# *Solvency II reporting across the UK and Ireland*

**LCP survey**
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Some of the data analysed in this report was provided by Solvency II Wire Data. Solvency II Wire Data provides detailed information about the Solvency II figures, enabling users to build reports and view changes over time to better understand the impact of Solvency II.

The data is available via subscription from https://solvencyiiwiredata.com/landing-page/



For further copies of the report, please download a PDF copy from our website www.lcp.uk.com, email enquiries@lcp.uk.com or contact Nelly Geudin on +44 (0)20 7432 6710.

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# 1. Introduction

*Welcome to LCP's review of the Solvency II reporting produced by 100 of the largest non-life insurers in the UK and Ireland.*

*Firms are still finding their feet in the first year of public reporting under Solvency II. The Solvency and Financial Condition Reports and supporting Quantitative Reporting Templates provide a window into the inner workings of insurers. We've peered in, and gained insights into the financial strength of insurers in the UK and Ireland, how they run their businesses, and how they communicate with the outside world.*

*Our conclusion is that financial strength is generally good, but firms can do more to improve the quality and value of their public reporting. This will not only show that they take compliance seriously, but also help develop another tool in their arsenal to positively promote their business to key stakeholders.*

*Catherine Drummond*
*Partner*

# 2. Executive summary

*Solvency II went live on 1 January 2016, bringing a new era for European insurance regulation. As part of the new regime, insurers and reinsurers are now required to publicly disclose key metrics relating to their financial strength together with details of how they manage their business.*

We have analysed the Solvency and Financial Condition Reports and public Quantitative Reporting Templates for 100 of the top general insurers in the UK and Ireland.

The aim of the review was twofold – to analyse the numbers disclosed by firms for the first time and to consider how well firms have dealt with the narrative reporting required of them under Solvency II.

We have also drawn on our "roundtable" discussions with insurers and reinsurers across the market to understand how the first year of submissions has worked in practice.

Our key conclusions were:

- Insurers are generally sufficiently capitalised, but the buffers firms have in place to protect against balance sheet volatility may not be enough to prevent them from having to recapitalise over the short term.
- Motor insurers typically have the least financial headroom, compared with other insurers.
- Brexit is on the agenda for many insurers, with some firms setting up internal steering groups to ensure they are well placed to access the European Market after the UK leaves the EU.
- Uncertainty around the Ogden discount rate used to calculation personal injury compensation payments poses a material risk to some insurers, with one first disclosing that the recent change required them to significantly recapitalise.
- Firms must work harder to publish better quality QRTs, with [over a quarter] of the firms we reviewed disclosing QRTs containing obvious errors.
- Some firms SFCRs are not compliant with the Solvency II regulations, with particular areas of weakness including disclosure around sensitivity testing of the SCR and uncertainty within technical provisions.

# 3. At a glance overview

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Firms had insufficient capital to cover their SCR at the balance sheet date

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**23**

Firms have a 15% chance of needing to recapitalise over the next year

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Firms who see Brexit as a key risk

**23%**

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Insurers noting the Ogden discount rate change as a material event

**36%**

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Total gross written premium (non-life)

**£65bn**

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Total gross Solvency II technical provisions (non-life)

**£87bn**

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Average risk margin as a percentage of net best estimate technical provisions (non-life)

**9%**

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Firms publishing QRTs containing errors

**Over a quarter**

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# 4. Quantitative Reporting Templates

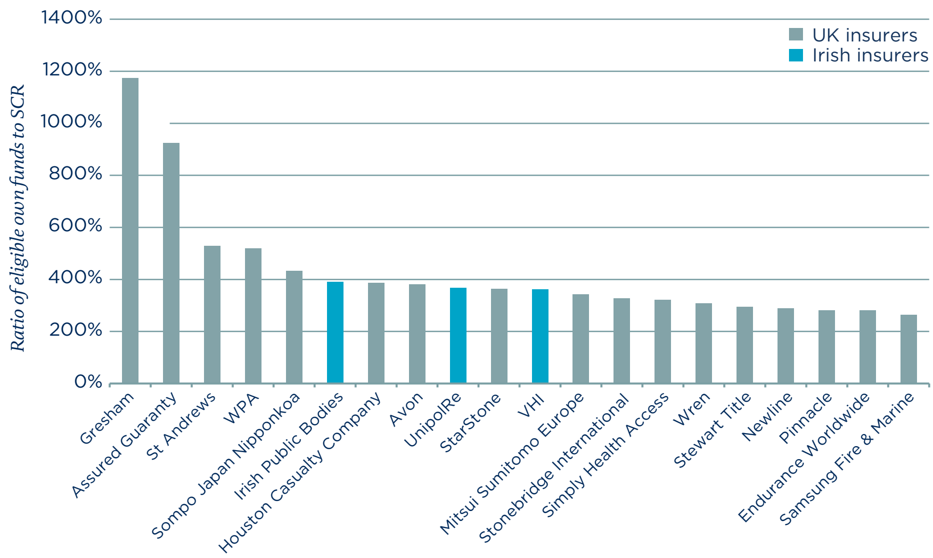
Around a third of the firms we analysed disclosed eligible own funds ratios in the range 125% - 150%.

## Overall financial strength

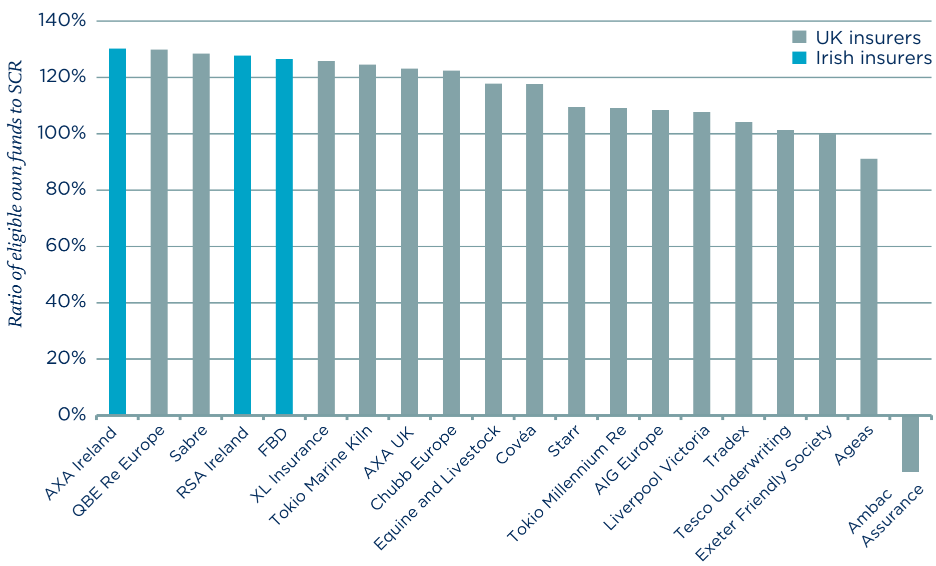
The Quantitative Reporting Templates provide a window into the finances of Solvency II regulated firms.  Details include the Solvency II balance sheet, regulatory capital requirements and recent claims experience.

The charts below show those firms with the most and least capital coverage, according to their Solvency II disclosures.

**Eligible own funds ratio - top twenty**




**Eligible own funds ratio - bottom twenty**



The average ratio of the excess funds eligible to cover the Solvency Capital Requirement (eligible own funds ratio) was 206%. The highest ratio was disclosed by **Gresham**, part of the **Aviva Group**, whose eligible own funds were nearly 12 times its regulatory capital as at 31 December 2016. **Ambac Assurance** and **Ageas** were the only two firms to disclose that they had insufficient capital to cover their SCRs as at 31 December 2016.

**Ambac Assurance**, which is in run-off, notes that its significant capital shortfall is expected to persist for a number of years. In addition, they note that a post balance sheet litigation settlement has improved the position slightly, but that there is no current prospect of a capital injection to rectify the position. That said, they confirm that the company has sufficient resources to meet obligations as they fall due.

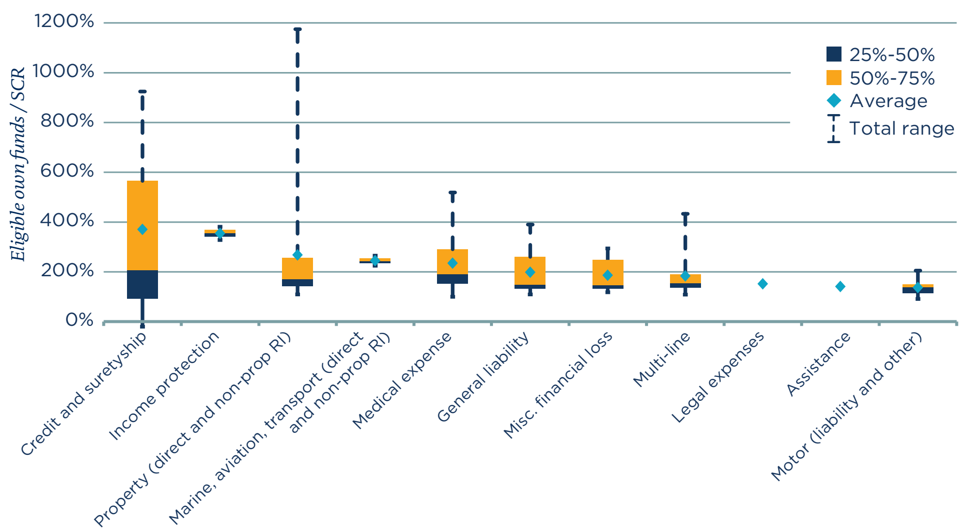
**Ageas** identified the Lord Chancellor's decision to change the personal injury discount rate (Ogden rate) as a key factor in the Solvency II ratio falling below 100%. The report describes the actions taken to remediate this, which included issuing an additional £50m share capital and the purchase of a whole account stop loss treaty during April 2017.

## *Insurer type*

We analysed insurers and classified them according to whether they wrote more than 50% of their gross written premiums in a single Solvency II line of business. Those who did not were classed as "multi-line". The following graph sets out our findings of how capital coverage varies by type of insurer.

Motor insurers typically have the least excess capital compared with insurers that write other lines of business.

**Eligible own funds ratio by insurer type**



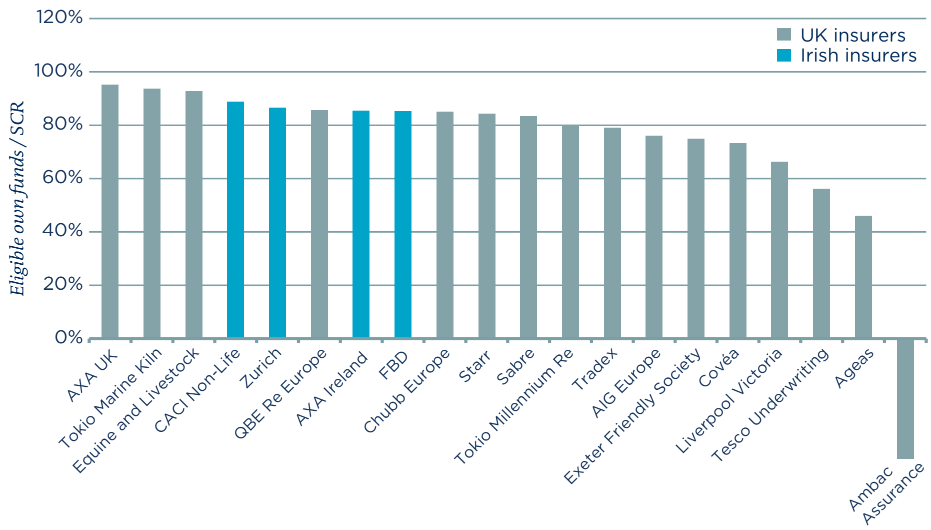
23 of the firms we analysed had a 15% chance of breaching their SCR over a 1-year period.

## *Financial resilience*

The Minimum Capital Requirement (MCR) is calculated using a simple formula linked to the amount and type of business written. It has been calibrated to estimate the 85th percentile loss to a firm over 1 year. For a firm with an MCR of £100m, this means that there is a 15% chance of losing at least £100m of capital over the next year.

The following chart shows what the capital coverage would be if firms experienced an instantaneous loss equal to their MCR.

**Eligible own funds ratio after a loss equal to MCR - bottom twenty**




Assuming the MCR is an appropriate measure of each firm's 85th percentile loss, 23 of the firms we analysed had a 15% chance of breaching their SCR over a 1-year period.

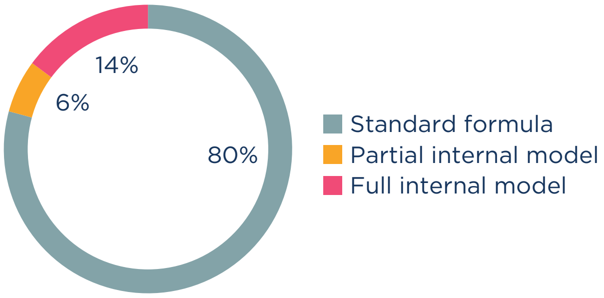
*Our viewpoint*

*Next year's SFCRs will include discussions of how the Solvency II measures have moved since last year. We will watch with interest to see how well those firms with lower levels of capital coverage now can weather any future storms that lie ahead.*

# *Calculating regulatory capital*

Under Solvency II, firms may calculate their regulatory capital using the standard formula set out in the regulations or opt for a partial or full internal model (subject to regulatory approval) to better reflect their own risk profile.

**Percentage of firms using SF/PIM/IM**

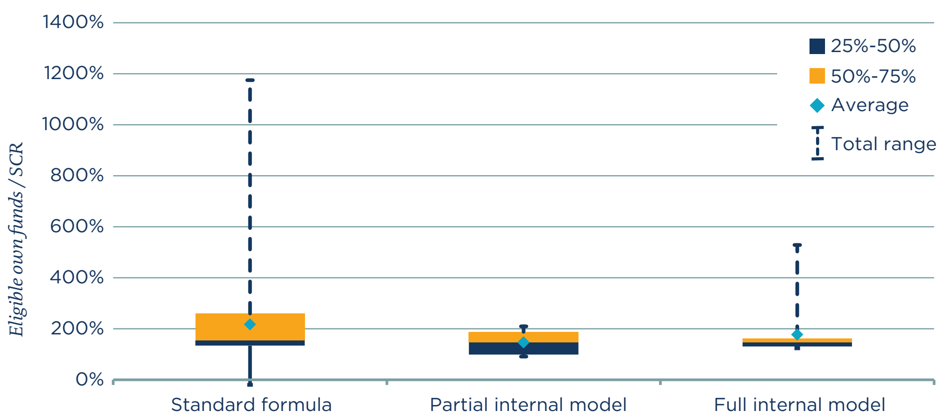



80% of the firms we analysed were using the standard formula, with around 70% of the remaining firms using full internal models.

In the run up to Solvency II going live, a key incentive to obtain regulatory approval for a full or partial internal model was to reduce capital requirements. However, regulators, particularly the UK's Prudential Regulation Authority, have been vocal in their expectations that firms will not be allowed to "game the system" or have regulatory capital that drifts down over time.

The following chart shows the ratio of eligible own funds to SCR for standard formula, partial and full internal model firms.

**Eligible own funds ratio**



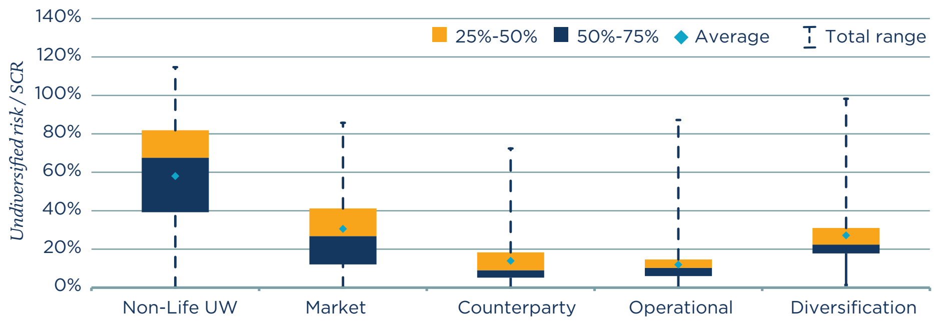

The average ratio for standard formula firms was 217%, whereas the average for partial and full internal model firms were 146% and 173% respectively.

## Key risks

Regardless of the approach to calculating capital, insurers must consider their risk exposures not only to their insurance business, but also to investment markets, defaults by counterparties and operational risks.

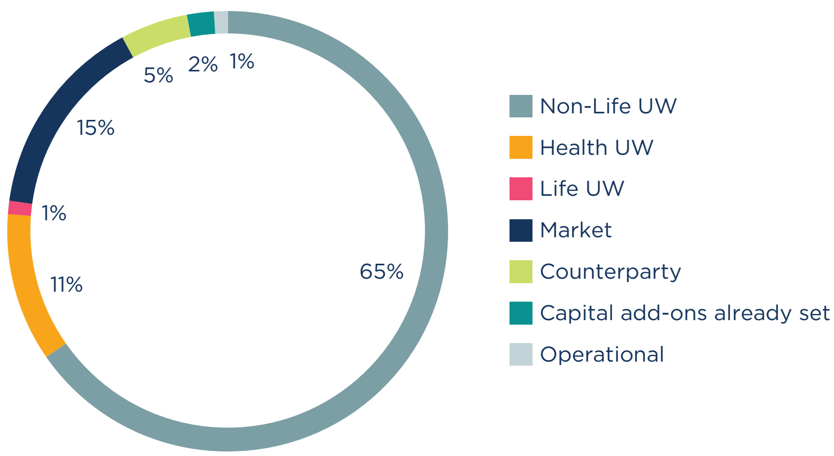
The following charts set out the contribution of each risk to firms' SCRs.

**Undiversified risk as a proportion of diversified SCR**




77% of the firms we reviewed allocated more capital to insurance risks than any other risks they face. 15% of firms showed market risk as the greatest risk and 5% showed counterparty default risk as the greatest risk. These are all on an undiversified basis.

**Percentage of firms by largest risk area**



**Allianz** disclosed capital of £1,020m against undiversified market risk, compared with its overall diversified SCR of £829m.  Key drivers of its market risk exposures were identified as credit spread risk and inflation risk, primarily driven by its corporate bond holdings and defined benefit pension scheme.

Three firms – **British Gas**, **Tradex** and **Trans Re London** – held capital add-ons that have been agreed with the Prudential Regulation Authority.  **Tradex's** add-on of £9.7m, which is held in respect of its reinsurance arrangements, was its greatest contributor to its overall SCR.

**Trans Re London** and **British Gas** both disclosed their intention to develop or extend existing partial internal models to better model key aspects of their risk exposures that were identified as the drivers for their add-ons.

Firms used their narrative reports to highlight their key risks.  Perhaps unsurprisingly, Brexit and the recent changes to the Ogden discount rate were highlighted by a number of firms as key risks to the future performance of the business.

## *Brexit*

**FBD**, **Greenlight Reinsurance**, **VHI** and **Zurich** all highlighted the risk of Brexit to the Irish economy, with a further 19 UK firms identifying this as a material risk to the business.  Possible impacts focussed on the potential loss of passporting rights, changes in gilt yields on the value of asset holdings, losses due to adverse changes in exchange rates and an increased risk of insurance fraud and theft losses.  **QBE Insurance Europe** and **QBE Re Europe** reported setting up a specific Brexit Steering Group to ensure it is well placed to access the European Market post-Brexit.

22 firms identified Brexit as a material risk to the business.

## *Ogden discount rate*

The UK Lord Chancellor's announcement in February to reduce the discount rate used to value lump sum awards in personal injury claims from 2.5% pa to minus 0.75% pa saw many insurers ramp up their estimates for the cost of future claims. 36 firms mentioned the change, with 12 of these firms identifying this as being a key risk to the business.  **Tesco Underwriting** noted that the effect resulted in shareholders injecting a further £31m of capital to improve the capital coverage ratio.

## *Defined benefit pension schemes*

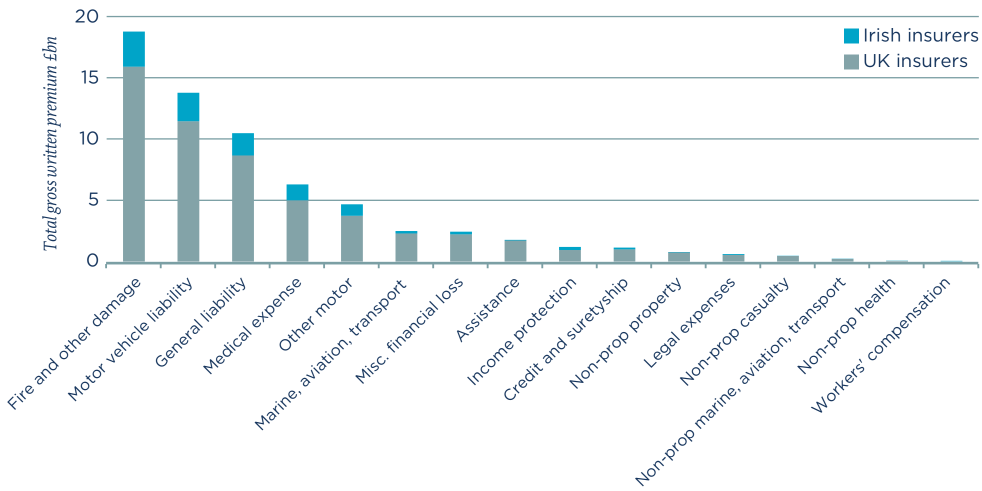
Around a third of firms disclosed having defined benefit (DB) pension schemes which expose them to additional market and longevity risks.  It is widely accepted that the standard formula does not allow appropriately for pensions risk, in particular not capturing the inflation risk exposures that schemes often pose.  DB pensions are fast becoming legacy issues as these schemes close to new entrants and to the accrual of future benefits.  Despite this, the long term nature of the liabilities mean that DB pensions will be an issue for insurers for many years to come if they do not take steps to address this risk.

## Lines of business

The Quantitative Reporting Templates require insurers and reinsurers to disclose the level of premiums and reserves, split by lines of business.

The following chart shows the total gross written premium over the year for the non-life Solvency II lines of business.

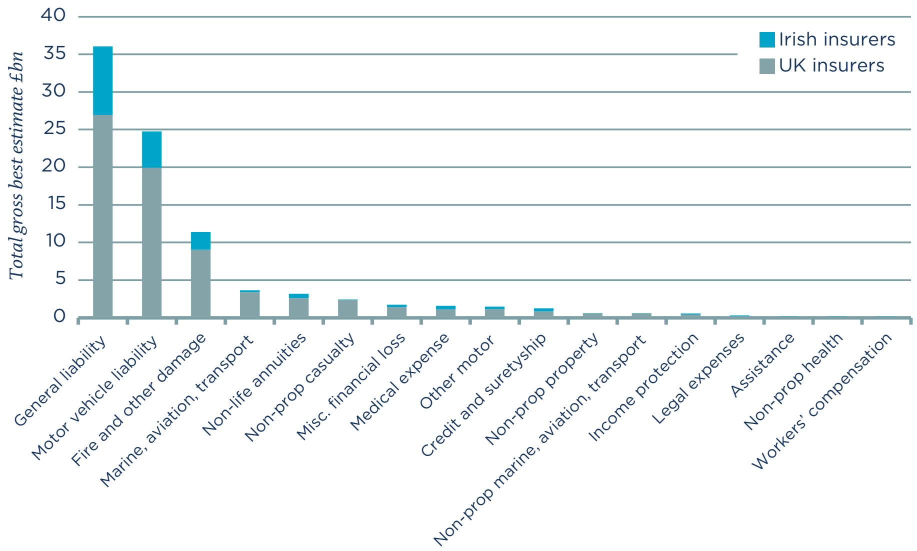
**Gross written premium by SII LoB (non-life)**




The firms we analysed wrote just over £65bn of non-life gross premiums during 2016. Premiums written to cover fire and other damage risks made up the largest portion, with Ireland-based **Zurich** writing nearly 13% of the £19bn of gross premiums written during 2016. £18bn of gross premiums were written across the two motor lines ("liability" and "other"), with Zurich again writing the largest proportion (over 10%) of all insurers we analysed.

The following chart shows how the gross best estimate technical provisions (ie Solvency II gross reserves) are split between the non-life Solvency II lines of business.

**Gross best estimate technical provisions by SII LoB (non-life)**




Firms held more than £3bn of gross best estimate technical provisions in respect of annuities stemming from non-life insurance contracts.

The firms we analysed were holding nearly £87bn of best estimate technical provisions on their balance sheets, which reduced to £57bn after allowing for expected reinsurance recoveries. 70%, or £61bn, of these gross liabilities were in respect of liability lines, which is typically long-tailed business, where claims can take years to be reported and settled.

Firms held more than £3bn of gross best estimate technical provisions in respect of annuities stemming from non-life insurance contracts. These liabilities are typically due to periodical payment orders (PPOs), which are life-long regular compensation payments payable to the victims of catastrophic injuries.

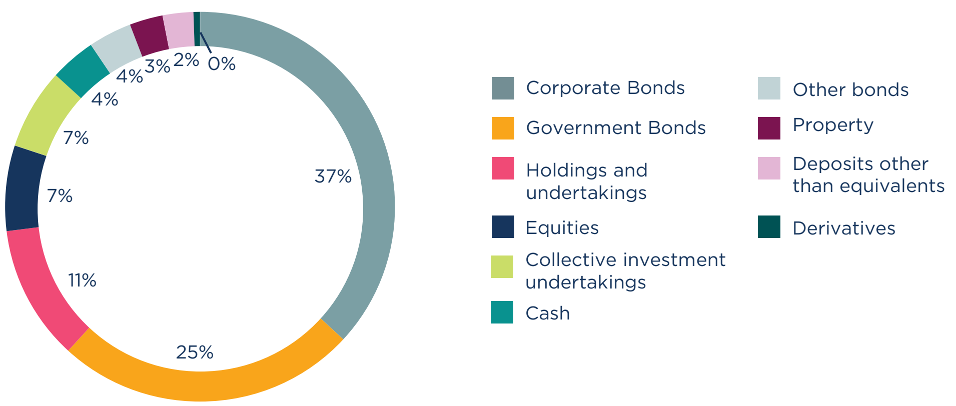
*Our viewpoint*

*We expect to see PPO liabilities, which are typically very long-tailed (often being paid for 50 years or more), fast becoming an even more material part of insurers' balance sheets. This is starting to become evident for UK insurers, where these have been more routinely awards to claimants since around 2008. We expect the balance sheets of irish insurers to follow suit in due course, once the recent draft changes in legislation to permit PPOs are finalised.*

## *Investment holdings*

The insurers we analysed held some £119bn of investments and cash on their year-end balance sheets. The following chart sets out the aggregated allocation across each type of asset.

**Aggregated investment holdings**




Nearly 62% of insurers' assets are held in either corporate or government bonds.

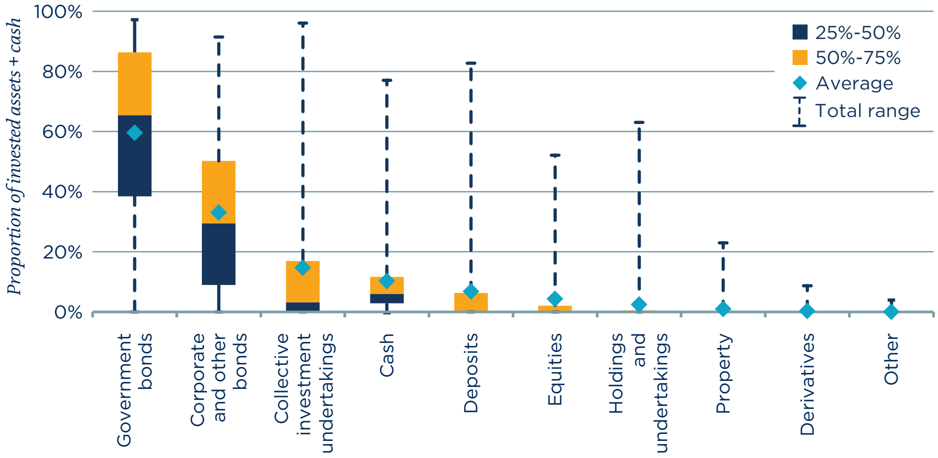
On an aggregate basis nearly 62% of insurers' assets are held in either corporate or government bonds, with a small amount (around 4%) of additional holdings in structured notes and collateralised securities.

Of the remaining assets, around a third is held in associated undertakings with the rest being held primarily in equities, collective investment undertakings, cash and property.

Non-life insurance companies, particularly those with short-tailed liabilities, would typically invest the majority of their assets in low risk assets (eg bonds and cash). Higher risk assets, such as equities, are usually less well matched to the liabilities and require more capital to be held to protect against the risk of poor returns.

The following chart shows the range of investment holdings for each firm in our analysis. This highlights the range of investment strategies insurers have in place.

**Range of asset allocations across insurers**




For equities, while the average allocation is only 4%, some firms have much higher allocations. **FM Insurance**, **Greenlight Reinsurance**, **Medicash Health Benefits**, **NFU Mutual** (which is a composite insurer writing mostly life-insurance), and **UIA** all hold more than 30% of their invested assets (including cash) in equities.

In addition:

- **AmTrust Europe** and **HSB Engineering** invest around a third of their assets in wholly owned subsidiaries. Both identify contagion risk as a material risk to the business.
- Nearly two-thirds of **RSA**'s assets are held in related undertakings or participations.

*Our viewpoint*

*We expect this wide range of different investment strategies to persist – and indeed to widen further – over time. This is because the current "low yield" market environment is acting as a catalyst for many insurers – including those who have historically been running the same asset mix for many years – to fundamentally review their investment strategy to make sure it is fit for purpose in the current environment, delivering the returns needed in a risk-controlled and capital-efficient way.*

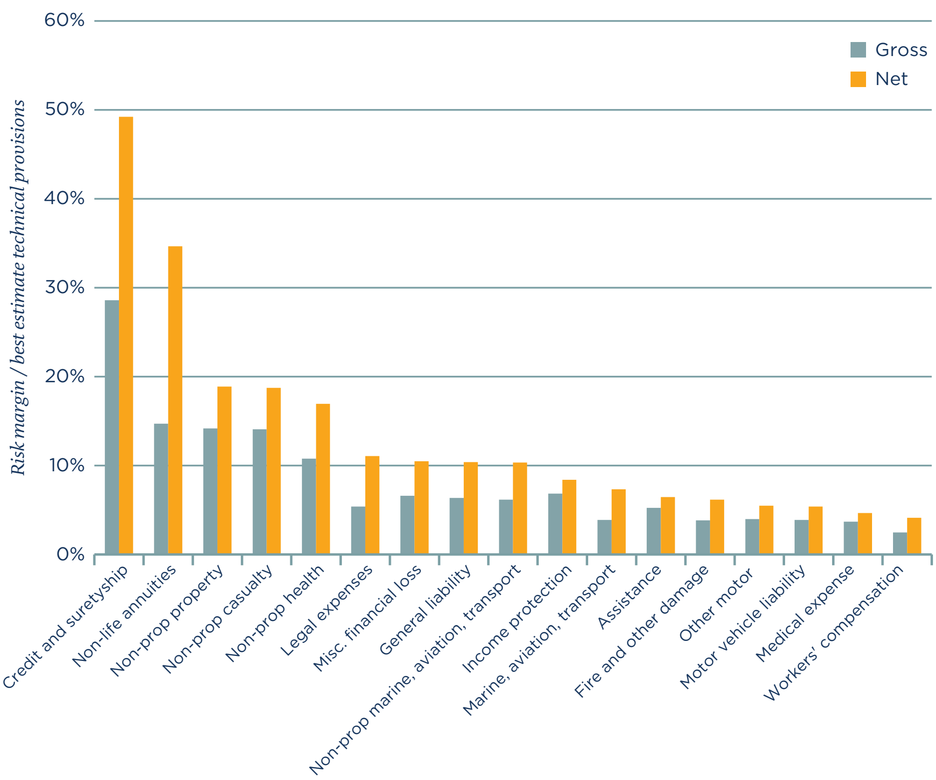
The risk margin has been a heavily criticised aspect of Solvency II with many firms lobbying to improve the calculation or scrap it completely.

## *Risk margin*

Firms must also hold a risk margin on their balance sheets. This is intended to represent the additional amount that another entity would need to be paid to take on the insurance liabilities, over and above the value of the net technical provisions. This measure has been heavily criticised, particularly in the case of longer-term liabilities, and may be an area that is revised as part of an overall review of Solvency II.

The following table shows the aggregated risk margin as a proportion of aggregated technical provisions.

**Risk margin as a percentage of best estimate technical provisions**



Upon deeper inspection, the underlying figures for each company are highly variable. This variability may be driven by the specifics of each business, for example the timing of reinsurance purchase relative to the financial year end.

In other cases, this is because firms have allocated their risk margin to lines of business inappropriately or inconsistently. For example, 9 firms disclosed negative risk margins at a line of business level. 16 firms took a simplified approach to the allocation. Rather than allowing for the different levels of risk within each line of business, 14 firms allocated the risk margin in proportion to net technical provisions and 2 firms allocated it on a gross basis.

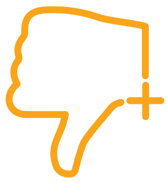
*Our viewpoint*

*It remains to be seen whether changes to the risk margin will be picked up as part of future reviews of Solvency II. In the meantime, we encourage firms to review their allocation methodology to check that it is appropriate in the context of their business.*

## Overall quality

Overall, the quality of disclosures was disappointing, with over a quarter of firms publishing QRTs containing obvious errors. Key issues include disclosures in the wrong units, figures that are internally inconsistent, or forms that are incomplete.

We have set out a list of the common pitfalls on page 27.



Over a quarter of firms published QRTs containing obvious errors.

*Our viewpoint*

*We encourage firms to spend more time ensuring their QRTs pass muster. Having a "second pair of eyes" or applying a simple checklist approach can help avoid having to re-publish disclosures. This will not only save time in the long run but also reduce the risk of public embarrassment.*

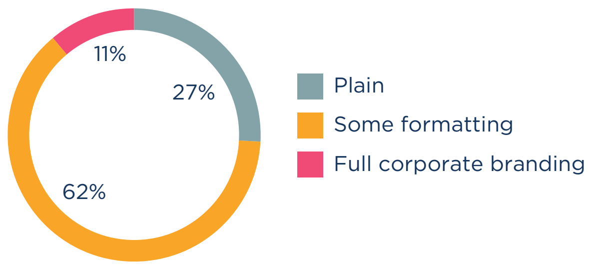
# 5. Solvency and Financial Condition Reports

The look and feel of public reporting can be a key differentiator for firms.

## Look and feel

Firms have taken a wide range of approaches to the “look and feel” of their reports. This could be driven by many factors, including marketing budgets or the engagement of senior management. Whatever the position, the resulting SFCRs range from “bare bones” documents to colourful publicity tools full of corporate branding, artwork and pizazz.

**Look and feel**




Around a quarter of firms (mostly smaller firms) produced plain documents, with little or no corporate branding. Nearly two-thirds of firms spent a little more time designing the SFCR, including corporate house style and professionally formatted content. A handful of insurers have produced more impressive looking reports. These tended to be the larger insurers, such as **AIG Europe** and **Aviva**, but also included **Cornish Mutual** and **IGI**.

The tones and styles of each report also varied between insurers. Some reports were rather bland and generic, whereas others were more engaging and insightful. Around half of firms disclosed the names of those in key management positions, compared with those simply describing roles and titles. This had the effect of making the reports more engaging and personal.

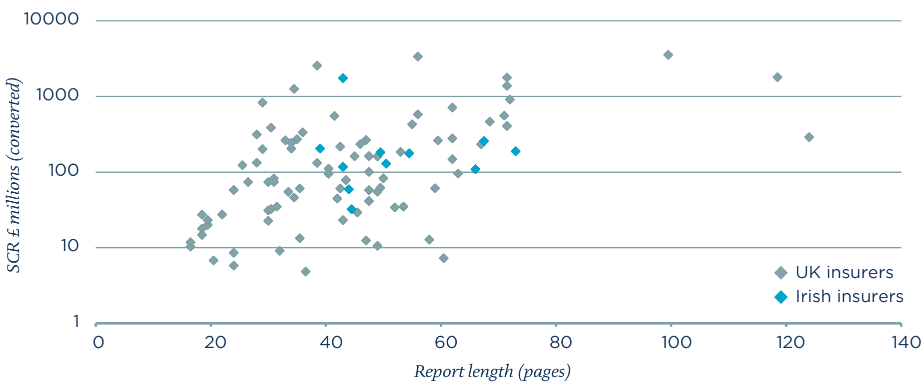
The longest reports we reviewed were the group SFCRs of **Liverpool Victoria** and **RSA**, which had total page counts of 249 and 168 respectively (excluding QRTs). Both firms, which were granted waivers to provide a single group SFCR in respect of their group and subsidiaries, took similar approaches to their reporting.

The first section of the reports set out the SFCR in respect of the group. These were then followed by shorter SFCRs for each of the solo entities, which included signposting the reader back to the group document to avoid unnecessary repetition.

A simple page count can be misleading because each firm lays its report out differently (eg including tables of content, glossaries, section dividers, blank space to help with pagination and additional content not required by the regulations). Therefore, to improve consistency, we also analysed the number of pages of narrative content. **RSA**'s group SFCR had the most content[1] at 123.5 pages, and the shortest was **Cornish Mutual**'s at 16.5 pages. There were 45 pages of narrative content, on average.

The chart below shows how the narrative length of the SFCRs varies by company.

**Narrative length[1] compared to SCR**

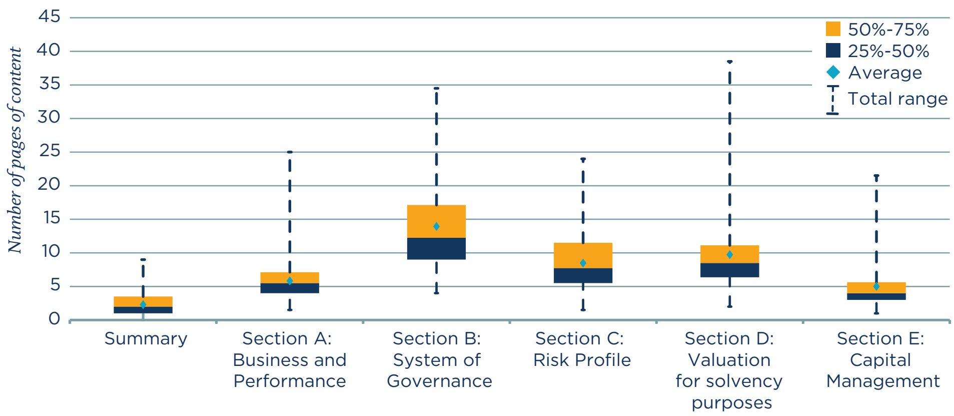



The length of the narrative is positively correlated with the size of the SCR – that is, firms with a higher SCR are more likely to write longer SFCRs than those firms with lower SCRs. Nevertheless, the range is wide, which is driven in part by the number of lines of business firms write, their overall complexity and (possibly) how seriously they take pillar 3 reporting.

[1] Total length equals length of summary plus sections A-E only.

The following chart shows the content firms have dedicated to each required section of the SFCR. On average, the "Capital Management" section is the shortest of the five core areas, despite having more compliance requirements than the others.

**Length of each section**




The "Valuation for solvency purposes" section, which sets out details on how firms have valued their assets and liabilities under Solvency II, had the greatest variation in length. **Equine and Livestock** dedicated 2 pages to describing their Solvency II balance sheet, including only a very high-level description of the methodology used to calculate the Solvency II Technical Provisions. On the other hand, **NFU Mutual**'s group SFCR provided nearly 40 pages of content. Whilst this was partly driven by separate descriptions of the life and non-life business, the approach to describing the Technical Provisions was far more detailed than others typically provided.

*Our viewpoint*

*Some commentators have berated firms for not including sufficient detail, while others have suggested that short can be sweet. In reality, the length of the SFCR will be highly dependent on the nature and complexity of the business. We recommend firms aim to comply with the regulations as concisely as possible, avoiding jargon and unnecessary detail and using diagrams and charts to improve clarity.*

## *Compliance*

Chapter XII of the Delegated Act sets out what should be included in an SFCR. With nearly 100 separate requirements, firms must work hard to ensure they comply with what's needed. Those who don't will be open to criticism from regulators, analysts, the media and other interested parties.

Overall, firms broadly complied with the "clearer cut" requirements, but struggled with the more descriptive points, or those that could arguably give sensitive information giving competitors the upper hand.

Five firms, **Cornish Mutual IGI**, **Medicash Health Benefits**, **Tokio Millenium Re** and **UnipolRe**, failed to include a summary at the beginning of the report.

Firms are required to disclose the amount of expected profit included in the future premiums allowed for within their technical provisions. More than a third of firms failed to comply with this requirement, instead requiring readers to scour the publicly disclosed Quantitative Reporting Templates in search of this figure.

Around a third of firms who disclosed that they outsourced significant parts of their activities did not include details of where their providers were based.

Two firms, **Equine & Livestock** and **AMT Mortgage Insurance**, did not disclose the public Quantitative Reporting Templates at all, opting to weave the relevant figures into the narrative reporting. It remains to be seen whether this interpretation of the Solvency II requirements is allowable in practice.

*Our viewpoint*

*Firms should consider undertaking post-release reviews of their SFCRs to identify where they may be non-compliant, to compare their initial efforts to their peers and to find out how they can make the most of their public disclosures.*

Many firms' publications fell short of full compliance with the requirements.

Whilst some of the Delegated Regulation's requirements are clear and prescriptive, others have been interpreted differently by firms.

## *Narrative content*

### *Uncertainty within technical provisions*

The best estimate of the technical provisions is calculated using assumptions that may themselves be uncertain. Therefore, there may be a range of best estimates that could be reasonably calculated and held on the Solvency II balance sheet.

The regulations require "a description of the level of uncertainty associated with the valuation of the technical provisions". Of the reports we reviewed, only six provided readers with a quantitative indication of the sensitivity of the technical provisions to key assumptions.

*Our viewpoint*

*We encourage firms to improve disclosure in this area to better articulate the level of uncertainty in their insurance business.*

### *Additional information*

The Solvency II regulations require firms to set out extra detail not strictly required in separate "additional information" sections within each core area of the SFCR.

Around half of firms have provided some narrative in the "additional information" sub-sections. However, in most cases, it appears that these sections are not being used as intended. Instead, they have been used to improve the readability of the SFCRs by covering those requirements in Articles 293 to 297 that may otherwise disrupt the flow of the other sections of the report.

35% of reports included glossaries to help readers understand the technical terms and acronyms used throughout the reports.

*Our viewpoint*

*These are a helpful addition for non-technical readers and we encourage all firms to consider including a glossary of key terms in their future disclosures.*

## *Stress and sensitivity*

According to the regulations, firms must include "a description of the methods used, the assumptions made and the outcome of stress testing and sensitivity analysis for material risks and events". Firms have interpreted this requirement differently.

Some have provided chapter and verse on the results of testing, together with the expected impact on capital strength. For example, **Aviva** sets out a summary of the key results of its sensitivity testing, including the impact on capital coverage as well as the limitations of the sensitivity analyses undertaken.

Some, on the other hand, have provided only a high level description of the work undertaken, with no quantitative impacts disclosed. **Esure** does not provide any quantitative results but does describe how the output from its stress and scenario testing feeds into its capital modelling, business planning, ORSA process, risk appetite and margin setting processes.

Nearly half of firms included quantitative analysis of stress and sensitivity testing on their key business metrics.

*Our viewpoint*

*Insurers should include greater detail on the quantitative impact of key stresses and scenarios on their capital coverage. This will help stakeholders understand more clearly how exposed a firm's balance sheet is to material risks and events.*

# 6. Tips and trip hazards

*We've compiled some top tips to help you and your firm's stakeholders get the most out of your SFCRs.*

**1. Avoid jargon** – the readers of your SFCR may not have an insurance or actuarial background. It's worth getting an independent review from a non-technician to ensure your report can be understood by a lay-reader. Including a glossary can also be helpful.

**2. Review the published QRTs** – check that the QRTs your are publishing are consistent with your narrative report and contain no obvious errors or omissions.

**3. Be specific** – make sure your report clearly articulates *how* you are running the business, *who* is involved and *what* your specific risks are. This will give stakeholders a clearer view of the company, and give greater confidence that you're running the business well.

**4. Consider formatting and file quality** – every public document is a form of advertising, so it's important that it makes a good impression.

- Ensure your SFCR is an electronically produced PDF (rather than a Word document, or a scanned image file)
- Check that your QRTs are legible
- Add branding to your document, particularly if you produce a glossy annual report and accounts
- Include graphs and diagrams and to help understanding and make the report visually appealing

**5. Check for compliance** – develop a framework to check your SFCR report complies with the Solvency II requirements. Ideally, this should be undertaken by someone independent from the process who has experience of regulatory expectations and emerging market practice.

*Our in-depth analysis also uncovered several pitfalls that befell many firms. We set out the main ones below, together with some examples.*

**1. Numbers published in wrong units** – several firms disclosed their QRTs in units, rather than in thousands

**2. Missing rows of data** – one firm failed to disclose their technical provisions less recoverables in form S.17.01.02

**3. Incorrect QRTs published** – several firms published some private QRTs in place of the public versions (for example the private balance sheet form S.02.01.01 instead of the public version S.02.01.02)

**4. Missing totals** – some firms did not disclose total non-life (excluding health) technical provisions in form S.02.01.02

**5. Inconsistent entries** – one firm's net premium provisions disclosed in form S.17.01.02 do not reconcile with the gross premium provisions and reinsurance recoveries

**6. Missing detail** – one firm did not publish the breakdown of its partial internal model output, as required in form S.25.02.21 (although they did disclose the detail required in the SFCR)

**7. Poor quality files** – the SFCR and QRTs disclosures for some firms were barely legible, as a result of poor quality low-tech scanning

**8. Inconsistencies with the narrative report** – one firm's SCR in form S.23.01.01 did not reconcile with the SCR disclosed in the SFCR.

# Survey constituents and other notes

To improve readability throughout this report, we have shortened the names of some insurers when referring to them. The following table sets out the full entity names of the insurers we reviewed, together with the name used in this report.

## UK-based insurers

| Insurance company name | Report name |
|---|---|
| Admiral Insurance Company Ltd | Admiral |
| Aetna Insurance Company Ltd | Aetna |
| Ageas Insurance Ltd | Ageas |
| AIG Europe Ltd | AIG Europe |
| Aioi Nissay Dowa Insurance Company of Europe Ltd | Aioi Nissay Dowa |
| Allianz Insurance PLC | Allianz |
| AmTrust Europe Ltd | AmTrust Europe |
| Ambac Assurance UK Ltd | Ambac Assurance |
| AMT Mortgage Insurance Ltd | AMT Mortgage |
| Arch Insurance Company (Europe) Ltd | Arch Europe |
| Aspen Insurance UK Ltd | Aspen |
| Assurant General Insurance Ltd | Assurant GI |
| Assured Guaranty (Europe) Ltd | Assured Guaranty |
| Aviva Insurance Ltd | Aviva |
| Aviva International Insurance Ltd | Aviva International |
| Avon Insurance PLC | Avon |
| AXA ART Insurance SE | AXA ART |
| AXA Insurance UK PLC | AXA UK |
| Berkshire Hathaway International Insurance Ltd | Berkshire Hathaway International |
| BHSF Ltd | BHSF |
| British Gas Insurance Ltd | British Gas |
| Bupa Insurance Ltd | Bupa |
| Catlin Insurance Company (UK) Ltd | Catlin |
| China Taiping Insurance (UK) Co Ltd | China Taiping |
| Chubb Insurance Company of Europe SE | Chubb Europe |
| CIS General Insurance Ltd | CIS GI |
| Civil Service Healthcare Society Ltd | Civil Service Healthcare Society |
| CNA Insurance Company Ltd | CNA |
| Cornish Mutual Assurance Co Ltd | Cornish Mutual |
| Covéa Insurance PLC | Covéa |

| Insurance company name | Report name |
|---|---|
| DAS Legal Expenses Insurance Company Ltd | DAS Legal Expenses |
| EC Insurance Company Ltd | EC Insurance |
| Ecclesiastical Insurance Office PLC | Ecclesiastical |
| Endurance Worldwide Insurance Ltd | Endurance Worldwide |
| Equine and Livestock Insurance Co Ltd | Equine and Livestock |
| Esure Insurance Ltd | Esure |
| Exeter Friendly Society Ltd | Exeter Friendly Society |
| Financial Insurance Company Ltd | Financial |
| First Title Insurance PLC | First Title |
| FM Insurance Company Ltd | FM Insurance |
| Gresham Insurance Company Ltd | Gresham |
| The Griffin Insurance Association Ltd | Griffin |
| HCC International Insurance Company PLC | HCC International |
| Highway Insurance Company Ltd | Highway |
| Hiscox Insurance Company Ltd | Hiscox |
| Houston Casualty Company - London Branch | Houston Casualty Company - London Branch |
| HSB Engineering Insurance Ltd | HSB Engineering |
| International General Insurance Company (UK) Ltd | IGI |
| Lancashire Insurance Company (UK) Ltd | Lancashire |
| Legal & General Insurance Ltd | L&G |
| Liberty Mutual Insurance Europe Ltd | Liberty Mutual |
| Liverpool Victoria Insurance Company Ltd | Liverpool Victoria |
| Lloyds Bank General Insurance Ltd | Lloyds Bank GI |
| London General Insurance Company Ltd | London GI |
| Markel International Insurance Company Ltd | Markel International |
| Medicash Health Benefits Ltd | Medicash Health Benefits |
| Mitsui Sumitomo Insurance Company (Europe) Ltd | Mitsui Sumitomo Europe |
| Motors Insurance Company Ltd | Motors |
| National Farmers Union Mutual Insurance Society Ltd | NFU Mutual |
| Newline Insurance Company Ltd | Newline |
| Personal Assurance PLC | Personal Assurance |
| Pinnacle Insurance PLC | Pinnacle |
| QBE Insurance (Europe) Ltd | QBE Insurance Europe |
| QBE Re (Europe) Ltd | QBE Re Europe |
| RiverStone Insurance (UK) Ltd | RiverStone |
| Royal & Sun Alliance Insurance PLC | RSA |

| Insurance company name | Report name |
|---|---|
| Sabre Insurance Company Ltd | Sabre |
| Samsung Fire & Marine Insurance Company of Europe Ltd | Samsung Fire & Marine |
| Scor UK Company Ltd | Scor |
| Simply Health Access | Simply Health Access |
| Sompo Japan Nipponkoa Insurance Company | Sompo Japan Nipponkoa |
| St Andrew's Insurance PLC | St Andrew's |
| StarStone Insurance SE | StarStone |
| Starr International (Europe) Ltd | Starr |
| Stewart Title Ltd | Stewart Title |
| Stonebridge International Insurance Ltd | Stonebridge International |
| Tesco Underwriting Ltd | Tesco Underwriting |
| The Wren Insurance Association Ltd | Wren |
| Tokio Marine Kiln Insurance Ltd | Tokio Marine Kiln |
| Tokio Millennium Re (UK) Ltd | Tokio Millennium Re |
| Tradex Insurance Company Ltd | Tradex |
| Trans Re London Ltd | Trans Re London |
| Travelers Insurance Company Ltd | Travelers |
| UIA (Insurance) Ltd | UIA |
| U K Insurance Ltd | U K Insurance |
| Vitality Health Ltd | Vitality Health |
| Western Provident Association Ltd | WPA |
| WR Berkley Insurance (Europe) Ltd | WR Berkley Europe |
| XL Insurance Company SE | XL |

## *Irish insurers*

| Insurance company name | Report name |
|---|---|
| Allianz PLC | Allianz Ireland |
| AXA Insurance DAC | AXA Ireland |
| CACI Non-Life DAC | CACI Non-Life |
| FBD Insurance PLC | FBD |
| Greenlight Reinsurance Ireland DAC | Greenlight Reinsurance |
| IPB Insurance CLG | Irish Public Bodies |
| Liberty Insurance DAC | Liberty |
| RSA Insurance Ireland DAC | RSA Ireland |
| UnipolRe Designated Activity Company | UnipolRe |
| VHI Insurance DAC | VHI |
| Zurich Insurance DAC | Zurich |

## *Groups vs solo entities*

Some of the entities listed above are part of a larger group. When analysing the QRTs, we have considered only the QRTs of the solo entities listed. Where a firm has provided an SFCR at a group level for multiple solo entities, we have applied their comments to all entities within the group unless they explicitly disclosed otherwise.

## *Year ends and aggregating figures*

94% of the firms analysed had financial year ends as at 31 December 2016, with the balance being as at other dates. When we have aggregated figures within this report, we have done so for all companies, regardless of the as at date of their SFCR.

## *Exchange rates*

For those firms which do not report in Pounds Sterling, we have taken all of their reported figures and converted them to Sterling using the prevailing exchange rate as at their financial year end.

## *Contact us*

For further information please contact our team.

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