
2020	R0100	1,512,672	1,512,672	1,512,672	1,512,672	1,512,672	1,512,672	1,512,672	1,512,672	1,512,672	1,512,672	1,512,672	1,512,672
2021	R0100	1,554,464	1,554,464	1,554,464	1,554,464	1,554,464	1,554,464	1,554,464	1,554,464	1,554,464	1,554,464	1,554,464	1,554,464
2022	R0100	1,538,387	1,538,387	1,538,387	1,538,387	1,538,387	1,538,387	1,538,387	1,538,387	1,538,387	1,538,387	1,538,387	1,538,387
2023	R0100	1,610,889	1,610,884	1,610,884	1,610,884	1,610,884	1,610,884	1,610,884	1,610,884	1,610,884	1,610,884	1,610,884	1,610,884
2024	R0100	1,760,134	1,761,860	1,761,860	1,761,860	1,761,860	1,761,860	1,761,860	1,761,860	1,761,860	1,761,860	1,761,860	1,761,860
2025	R0100	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937
2026	R0100	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937
2027	R0100	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937
2028	R0100	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937
2029	R0100	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937
2030	R0100	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937
2031	R0100	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937
2032	R0100	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937
2033	R0100	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937
2034	R0100	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937
2035	R0100	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937	1,696,937
Total	R0200												1,511,277

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Solvency UK Solution

Own Funds

Entity: LVIC - Liverpool Victoria Insurance Company Limited
Scenario: 2025 Solvency II
Period: Annual
Category: Default Original Amount
Currency: GBP - Great British Pounds
PRA QRT: IR.23.01

			Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
			C0010	C0020	C0030	C0040	C0050
Basic own funds	Ordinary share capital (gross of own shares)	R0010	574,908	574,908			
	Share premium account related to ordinary share capital	R0030					
	Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
	Subordinated mutual member accounts	R0050					
	Surplus funds	R0070					
	Preference shares	R0090					
	Share premium account related to preference shares	R0110					
	Reconciliation reserve	R0130	168,326	168,326			
	Subordinated liabilities	R0140					
	An amount equal to the value of net deferred tax assets	R0160	21,335				21,335
	Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180					
Own funds from the financial statements that sh	Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteri	R0220					
Total basic own funds		R0290	764,569	743,234			21,335

Ancillary own funds	Unpaid and uncalled ordinary share capital callable on demand	R0300					
	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
	Unpaid and uncalled preference shares callable on demand	R0320					
	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
	Letters of credit and guarantees	R0340					
	Letters of credit and guarantees other	R0350					
	Supplementary members calls	R0360					
	Supplementary members calls - other	R0370					
	Other ancillary own funds	R0390					
Total ancillary own funds		R0400					

Available and eligible own funds	Total available own funds to meet the SCR	R0500	764,569	743,234			21,335
	Total available own funds to meet the MCR	R0510	743,234	743,234			
	Total eligible own funds to meet the SCR	R0540	764,569	743,234			21,335
	Total eligible own funds to meet the MCR	R0550	743,234	743,234			
SCR		R0580	549,892				
MCR		R0600	170,778				
Ratio of Eligible own funds to SCR		R0620	139.04%				
Ratio of Eligible own funds to MCR		R0640	435.20%				

			C0060
Reconciliation reserve	Excess of assets over liabilities	R0700	764,569
	Own shares (held directly and indirectly)	R0710	
	Foreseeable dividends, distributions and charges	R0720	
	Deductions for participations in financial and credit institutions	R0725	
	Other basic own fund items	R0730	596,243
	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve		R0760	168,326

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Solvency UK Solution

Solvency Capital Requirement

Entity: LVIC - Liverpool Victoria Insurance Company Limited
Scenario: 2025 Solvency II
Period: Annual
Category: Solvency UK: Solo Purpose
Currency: GBP - Great British Pounds
PRA QRT: IR.25.04

				C0010
Net of loss-absorbing capacity of technical provisions	Market risk		R0140	193,371
		Interest rate risk	R0070	56,287
		Equity risk	R0080	62,659
		Property risk	R0090	
		Spread risk	R0100	133,225
		Concentration risk	R0110	
		Currency risk	R0120	223
		Other market risk	R0125	
		Diversification within market risk	R0130	-59,017
	Counterparty default risk		R0180	20,182
		Type 1 exposures	R0150	10,094
		Type 2 exposures	R0160	11,475
		Other counterparty risk	R0165	
		Diversification within counterparty default risk	R0170	-1,387
	Life underwriting risk		R0270	771
		Mortality risk	R0190	
		Longevity risk	R0200	649
		Disability-Morbidity risk	R0210	
		Life-expense risk	R0220	
		Revision risk	R0230	285
		Lapse risk	R0240	
		Life catastrophe risk	R0250	
		Other life underwriting risk	R0255	
		Diversification within life underwriting risk	R0260	-163
	Total health underwriting risk		R0320	692
		Health SLT risk	R0280	
		Health non SLT risk	R0290	692
		Health catastrophe risk	R0300	
		Other health underwriting risk	R0305	
		Diversification within health underwriting risk	R0310	
	Non-life underwriting risk		R0370	393,959
		Non-life premium and reserve risk (ex catastrophe risk)	R0330	365,956
		Non-life catastrophe risk	R0340	80,699
		Lapse risk	R0350	1,044
		Other non-life underwriting risk	R0355	
		Diversification within non-life underwriting risk	R0360	-53,741
Intangible asset risk			R0400	
Operational and other risks			R0430	58,819
	Operational risk		R0422	58,819
	Other risks		R0424	
Total before all diversification			R0432	782,102
Total before diversification between risk modules			R0434	667,794
Diversification between risk modules			R0436	117,909
Total after diversification			R0438	549,892
Loss-absorbing capacity of technical provisions			R0440	
Loss-absorbing capacity of deferred taxes			R0450	
Other adjustments			R0455	
Solvency capital requirement excluding capital add-on			R0460	549,892
Disclosed capital add-on - excluding residual model limitation			R0472	
Disclosed capital add-on - residual model limitation			R0474	
Solvency capital requirement including capital add-on			R0480	549,892
Biting interest rate scenario			R0490	Increase
Biting life lapse scenario			R0495	

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Solvency UK Solution

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

Entity: LVIC - Liverpool Victoria Insurance Company Limited
Scenario: 2025 Solvency II
Period: Annual
Category: Solvency UK: Solo Purpose
Currency: GBP - Great British Pounds
PRA QRT: IR.28.01

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

Background information

Linear formula component for non-life insurance and reinsurance obligations

MCR calculation Non Life		Non-life activities	
		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	1,087	3,712
Income protection insurance and proportional reinsurance	R0030		
Workers' compensation insurance and proportional reinsurance	R0040		
Motor vehicle liability insurance and proportional reinsurance	R0050	844,489	472,010
Other motor insurance and proportional reinsurance	R0060	1,221	280,771
Marine, aviation and transport insurance and proportional reinsurance	R0070		
Fire and other damage to property insurance and proportional reinsurance	R0080	129,513	197,851
General liability insurance and proportional reinsurance	R0090	11,894	2,158
Credit and suretyship insurance and proportional reinsurance	R0100		
Legal expenses insurance and proportional reinsurance	R0110		17,742
Assistance and proportional reinsurance	R0120	3,676	31,655
Miscellaneous financial loss insurance and proportional reinsurance	R0130		
Non-proportional health reinsurance	R0140		
Non-proportional casualty reinsurance	R0150		
Non-proportional marine, aviation and transport reinsurance	R0160		
Non-proportional property reinsurance	R0170		

Linear formula component for life insurance and reinsurance obligations

MCR calculation Life		Life activities	
		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	9,127	
Total capital at risk for all life (re)insurance obligations	R0250		

MCR components

		Non-life activities	Life activities
		C0010	C0040
MCRNL Result	R0010	170,586	
MCRL Result	R0200		192

Overall MCR calculation

		C0070
Linear MCR	R0300	170,778
SCR	R0310	549,892
MCR cap	R0320	247,452
MCR floor	R0330	137,473
Combined MCR	R0340	170,778
Absolute floor of the MCR	R0350	3,500

		C0070
Minimum Capital Requirement	R0400	170,778