EC Insurance Company Ltd.

ECIC
Specialist Underwriters

Solvency and Financial Condition Report (SFCR) for the year ended December 31, 2019

MARKEL

Table of Contents

1.0 Board of Directors

S.C. Barrett

A.J Davies (Chair)

R.D. Forrest Smith

N.E. Galjaard

J.W.J. Spencer

A. Whitaker

1.1 Directors Responsibility Statement

Year Ended 31 December 2019

We acknowledge our responsibility for preparing the EC Insurance Company Limited ("ECICL" or "the Company") SFCR in all material respects in accordance with the Prudential Regulatory Authority ("PRA") Rules and the Solvency II Regulations.

We are satisfied that:

- throughout the financial year in question, the Company has complied in all material respects with the requirements of the PRA Rules and the Solvency II Regulations as applicable at the level of the Company and
- it is reasonable to believe that the Company has continued to comply subsequently and will continue to comply until 31 December 2020.

On behalf of the Board

Richard Forrest Smith

Director

Date: 17 March 2020

1.0 Executive Summary

The Solvency and Financial Condition Report ("SFCR") is prepared for ECICL. The SFCR is prepared in accordance with the Solvency II directive and the various regulatory guidelines issued by the PRA and European Insurance and Occupational Pensions Authority ("EIOPA"). The SFCR is for the year ended 31 December 2019.

Markel Capital Holdings Limited ("MCH") purchased ECICL from its previous owner, EC Insurance Holdings Ltd, on 28 November 2017.

Following the sale of ECICL to MCH, ECICL purchased a loss portfolio transfer ("LPT") and quota share reinsurance from Markel International Insurance Company Limited ("MIICL") to transfer the liabilities of the Company to MIICL. The impact of this reinsurance purchase is to ensure that ECICL does not bear any risk on a net basis on business written prior to the sale to MCH or on any future business.

ECICL uses the standard formula to calculate the regulatory solvency capital requirement ("SCR").

At 31 December 2019, ECICL has Own Funds of £8,906,517 compared to a SCR of £2,081,330. This represents a solvency coverage ratio of 428%.

The minimum capital requirement ("MCR") as at 31 December 2019 was £3,186,921 (2018: £3,288,301) representing a solvency ratio of 279%. ECICL's SCR has reduced in recent years and the SCR is now lower than the MCR. For ECICL the key regulatory capital measure is the MCR.

2.0 Business & Performance

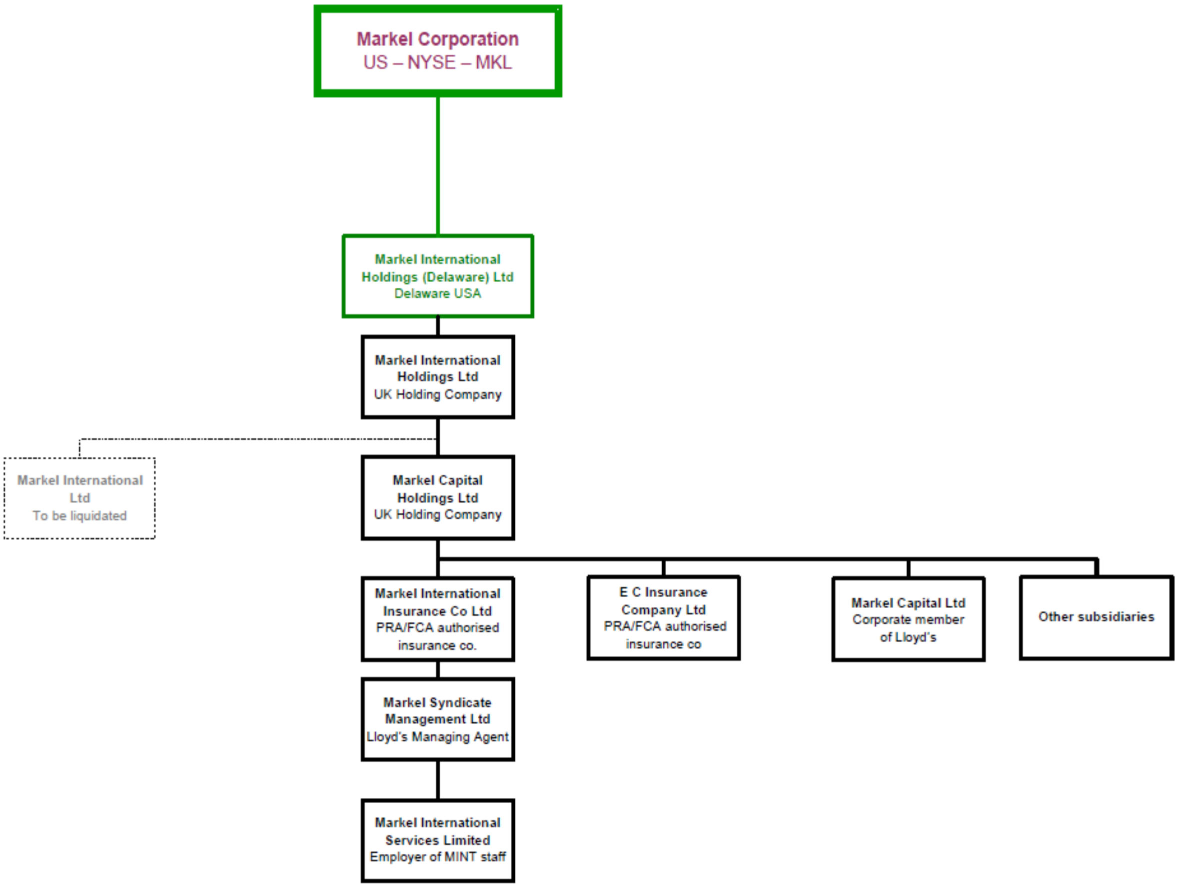
2.1 Company Information

Name	EC Insurance Company Limited 20 Fenchurch Street London EC3M 3AZ
Registered Number	01266206
Supervisory Authorities	Prudential Regulatory Authority, Bank of England, 20 Moorgate, London EC2R 6DA Financial Conduct Authority, 25 the North Colonnade, Canary Wharf, London E14 5HS
External Auditor	KPMG LLP 15 Canada Square, Canary Wharf London E14 5GL
Immediate Parent	Markel Capital Holdings Limited
Ultimate Holding Company	Markel Corporation
Subsidiaries	None

2.2 Group Structure

ECICL is 100% owned by MCH, a company registered in the United Kingdom. The ultimate holding company is Markel Corporation ("Markel"), which is incorporated in Virginia in the United States of America.

The table below sets out a simplified group structure.



2.3 Group Supervision

ECICL is a wholly owned subsidiary of MCH, which is incorporated in the UK. Its ultimate holding company is Markel, which is incorporated in Virginia, USA. ECICL's ultimate European Economic Area ("EEA") parent is Markel International Holdings Limited ("MINT"). MINT is the EEA parent of MIICL. The simplified group structure is shown in the table above.

2.4 Business and Environment

ECICL is a specialist UK insurer providing insurance solutions for contractors, construction trade associations and other specialist affinity groups. ECICL has operated for over 40 years in the UK insurance market.

In 2019 ECICL wrote adjustments to the portfolio of policies it had written prior to entering run-off for contractors in the electrical, heating, ventilation, air- conditioning, lift and escalator, roofing and building services sector. It also ran-off the insurance schemes it had provided insurance schemes for the self-build residential property, mobility products and landlords and tenants of let property. Prior to entering run-off ECICL underwrote liability, property, accident, sickness, warranty and guarantee business.

All of ECICL business is located in the United Kingdom of Great Britain & Northern Ireland, the Isle of Man & the Channel Islands.

There was a material change in 2018, which continued into 2019, to the business underwritten by ECICL; the Company ceased to write new business from the 1 October 2018 and renewal rights for the business were transferred to MIICL. The Company therefore entered run off in 2018 and now focuses on ensuring the professional management of its claims liabilities to customers. During 2019 only adjustments to premiums relating to prior years were written.

2.5 Summary Financial Performance

The summary financial performance for year ended 31 December 2019 is set out below

2018	£
Underwriting Result	Nil
Investment Income	6,634
Profit before Tax	6,634

Following the sale of ECICL to MCH, ECICL entered into a LPT and Renewal Rights Transfer Agreement with MIICL.

Business written by ECICL in 2019 was fully reinsured with MIICL. From 1 October 2018 ECICL ceased to write any business and the renewal rights for the business were transferred to MIICL. ECICL therefore entered run off in 2018 and now focuses on ensuring the professional management of its claims liabilities to customers.

2.6 Underwriting Performance

The business has continued to operate in difficult market conditions and a challenging economic environment. Management use a range of performance measures to monitor and manage the business as set out below:

From 1 October 2018 ECICL ceased to write any business and the renewal rights for the business were transferred to MIICL.

Gross Premium Written: Gross written premium for 2019 is (£7,082) relating to adjustment premiums for prior year policies. The split by class of business is:

Class of Business	Gross Written Premium
	£
General Liability	30,626
Property Damage	(5,415)
Accident and Health	4
Warranty	(32,297)
Reinsurance Accepted	-
	(7,082)

2.7 Investment Performance

During 2019, ECICL's investments comprised solely of cash. ECICL generated investment income of £6,634 for the year ended 31 December 2019, all of which relates to cash on deposits with banks.

2.8 Performance of Other Activities

ECICL does not have any other activities apart from the underwriting and investment activities set out above.

2.9 Any Other Information

The Financial Statements have been prepared on a non-going concern basis. Following the sale of the Company to MCH the Directors took the decision with effect from 1 October 2018 to cease underwriting both renewal and new business. All new business and renewal rights were transferred to MIICL and High Court and Royal Court of the Island of Jersey (Jersey Court) approval was obtained on the 5 and 6 March 2020 to Part VII transfer all insurance obligations to MIICL with effect from 20 March 2020. Under FRS102 "an entity is a going concern unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so." Accordingly, on this basis alone, the Directors have not prepared the Financial Statements on a going concern basis. The impact of the change in basis of preparation on the Financial Statements is minimal with no change in presentation or values contained within the Income Statement (Technical and Non-Technical Accounts), Statement of Change in Equity, Statement of Financial Position, and notes to the accounts. The non-going concern basis is purely a result of the Part VII transfer.

The Directors have no concerns over the Company's ability to settle claims. The Company has sufficient assets to cover its liabilities and has no liquidity or capital issues.

There are no other material matters in respect to the business or performance that need to be disclosed.

3.0 System of Governance

3.1 General Information on System of Governance

The Board of ECICL is responsible for prudent oversight of the Company, ensuring that it is conducted in accordance with sound business principles and within applicable law and regulation. This includes responsibility to set and monitor adherence to strategic risk objectives and risk appetite statements. The ECICL Board also ensures that measures are in place to provide effective identification, management and control of risk.

The overall risk strategy for the ECICL Board is to:

- Ensure an effective risk governance framework is in place lead by the Board.
- Anticipate and respond to changing external environment and emerging risks.
- Maintain an appropriately resourced risk management function to assist the business in the identification and mitigation of all material risks.
- Maintain a culture of compliance with applicable laws and regulations.

ECICL achieves corporate governance by maintaining appropriate relationships between its management, its Board, its shareholders and other stakeholders to provide the structure through which ECICL's objectives are set, and the means of attaining those objectives and monitoring performance is determined.

This enables ECICL's Board and management to interact effectively and deliver an agreed strategy and to share a clear understanding of the related risk appetite. It facilitates a robust control framework and allows for an appropriate level of engagement and challenge of the risks and issues as well as the appropriate level of oversight to maintain good governance. The Board ensures that ECICL meets the standards required for Solvency II Firms, as set out in the PRA Handbook, including the "Fundamental Rules" and the FCA handbook, including the "Principles for Business".

The Board has identified the officers who hold each relevant Senior Manager Function (details are held in the Financial Services Register) and has approved the allocation of the Prescribed Responsibilities.

3.2 Board Committees

ECICL's governance arrangements include the following key committees.

Risk and Capital Committee: ECICL forms part of the MINT Risk and Capital Committee. The purpose of the Risk and Capital Committee is to assist the Board in its oversight of ECICL's risk management strategy and risk management framework. The Risk and Capital Committee has an agreed Terms of Reference which describes the purpose, responsibilities, membership and authority delegated from the Board for the Risk and Capital Committee. Prior to the sale, ECICL formed part of the EC Insurance Holdings Limited Risk and Compliance Committee.

Audit Committee: ECICL forms part of the MINT Audit Committee. The purpose of the Audit Committee is to assist the Board by overseeing the internal audit function and the relationship with external auditors. The Audit Committee has an agreed Terms of Reference which describes the purpose, responsibilities, membership and authority delegated from the Board to the Audit Committee. Prior to the sale, ECICL formed part of the EC Insurance Holdings Limited Audit Committee.

3.3 Overview of Key Functions

The Company has identified the roles which it considers to be a Key Function performed by a Key Function Holder. All of the Key Function Holders have the necessary authority, resources and operational independence to carry out their roles and responsibilities.

Internal Audit: The main responsibility of the Head of Internal Audit is to provide an independent assessment of the effectiveness and efficiency of risk management, control and governance process within ECICL's business operations. Prior to the sale of ECICL to MCH, the internal audit function was provided by KPMG LLP, which had undertaken this function since 2013.

Risk management: The main responsibility of the Chief Risk Officer is to put in place and maintain effective Enterprise Risk Management comprising strategies, processes and reporting procedures necessary to identify, measure, monitor and report on a continuous basis the risk that the Company is or could be exposed, and their interdependencies.

Compliance: The main responsibility of the Compliance Officer is to enable the Company to meet and exceed the standards required by its regulators. The responsibilities include advising the Board on compliance with the laws, regulations and administrative processes adopted pursuant to Solvency II Directive and other relevant regulatory requirements. In addition, the compliance team assess the possible impact of any significant changes in the legal environment on the operations of ECICL and the adequacy of the measures adopted to prevent non-compliance.

Actuarial: The actuarial function holder is responsible for fulfilling the Company's duties under Solvency II including the calculation of technical provisions and providing opinions on underwriting policy and reinsurance strategy. The actuarial function analyses and projects historical claims development data and use a number of actuarial techniques to validate assumptions used to calculate technical provisions. The actuarial function holder provides an actuarial function report to the Board annually setting out the tasks that have been undertaken by the actuarial function and their results, and any relevant recommendations.

The actuarial function holder is a part of the MINT Group Actuarial function.

3.4 Fit and Proper Requirements

All Directors and employees, whether or not they perform a key function, are recruited on the basis that their professional qualifications, knowledge, experience, management and/or technical competences and experience are adequate to enable sound and prudent management and that they are of good repute and integrity.

Approved Persons are required to be fit and proper persons and ECICL checks regularly that Approved Persons are eligible to perform controlled functions for ECICL under the Senior Manager & Certification Regime ("SMCR"). When assessing whether a person is "proper", ECICL carries out an assessment of that person's honesty and financial soundness based on relevant evidence regarding their character, personal behaviour and business conduct including any criminal, financial, supervisory aspects regardless of jurisdiction.

To establish fitness and propriety of an individual to perform an approved function, prior to an individual joining the company and annually thereafter, ECICL looks to see if there are any adverse indicators that would not constitute fitness. ECICL utilises criminal record and financial credit checks as part of this process. In addition, on an ongoing basis, all Approved Persons are required to provide an annual confirmation to notify the Board of any items which might impact on their ability to act as an Approved Person.

3.5 Remuneration Policy

ECICL has a remuneration policy that is agreed by the Board. The objective of the remuneration policy is to:

- Reward, motivate and retain high performing employees at all levels.
- Encourage reliable and continuous performance.
- Establish a strong alignment aimed at delivering outcomes in the interest of the consumer.
- Endorse improvement of the skills of employees, and encourage innovation.
- Support employee retention.
- Incentivise executives to drive sustainable future value within the overall risk objectives.
- Create incentives aligned to longer-term outcomes rather than short- term gains.
- Support an ethical and customer centric culture of the Business.

All employees are remunerated with an annual fixed salary and are entitled to participate in a discretionary bonus scheme, up to specific limits stated in their contracts of employment, depending on seniority. The bonus scheme is flexible, subject to a maximum payment, and allows zero bonus payments to be made when appropriate. Any payment is subject to both individual and company performance.

3.6 Risk Management including the Own Risk and Solvency Assessment

3.6.1 Risk Management

ECICL recognises that a strong culture of risk management is the key underlying feature of the risk and control process. It also recognises the need to have a risk culture that supports risk based decision-making processes and that risk culture should be embedded within the business.

To facilitate and foster a healthy risk culture ECICL has embedded a risk management system in which colleagues at all levels actively engage in the process of managing risk through discussions at management, staff and risk awareness meetings. ECICL believes this process ensures:

- All material risks are likely to be identified.
- Risk issues can be escalated quickly in the firm.
- Senior management get high quality risk information and on a timely basis.
- The firms risk adjusted metrics (Risk Appetite) can be used to measure and model impacts.
- Delivery of a fair customer outcome and ensure the company operates within the regulatory framework.

3.6.2 Own Risk and Solvency Assessment ("ORSA")

The ORSA is the entirety of the processes and procedures employed to identify, assess, monitor, manage and report the short and long term risks ECICL faces or may face and to determine the own funds necessary to ensure ECICL's overall regulatory and economic capital requirements are met at all times.

The ORSA is submitted to the Board of ECICL each year. This process ensures that it is adequately embedded in the strategic decision-making process and management of risk within ECICL. The ORSA report is produced to a level of detail that would enable a suitably knowledgeable external reviewer to be able to gain an understanding of ECICL's risk and solvency assessment.

The key processes that underpin the ORSA in determining solvency requirements include:

- Stress testing and scenario analysis.
- Business planning and assessment of the key risks to the Plan.
- Forward looking assessments of solvency position.
- Own assessment of solvency based on the standard formula SCR.
- Assessment of the appropriateness of standard formula for regulatory capital setting.
- Risk appetite process.
- Emerging risk process.

An ORSA wasn't conducted for 2019, as agreed by the PRA, as an outcome of the part of the Part VII transfer process to MIICL.

3.7 Internal Control System

The management of ECICL is responsible for establishing and maintaining adequate internal controls. ECICL's internal controls cover all aspects of the business.

ECICL assesses and manages internal controls by:

- Identifying what are the significant risks to the business and assessing how they have been evaluated and managed.
- assessing the effectiveness of internal controls in managing significant risks, having regard, in particular, to any material failings or weaknesses that have been reported.
- ensuring action is being taken promptly to remedy any identified failings or weaknesses.
- reviewing and updating its policies to ensure regulatory compliance.
- providing training to employees to ensure they have an appropriate understanding of their responsibilities and obligations from compliance and control perspective.

ECICL's internal control systems encompass policies, processes and tasks that enable ECICL to respond appropriately to significant business, operational, financial, compliance and other risks. The ECICL risk register describes risk controls for each risk and identifies control ownership.

Delegation of tasks and activities is undertaken commensurate with the level of competency required and the skill and experience of the individual. Authority limits and controls are communicated, documented and subject to regular review and change if necessary. Segmentation of duties and function minimises the risk of financial crime. ECICL has a separate risk and compliance function within the organisation managed by suitably competent individuals. The risk and compliance functions has appropriate access to records, individuals and committees.

3.8 Internal Audit Function

ECICL's internal audit function is led by the Head of Internal Audit (SIMF 5).

The internal audit function is an independent and objective assurance and consulting activity designed to add value and improve the ECICL's operations. It assists ECICL in accomplishing its objectives by bringing an independent, systemic and disciplined approach to the process of evaluating and improving the effectiveness of the risk management, control and governance processes. The internal audit function provides an independent assessment of the quality of internal controls and administrative processes, and provides recommendations and suggestions for continuous improvement. The Audit Committee monitors the implementation by management of these suggested improvements.

An audit report is prepared and issued by the internal auditor following the conclusion of each audit, including any management responses. These reports are presented to the Audit

Committee and a summary of their reports is presented to the Board. The internal audit function maintains its independence by reporting directly to the Audit Committee, the members of which are all Non-Executive Directors.

3.9 Outsourcing

ECICL's operational strategy is to use a combination of in-house, Markel and outsourced resource to enhance operational efficiency. ECICL's Outsourcing Policy sets out its approach to meeting ECICL's regulatory requirements for outsourcing. The operation of outsourcing arrangements is reviewed by management on a regular basis. A function or activity is viewed as "critical" or "important" if without it ECICL could not deliver services to policyholders. Areas where critical services are outsourced are listed below.

Outsourced Activity	**Jurisdiction**
IT trading platform	UK
Delegated Underwriting	UK
Claims Handling	UK

Following the sale of ECICL to MCH, certain services are provided to ECICL on an intergroup basis. These include risk management, compliance, internal audit, human relations, actuarial, and payroll. All of these services are based in the UK.

3.10 Adequacy of Systems of Governance

The Board of ECICL believes that the systems of governance are fit for purpose to deliver on their objectives within an agreed risk framework. ECICL is authorised by the PRA and regulated by the PRA and the Financial Conduct Authority ("FCA") and complies with the corporate governance practices and principles expected by the regulators.

3.11 Any other information

The Company received High Court approval on March 5, 2020, and approval from the Royal Court of the Island of Jersey (Jersey Court) on March 6, 2020 for the Part VII transfer of all insurance obligations to be transferred to MIICL with effect from March 20, 2020.

4.0 Risk Profile

4.1 Overview

The Board of ECICL is responsible for prudent oversight of the Company, ensuring that it is conducted in accordance with sound business principles and within applicable law and regulation. This includes responsibility to set and monitor adherence to strategic risk objectives and risk appetite statements. The Board also ensures that measures are in place to provide effective identification, management and control of risk.

ECICL is committed to a structured and disciplined approach to risk management which considers strategy, process, people and technology. ECICL maintains a positive and open culture towards risk management throughout all levels of the organisation.

4.2 Capital Requirements

ECICL uses the Standard Formula to calculate its regulatory capital requirements. ECICL uses a mark-up of 35% on the SCR amount as the basis for calculating its economic capital. The MCR for ECICL is greater than the current SCR calculation making the MCR the key capital measurement for ECICL.

ECICL is anticipated to hold capital in excess of this economic solvency level for 2020-2023. The forecast to 2023 was prepared on the basis that the ECICL Part VII transfer of business to MIICL does not complete in 2020. Approval for the Part VII transfer has been approved and the transfer will take effect from March 20, 2020.

ECICL ensures that it remains in continuous compliance with the requirement to ensure that it maintains a level of capital in excess of its regulatory SCR and MCR. The Board reviews the management accounts at each Board meeting to assess whether there is any deterioration in the financial results that may impact negatively on the capital position of ECICL and which may impact on the ability to meet its regulatory requirements.

4.3 Risk Mitigation

ECICL's risk register details the risks to which it is, or may be exposed. For each risk, there are a number of controls in place that are used to mitigate the risk and are monitored over time. Risk controls can be tools or techniques to proactively identify, manage and reduce risk and may involve the policies, standards, procedures and operations of ECICL. The risk register describes risk controls for each risk and identifies control ownership. The Risk Management function facilitates the process to enable the risk owners to identify risks, develop control activities to mitigate the risk within appetite and to carry out risk assessments. The Risk Management function assesses the effectiveness of the controls and works with control owners to address any control weakness.

Information on risk is presented to the Risk and Capital Committee. The Risk and Capital Committee is chaired by an independent Non-Executive Director and meets on a quarterly basis to monitor any significant change in the risks or controls.

4.4 Stress and Scenario Tests

A range of sensitivity tests is conducted for ECICL which allow for a better understanding of the key sensitivities for capital requirements. ECICL carries out stress and scenario testing as part of the ORSA process. As part of this process, ECICL also assesses explicit scenarios most likely to render its business model unviable, a process known as reverse stress testing. In order for ECICL's business model to become unviable, the Company would need to be unable to make recoveries from MIICL under the terms of the LPT and reinsurance agreement entered into in 2017 and 2018. The Board considers this to be a very remote possibility given the financial strength of MIICL and Markel.

In the context of this analysis, management concludes that ECICL has sufficient capital to meet its solvency needs and to achieve its business goals to within an acceptable level of confidence.

4.5 Overall Risk Profile

As at 31 December 2019, ECICL's risk profile expressed as percentage of its SCR, was:

	2019
Reserving Risk	0%
Underwriting Risk	0%
Market Risk	0%
Credit Risk	77%
Operational Risk	23%
	100%

The minimum capital requirement ("MCR") as at 31 December 2019 was £3,186,921 (2018: £3,288,301) representing a solvency ratio of 279%. ECICL's SCR has reduced in recent years and the SCR is now lower than the MCR. For ECICL the key regulatory capital measure is the MCR.

4.6 Key Risk Areas

4.6.1 Reserving Risk

Reserving risk is defined as the risk of loss resulting from the inherent uncertainties as to the occurrence, amount and timing of insurance liabilities, focusing on risks that arise from the quantification of these liabilities.

Risk mitigation includes:

- The actuarial function analyses and projects historical claims development data and uses a number of actuarial techniques to both test and forecast claims provisions.

- ECICL purchased a LPT and quota share reinsurance from MIICL that ensures ECICL fully recovers any claims. Therefore, from December 2017, ECICL had no reserve risk for the purpose of calculating the risk profile.

4.6.2 Underwriting Risk

Underwriting risk is defined as the risk of loss resulting from the inherent uncertainties as to the occurrence, amount and timing of insurance liabilities, focusing on risks that arise from the acceptance of business.

ECICL's underwriters and management consider underwriting risk at an individual contract level and also from a portfolio perspective where the risks assumed in similar classes of policies are aggregated and the exposure evaluated in light of historical portfolio experience and prospective factors.

Risk Mitigation includes:

- Premium rating, lapse ratios and new business premiums are tracked on a monthly basis. The current premium rating, as related to the historic claims records, inflation and insurance market trends, is also analysed to ensure adequate pricing.
- The delegation of underwriting authority to specific individuals, both internally and externally, is subject to regular reviews.
- ECICL purchased reinsurance from MIICL that ensures ECICL fully recovers any claims in respect of business written by ECICL. Therefore, from December 2017, ECICL had no underwriting risk for the purpose of calculating the risk profile.
- ECICL ceased writing new business and was placed into run-off from the 1 October 2018 and the renewal rights for the business were transferred to MIICL

4.6.3 Market Risk

Market risk refers to the risk of loss resulting from adverse financial market movements including interest rates or exchange rates. Risk mitigation includes:

- ECICL sold its fixed income investment portfolio in its entirety in 2017 and thus significantly reduced its exposure to movements in interest rates and movements in the investment valuations.
- ECICL operates in the United Kingdom and all of its business is transacted in pounds sterling. The functional currency of ECICL is pounds sterling and the presentational currency in which ECICL reports is pounds sterling and therefore ECICL does not have any exposure to movements in exchange rates.
- ECICL's policy concerning market risk ensures compliance with Solvency II "Prudent Person Principle" requirements.

4.6.4 Credit Risk

Credit risk relates to the risk of loss arising from the inability of a counterparty to fulfil its payment obligations. ECICL has exposure to credit risk, which is the risk that a counterparty will suffer a deterioration in solvency or be unable or unwilling to pay amounts in full when due.

Key areas of exposure to credit risk include:

- reinsurers' share of insurance liabilities.
- amounts due from insurance intermediaries and coverholders.

Risk Mitigation includes:

- ECICL purchased a LPT and quota share reinsurance from MIICL in December 2017. Under the terms of this reinsurance agreement, a full recovery would be made from MIICL in the event of ECICL failing to recover an amount due from any other party, including third party reinsurers.
- Amounts due for insurance contract holders and insurance intermediaries are monitored on a daily basis. Default in premium payments is greatly mitigated by the provision of instalment premium facilities for the majority of policyholders that are controlled via monthly direct debit arrangements.

4.6.5 Operational Risk

Operational risk is the risk that a financial loss or reputational damage may occur as a result of inadequate or failed internal processes, people and systems, or from external events.

This category includes items relating to business and strategic risk including, business processes, data security and cyber risk, outsourcing, financial crime, human resources, business continuity, treating customers fairly, regulation and litigation.

Risk Mitigation includes the review by management of metrics and benchmarks to monitor ECICL's operational risk profile, including the areas of business continuity, staff turnover and information technology.

4.7 Other Material Risks

4.7.1 Group Risk

Group risk is the risk that actions or events within one part of the Markel group adversely affect ECICL. ECICL considers it a strength to be part of a larger, experienced group with considerable financial resources and sound reputation. Overall, the Board considers that the fact that ECICL is part of a large group that has insurance experience mitigate the risks to which ECICL is exposed.

4.7.2 Liquidity risk

Liquidity risk arises where cash may not be available to pay obligations when due at a reasonable cost. ECICL is exposed to daily cash calls on its available cash resources, mostly for the settlement of claims.

ECICL monitors its cash flow requirements and ensures that it holds sufficient funds in the bank accounts to meet these cash flow requirements, including reviewing the cash flow requirements on a stressed basis.

4.7.3 Regulatory Risk

ECICL is required to comply with the requirements of the PRA and the FCA. Regulatory risk is the risk of loss owing to a breach of regulatory requirements or failure to respond to regulatory change.

Risk Mitigation includes ensuring that ECICL's compliance team monitors that regulatory reporting is performed with the agreed timeframe and ECICL is in compliance with its regulatory obligations.

4.7.4 Conduct Risk

Conduct risk is the risk of financial and/or service detriment which adversely affects the customer due to failings in the customer value chain.

ECICL's conduct objective is to build, maintain and enjoy long-term relationships with our customers whether it is directly or indirectly via a third party. This culture of partnership is fundamental to our dealings with our customers, and comes regardless of the complexity of the risk, the sophistication of the buyer, or the length of the supply chain to the end customer.

The conduct objective is owned by the ECICL Board and cascaded throughout the organisation. It is central in achieving delivery of the six Consumer Outcomes (as set out by the FCA), which are at the heart of our business. The Board aims to embed a culture, from the top down, where the conduct risk arising from the execution of the business plan and strategy is appropriately monitored and managed to ensure good outcomes for all our customers.

4.7.5 Strategic Risk

ECICL is aware of the dangers of following an inappropriate strategy or failing to implement a desired strategy.

One of the strengths of being part of an insurance group is the benefit of the oversight of Markel, which is able to bring the collective insurance experience of many decades to ensure that the strategy is sound. The Board consists of experienced directors with insurance expertise and broad industry knowledge.

4.8 Any Other Information

4.8.1 Expected profit included in future premiums (“EPIFP”)

In addition to the above disclosures on the ECICL’s risk management framework and its SCR by risk type, ECICL is also required to disclose the EPIFP as defined under Article 260 (2) of the Delegated Acts.

As at 31 December 2019, the EPIFP was nil because ECICL has fully reinsured all of its written premium.

4.8.2 Material change in Risk Profile during 2019

There has been a material change to the risk profile of ECICL during 2019.

From 1 October 2018, the Company ceased to write any new business and the renewal rights for the business were transferred to MIICL. The Company therefore entered run off during 2018 and will focus on ensuring the professional management of its claims liabilities to customers.

ECICL’s main risk is now a counterparty risk with MIICL for the recovery of the amounts due under the LPT and the quota share reinsurance.

4.8.3 Off Balance Sheet risks

ECICL has not entered into any finance lease agreements and has no commitment payable under finance leases.

ECICL does not transfer risk to any special purpose risk vehicles.

5.0 Valuation for Solvency Purposes

5.1 Solvency II Valuation Basis

In accordance with Article 75 of the Solvency II Directive, assets and liabilities other than technical provision have been measured in accordance with the principles of an arms-length transaction between knowledgeable, willing parties using market consistent valuation methods. Technical Provision have been valued in accordance with Article 76 of the Solvency II Directive.

5.2 Solvency II Balance Sheet and UKGAAP Financial Statements

As at 31 December 2019	**Solvency II**	**UK GAAP**
Assets	**£**	**£**
Reinsurance Recoverable	36,571,625	32,568,837
Insurance Receivables	246,033	246,033
Reinsurance Receivables	7,669,119	7,669,119
Cash and Cash Equivalents	2,391,462	2,391,462
Other Assets	19,694	19,694
Total Assets	**46,897,933**	**42,895,145**
Liabilities		
Technical Provisions	37,401,894	32,568,837
Best Estimate Provision	*37,213,758*	*32,568,837*
Risk Margin	*188,136*	-
Insurance Payables	103,170	103,170
Reinsurance Payables	486,352	486,352
Trade Payables	-	-
Other Liabilities	-	-
Total Liabilities	**37,991,416**	**33,158,358**
Excess of Assets over Liabilities	**8,906,517**	**9,736,787**

Overall, Own Funds on a Solvency II basis, are £8,906,517 and are £830,270 lower than the Net Assets on a UK GAAP basis. This is mainly due the SII Technical provisions being calculated on different metrics compared to UK GAAP resulting in a lower value by £4,002,788, this is offset by the 100% MIICL reinsurance programme and the reinsurance recoverables on a SII being lower by £4,833,507coupled with reflecting the Risk Margin of £188,136 in the Solvency II numbers.

5.3 Assets

Reinsurance Recoverable as reported in the financial statements comprise the reinsurers share of technical provisions. The treatment under Solvency II is discussed in the technical provisions section below.

Insurance Receivable as reported in the financial statements comprise premium receivable. Premium receivable constitutes future insurance cashflows under Solvency II and therefore form part of the Solvency II technical reserves.

Reinsurance Receivable as reported in the financial statements comprise reinsurance recoverable on paid claims less a provision for doubtful debts. Reinsurance recoverable constitutes future insurance cashflows under Solvency II and therefore form part of the Solvency II technical reserves.

Cash and Cash Equivalents represent cash deposits with maturities of less than three months. They are stated at the realisable cash value of the asset in accordance with Solvency II.

Other Assets comprise prepayments of expenses that cover more than one financial period.

5.4 Liabilities

Insurance Payables consists of insurance liabilities payable to intermediaries which are recognised when insurance contracts are entered into. These liabilities are reclassified under Solvency II and included in the calculation of Solvency II Technical Provisions.

Reinsurance Payables consists of reinsurance liabilities payable to reinsurers which are recognised when insurance contracts are entered into. These liabilities are reclassified under Solvency II and included in the calculation of Solvency II Technical Provisions.

Trade Payables consist mainly of liabilities in respect of insurance premium taxation.

Other Liabilities include deferred reinsurance acquisition costs that represents the proportion of the reinsurer's acquisition costs incurred that corresponds to the unearned premiums provision at the reporting date. Reinsurance acquisition costs do not meet Solvency II valuation principles and are therefore not recognised on the Solvency II balance sheet. In addition, other liabilities include amounts accrued for expenses that relate to 2017 but will be paid in future periods.

5.5 Technical Provisions

Article 76 of the Solvency II Directive defines the value of the Solvency II Technical provisions as the current amount insurance and reinsurance undertakings would have to pay if they were to transfer their insurance and reinsurance obligations immediately to another insurance or reinsurance undertaking.

Article 77 of the Solvency II Directive defines technical provisions as consisting of the sum of a best estimate provision and a risk margin.

5.5.1 Best Estimate Provision

The Best Estimate Provision is further clarified as "the probability weighted average of future cashflows, taking account of the time value of money (expected value of future cashflows) using the relevant risk free interest rate term structure. The cashflow projection used in the calculation of the Best Estimate shall be based upon up to date and credible information and realistic assumptions and be performed using adequate, applicable and relevant actuarial and statistical methods. The cashflow projection used in the calculation of the Best Estimate shall take account of all the cash inflows and outflows required to settle the insurance and reinsurance obligations over the lifetime thereof. The Best Estimate shall be calculated gross, without deduction of the amounts recoverable from reinsurance contracts and special purpose vehicles. These amounts shall be calculated separately, in accordance with Article 81." (Article 77.2 SII Directive).

5.5.2 Risk Margin

The Risk Margin is intended to represent the premium over the Best Estimate Technical Provisions that insurance or reinsurance undertakings would require in order to assume liability for the Technical Provisions transferred.

Under Article 77.5 of the Solvency II Directive the Risk Margin is defined as "the provision calculated by determining the cost of providing an amount of eligible own funds equal to the SCR necessary to support the insurance and reinsurance obligations over the lifetime thereof. The rate used in the determination of the cost of providing that amount of eligible own funds (Cost of Capital rate) shall be the same for all insurance and reinsurance undertakings and shall be reviewed periodically."

The key implications of the above requirements for the Company are that:

- Solvency II Technical Provisions are valued at their Best Estimate (mean of the full range of possible outcomes).
- The full range of possible future outcomes should include low probability extreme events if considered appropriate.
- Technical Provisions valuations include future premium cash inflows and outflows. Under UKGAAP, future premiums are reflected as accrued premiums within insurance debtors and creditors.
- The change to a cashflow basis compared to earning basis of recognition of Technical Provisions removes the requirement for the non-monetary items under UKGAAP of Deferred Acquisition Costs and Unearned Premium Reserves.
- The cashflow projections are required to take account of all expenses incurred in servicing the insurance obligations, which introduces the requirement to recognise additional expense provisions as part of overall Technical Provisions.
- Under SII valuation requirements, future Technical Provision cashflows are discounted to their net present value using risk free rate yield curves prescribed by EIOPA.

- The Risk Margin replaces existing explicit or implicit margins over best estimate provisions and is required to be calculated using a standardised approach.

In addition, Solvency II requires contracts to be recognised on a legal obligation basis as opposed to an inception date basis. Accordingly, Technical Provisions recognised at December 31, 2017 include values for business not incepting until the following year. Under the legal obligation basis, Solvency II recognises that firms may have already committed to a contract in advance of the inception date.

5.5.3 Uncertainties with Valuation of Technical Provisions

The adequacy of the Best Estimate Technical Provisions is assessed by reference to projections of the ultimate development of claims in respect of each underwriting year. Management continually attempts to improve its loss estimation process by refining its ability to analyse loss development patterns, claims payments and other information, but many reasons remain for potential adverse development of estimated ultimate liabilities.

The process of estimating loss reserves is a difficult and complex exercise involving many variables and subjective judgements. As part of the reserving process, ECICL reviews historical data and considers the impact of various factors such as trends in claim frequency and severity, changes in operations, emerging economic and social trends, inflation and changes in regulatory and litigation environments. Significant delays occur in receiving notification of certain claims and a large measure of experience and judgement is involved in assessing outstanding liabilities, the ultimate cost of which cannot be known with certainty at the reporting date. The Best Estimate Technical Provisions are determined on the basis of information currently available. However, it is inherent in the nature of the business written that the ultimate liabilities may vary as a result of subsequent development. The two most critical assumptions as regards these claims provisions are that the past is a reasonable predictor of the likely level of claims development and that the models used for current business are fair reflections of the likely level of ultimate claims to be incurred. ECICL believes the process of evaluating past experience, adjusted for the effects of current developments and anticipated trends, is an appropriate basis for predicting future events. There is no precise method, however, for evaluating the impact of any significant factor on the adequacy of reserves, and actual results are likely to differ from original estimates. Management has considered environmental and latent injury claims and claims expenses in establishing ECICL's reserve for unpaid losses and loss adjustment expenses. ECICL continues to be advised of claims asserting injuries from hazardous materials affecting policies written in prior years. Coverage and claim settlement issues, such as determining that coverage exists and defining an occurrence, may cause the actual loss development to show more variation than the rest of the ECICL's book of business. Traditional reserving techniques cannot be used to estimate asbestos-related and environmental pollution claims and so the uncertainty about the ultimate cost of these types of claims is greater than the uncertainty relating to other classes of business.

ECICL believes it has made reasonable provisions for claims, although the gross ultimate liability may be more or less than held reserves. ECICL's Technical Provision are £Nil on a UK GAAP basis once the anticipated recoveries from the reinsurance contracts are reflected.

The Company has not applied any of the following transitional provisions or adjustments:

- matching adjustment referred to in Article 77b of Directive 2009/138/EC
- volatility adjustment referred to in Article 77d of Directive 2009/138/EC
- the transitional risk-free interest rate-term structure referred to Article 308c of Directive 2009/138/EC
- the transitional deduction referred to in Article 308d of Directive 2009/138/EC

5.6 Alternative Methods of Valuation

Not applicable for ECICL.

5.7 Any Other Information

The Company received High Court approval on March 5, 2020, and approval from the Royal Court of the Island of Jersey (Jersey Court) on March 6, 2020 for the Part VII transfer of all insurance obligations to be transferred to MIICL with effect from March 20, 2020.

6.0 Capital Management

6.1 Capital Management Policy

Capital Management is the collection of processes and activities undertaken to provide sufficient capital to enable the Company to meet its liabilities and ultimately ensure its survival, particularly in the case of losses arising from adverse events. ECICL considers items described as Own Funds in the Statement of Financial Position as being capital for the purpose of capital management.

ECICL has established standards for the efficient management of capital to meet the needs of the business and the return on capital requirements of shareholders. ECICL carries out a regular assessment of the Company's capital requirements together with a consideration of stress events and other scenarios that could impact on the level of capital required. In addition, ECICL ensures that it has a capital contingency plan in place should it require an unplanned capital injection.

ECICL produces a five year business plan as part of its capital management process. ECICL uses the Solvency II Standard Formula to calculate the SCR.

6.2 Own Funds

ECICL has £8,906,517 of Own Funds at 31 December 2019.

- £8,906,517 of the Own Funds is classed as Tier One for Solvency II purposes. This comprises Ordinary Share Capital of £9,100,000 less a Reconciliation Reserve of £193,483.

ECICL had Own Funds of £8,839,560 at 31 December 2018. The movement in Own Funds is set out below:

£	2019	2018
Tier 1		
Ordinary Share Capital	9,100,000	9,100,000
Reconciliation Reserve	(193,483)	(278,688)
Total Tier 1	**8,906,517**	**8,821,312**
Tier 3		
Deferred Tax Asset	-	18,248
Total Own Funds	**8,906,517**	**8,839,560**

As noted above, the reinsurance arrangements with MIICL mean that ECICL now has no underwriting risk.

The Own Funds remain in excess of the Company's required regulatory capital designated by the PRA. The regulatory capital requirements are set out in the Solvency Capital Requirement and the Minimum Capital Requirement sections below.

6.3 Solvency Capital Requirement

In accordance with Article 100 of the Solvency II Directive, the SCR corresponds to the value at risk of basic own funds of an insurance or reinsurance undertaking subject to a confidence level of 99.5% over a one year time period.

The Financial Statements have been prepared on a non-going concern basis, purely as a result of the Company's intention to execute a Part VII transfer in the foreseeable future, and the Directors have no concerns over the Company's ability to settle claims. The company has sufficient assets to cover its liabilities and has no liquidity or capital issues. Further information can be found in section 2.9.

ECICL's SCR at 31 December 2019 is £2,081,330. The SCR at December 2018 was £2,531,337

The calculation is set out in the table below.

£	2019	2018
Market Risk	3,078	2,377
Counterparty Risk	1,600,251	1,946,587
Operational Risk	480,307	584,154
Non-Life Underwriting Risk	-	-
Total Undiversified Components	2,083,636	2,533,118
Diversification	(2,306)	(1,781)
Total SCR	**2,081,330**	**2,531,337**

At December 2019, counterparty risk represents the largest risk category and captures the risk of unpaid recoveries under the reinsurance agreement with MIICL.

The changes in the year are:

- Counterparty Risk has reduced significantly due to the Company being 100% fully reinsured by Markel and not writing any insurance business from 1 October 2018. During the year the Company closed a number of bank accounts which reduced the Counterparty Risk.
- Market Risk has increased marginally compared to 2018 due to changes in interest rates.

6.4 Use of Simplified Calculations

ECICL has not used simplified calculations in applying the standard model.

6.5 Variations from Standard Model

ECICL has used the Standard Model to calculate its regulatory capital. There are no variations from the standard model.

6.6 Minimum Capital Requirement ("MCR")

ECICL's MCR at 31 December 2019 is £3,186,921. ECIC's MCR at 31 December 2018 was £3,288,301.

The calculation of the MCR is in accordance with the requirement of Solvency II. Inputs comprise the net best estimate Solvency II technical provisions split by Solvency II classes of business together with net written premiums for the previous twelve months split by Solvency II classes of business. Net written premiums are on a Solvency II basis and include movements on unincepted premiums.

6.7 Non-compliance with the MCR or SCR

ECICL has maintained capital sufficient to meet its SCR and MCR throughout the period covered by this report.

6.8 Transitional Arrangements

The Solvency II regulations allow insurance companies and groups to take advantage of transitional arrangements in relation to meeting the solvency capital requirements.

ECICL did not take advantage of these transitional arrangements.

7.0 Other Information

The Directors of ECICL do not consider that there is any further information which should be disclosed regarding the capital management of the Company.

Glossary

ACH	Alterra Capital Holdings Limited
The Board	The Board of Directors of ECICL
DAC	Deferred Acquisition Costs
ECICL or The Company	EC Insurance Company Limited
EEA	European Economic Area
EIOPA	European Insurance and Occupational Pensions Authority
EPIFP	Expected Profit Included in Future Premiums
FCA	Financial Conduct Authority
FCAS	Fellow in the Casualty Actuarial Society
FIA	Fellow of the Institute of Actuaries
LLP	Limited Liability Partnership
LPT	Loss Portfolio Transfer
MAAA	Member of the American Academy of Actuaries
Markel	Markel Corporation
MBL	Markel Bermuda Limited
MCAP	Markel Capital Limited
MCH	Markel Capital Holdings Limited
MCR	Minimum Capital Requirement
MIHDL	Markel International Holdings (Delaware) Limited
MINT	Markel International Limited
ORSA	Own Risk and Solvency Assessment
PRA	Prudential Regulation Authority
QRT	Quantitative Reporting Template
R&CC	Risk & Capital Committee
SCR	Solvency Capital Requirement
SF	Standard Formula
SIMR	Senior Insurance Managers Regime
SFCR	Solvency and Financial Condition Report
UKGAAP	Generally Accepted Accounting Practice in the UK

ECICL Quantitative Reporting Templates

ECICL is required to disclose the following templates as set out in the Commission Implementing Regulation (EU) 2015/2452 of 2 December 2015 laying down implementing technical standards with regard to the procedures, formats and templates of the solvency and financial condition report in accordance with Directive 2009/138/EC of the European Parliament and of the Council.

EC Insurance Company Ltd

Solvency and Financial Condition Report

Disclosures

31 December

2019

(Monetary amounts in GBP thousands)

General information

Undertaking name	EC Insurance Company Ltd
Undertaking identification code	2138004TY2LRE1C1X734
Type of code of undertaking	LEI
Type of undertaking	Non-life undertakings
Country of authorisation	GB
Language of reporting	en
Reporting reference date	31 December 2019
Currency used for reporting	GBP
Accounting standards	Local GAAP
Method of Calculation of the SCR	Standard formula
Matching adjustment	No use of matching adjustment
Volatility adjustment	No use of volatility adjustment
Transitional measure on the risk-free interest rate	No use of transitional measure on the risk-free interest rate
Transitional measure on technical provisions	No use of transitional measure on technical provisions

List of reported templates

S.02.01.02 - Balance sheet
S.05.01.02 - Premiums, claims and expenses by line of business
S.05.02.01 - Premiums, claims and expenses by country
S.17.01.02 - Non-Life Technical Provisions
S.19.01.21 - Non-Life insurance claims
S.23.01.01 - Own Funds
S.25.01.21 - Solvency Capital Requirement - for undertakings on Standard Formula
S.28.01.01 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

S.02.01.02

Balance sheet

		Solvency II value
	Assets	C0010
R0030	Intangible assets	
R0040	Deferred tax assets	
R0050	Pension benefit surplus	
R0060	Property, plant & equipment held for own use	0
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	0
R0080	*Property (other than for own use)*	0
R0090	*Holdings in related undertakings, including participations*	0
R0100	*Equities*	0
R0110	*Equities - listed*	
R0120	*Equities - unlisted*	
R0130	*Bonds*	0
R0140	*Government Bonds*	0
R0150	*Corporate Bonds*	0
R0160	*Structured notes*	0
R0170	*Collateralised securities*	0
R0180	*Collective Investments Undertakings*	0
R0190	*Derivatives*	
R0200	*Deposits other than cash equivalents*	0
R0210	*Other investments*	0
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	0
R0240	*Loans on policies*	0
R0250	*Loans and mortgages to individuals*	
R0260	*Other loans and mortgages*	
R0270	Reinsurance recoverables from:	36,572
R0280	*Non-life and health similar to non-life*	36,572
R0290	*Non-life excluding health*	36,572
R0300	*Health similar to non-life*	0
R0310	*Life and health similar to life, excluding index-linked and unit-linked*	0
R0320	*Health similar to life*	
R0330	*Life excluding health and index-linked and unit-linked*	
R0340	*Life index-linked and unit-linked*	
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	246
R0370	Reinsurance receivables	7,669
R0380	Receivables (trade, not insurance)	
R0390	Own shares (held directly)	
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	2,391
R0420	Any other assets, not elsewhere shown	20
R0500	**Total assets**	46,898

S.02.01.02

Balance sheet

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions - non-life	37,402
R0520	*Technical provisions - non-life (excluding health)*	37,402
R0530	*TP calculated as a whole*	0
R0540	*Best Estimate*	37,214
R0550	*Risk margin*	188
R0560	*Technical provisions - health (similar to non-life)*	0
R0570	*TP calculated as a whole*	0
R0580	*Best Estimate*	0
R0590	*Risk margin*	0
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	*Technical provisions - health (similar to life)*	0
R0620	*TP calculated as a whole*	
R0630	*Best Estimate*	
R0640	*Risk margin*	
R0650	*Technical provisions - life (excluding health and index-linked and unit-linked)*	0
R0660	*TP calculated as a whole*	
R0670	*Best Estimate*	
R0680	*Risk margin*	
R0690	Technical provisions - index-linked and unit-linked	0
R0700	*TP calculated as a whole*	
R0710	*Best Estimate*	
R0720	*Risk margin*	
R0740	Contingent liabilities	
R0750	Provisions other than technical provisions	
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	
R0780	Deferred tax liabilities	
R0790	Derivatives	
R0800	Debts owed to credit institutions	
R0810	Financial liabilities other than debts owed to credit institutions	
R0820	Insurance & intermediaries payables	103
R0830	Reinsurance payables	486
R0840	Payables (trade, not insurance)	
R0850	Subordinated liabilities	0
R0860	*Subordinated liabilities not in BOF*	
R0870	*Subordinated liabilities in BOF*	0
R0880	Any other liabilities, not elsewhere shown	
R0900	**Total liabilities**	37,991
R1000	**Excess of assets over liabilities**	8,907

S.05.01.02

Premiums, claims and expenses by line of business

Non-life

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of business for: accepted non-proportional reinsurance				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Misc. financial loss	Health	Casualty	Marine, aviation and transport	Property	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
	Premiums written																	
R0110	Gross - Direct Business		0					-5	31	-2			-30					-7
R0120	Gross - Proportional reinsurance accepted																	0
R0130	Gross - Non-proportional reinsurance accepted													0				0
R0140	Reinsurers' share		0					-5	31	-2			-30	0				-7
R0200	Net		0					0	0	0			0	0				0
	Premiums earned																	
R0210	Gross - Direct Business		4					1,334	532	234			16					2,119
R0220	Gross - Proportional reinsurance accepted																	0
R0230	Gross - Non-proportional reinsurance accepted													0				0
R0240	Reinsurers' share		4					1,334	532	234			16	0				2,119
R0300	Net		0					0	0	0			0	0				0
	Claims incurred																	
R0310	Gross - Direct Business		-87					-685	-1,382	70			94					-1,992
R0320	Gross - Proportional reinsurance accepted																	0
R0330	Gross - Non-proportional reinsurance accepted													0				0
R0340	Reinsurers' share		-87					-685	-1,382	70			94	0				-1,992
R0400	Net		0					0	0	0			0	0				0
	Changes in other technical provisions																	
R0410	Gross - Direct Business																	0
R0420	Gross - Proportional reinsurance accepted																	0
R0430	Gross - Non-proportional reinsurance accepted																	0
R0440	Reinsurers' share																	0
R0500	Net		0					0	0	0			0	0				0
R0550	**Expenses incurred**		0					0	0	0			0	0				0
R1200	**Other expenses**																	
R1300	**Total expenses**																	0

S.05.02.01

Premiums, claims and expenses by country

Non-life

		C0010	C0020	C0030	C0040	C0050	C0060	C0070
		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations			Top 5 countries (by amount of gross premiums written) - non-life obligations		Total Top 5 and home country
R0010								
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	Gross - Direct Business	-7						-7
R0120	Gross - Proportional reinsurance accepted							0
R0130	Gross - Non-proportional reinsurance accepted							0
R0140	Reinsurers' share	-7						-7
R0200	Net	0						0
	Premiums earned							
R0210	Gross - Direct Business	2,119						2,119
R0220	Gross - Proportional reinsurance accepted							0
R0230	Gross - Non-proportional reinsurance accepted							0
R0240	Reinsurers' share	2,119						2,119
R0300	Net	0						0
	Claims incurred							
R0310	Gross - Direct Business	-1,992						-1,992
R0320	Gross - Proportional reinsurance accepted							0
R0330	Gross - Non-proportional reinsurance accepted							0
R0340	Reinsurers' share	-1,992						-1,992
R0400	Net	0						0
	Changes in other technical provisions							
R0410	Gross - Direct Business							0
R0420	Gross - Proportional reinsurance accepted							0
R0430	Gross - Non-proportional reinsurance accepted							0
R0440	Reinsurers' share							0
R0500	Net	0						0
R0550	**Expenses incurred**							0
R1200	**Other expenses**							
R1300	**Total expenses**							0

S.17.01.02

Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	Total Non-Life obligation
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
R0010	**Technical provisions calculated as a whole**		0					0	0	0			0	0				0
R0050	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole																	0
	Technical provisions calculated as a sum of BE and RM																	
	Best estimate																	
	Premium provisions																	
R0060	Gross		0					16	12	30			0	0				59
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default		0					16	12	30			0	0				59
R0150	**Net Best Estimate of Premium Provisions**		0					0	0	0			0	0				0
	Claims provisions																	
R0160	Gross		0					251	36,753	151			0	0				37,155
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default		0					248	36,115	149			0	0				36,513
R0250	**Net Best Estimate of Claims Provisions**		0					2	638	2			0	0				642
R0260	**Total best estimate - gross**		0					267	36,765	181			0	0				37,214
R0270	**Total best estimate - net**		0					2	638	2			0	0				642
R0280	**Risk margin**		0					1	187	0			0	0				188
	Amount of the transitional on Technical Provisions																	
R0290	Technical Provisions calculated as a whole																	0
R0300	Best estimate																	0
R0310	Risk margin																	0
R0320	**Technical provisions - total**		0					268	36,952	182			0	0				37,402
R0330	**Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total**		0					265	36,127	180			0	0				36,572
R0340	**Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total**		0					3	825	2			0	0				830

S.19.01.21

Non-Life insurance claims

Total Non-life business

Z0020 **Accident year / underwriting year** Underwriting Year

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

		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
	Year					**Development year**							**In Current year**	**Sum of years (cumulative)**
		0	1	2	3	4	5	6	7	8	9	10 & +		
R0100	Prior											858	858	858
R0160	2010	1,091	450	191	248	178	55	4	5	83	0		0	2,304
R0170	2011	823	526	745	344	278	203	135	381	0			0	3,435
R0180	2012	966	643	511	422	407	258	578	14				14	3,800
R0190	2013	965	1,033	931	1,805	709	585	172					172	6,199
R0200	2014	1,088	1,217	1,038	1,024	1,478	1,348						1,348	7,191
R0210	2015	1,521	2,932	2,102	1,418	753							753	8,725
R0220	2016	1,417	1,728	1,359	2,177								2,177	6,680
R0230	2017	1,348	1,561	1,254									1,254	4,163
R0240	2018	1,367	1,474										1,474	2,842
R0250	2019	1,157											1,157	1,157
R0260												**Total**	9,208	47,353

Gross Undiscounted Best Estimate Claims Provisions
(absolute amount)

		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
	Year					**Development year**							**Year end (discounted data)**
		0	1	2	3	4	5	6	7	8	9	10 & +	
R0100	Prior											15,293	9,686
R0160	2010	3,072	642	385	372	691	576	400	460	8	769		488
R0170	2011	2,107	1,220	539	753	732	424	446	150	62			40
R0180	2012	1,259	884	1,083	389	564	384	38	64				42
R0190	2013	1,720	2,172	-934	611	621	357	41					27
R0200	2014	1,087	5,245	1,077	441	336	156						140
R0210	2015	3,231	1,898	1,092	1,052	445							445
R0220	2016	1,724	2,053	1,691	630								630
R0230	2017	1,730	1,597	973									973
R0240	2018	1,880	1,355										1,355
R0250	2019	0											0
R0260												**Total**	13,826

S.23.01.01

Own Funds

	Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35	Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
R0010	Ordinary share capital (gross of own shares)	9,100	9,100		0	
R0030	Share premium account related to ordinary share capital	0	0		0	
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	0	0		0	
R0050	Subordinated mutual member accounts	0		0	0	0
R0070	Surplus funds	0	0			
R0090	Preference shares	0		0	0	0
R0110	Share premium account related to preference shares	0		0	0	0
R0130	Reconciliation reserve	-193	-193			
R0140	Subordinated liabilities	0		0	0	0
R0160	An amount equal to the value of net deferred tax assets	0				0
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above	0	0	0	0	0
R0220	**Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds**	0				
R0230	**Deductions for participations in financial and credit institutions**	0	0	0	0	
R0290	**Total basic own funds after deductions**	8,907	8,907	0	0	0
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	0				
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0				
R0320	Unpaid and uncalled preference shares callable on demand	0				
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0				
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0				
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0				
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0				
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0				
R0390	Other ancillary own funds	0				
R0400	**Total ancillary own funds**	0			0	0
	Available and eligible own funds					
R0500	Total available own funds to meet the SCR	8,907	8,907	0	0	0
R0510	Total available own funds to meet the MCR	8,907	8,907	0	0	
R0540	Total eligible own funds to meet the SCR	8,907	8,907	0	0	0
R0550	Total eligible own funds to meet the MCR	8,907	8,907	0	0	
R0580	**SCR**	2,081				
R0600	**MCR**	3,187				
R0620	**Ratio of Eligible own funds to SCR**	427.92%				
R0640	**Ratio of Eligible own funds to MCR**	279.47%				

	Reconcilliation reserve	C0060
R0700	Excess of assets over liabilities	8,907
R0710	Own shares (held directly and indirectly)	0
R0720	Foreseeable dividends, distributions and charges	
R0730	Other basic own fund items	9,100
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0
R0760	**Reconciliation reserve**	-193
	Expected profits	
R0770	Expected profits included in future premiums (EPIFP) - Life business	
R0780	Expected profits included in future premiums (EPIFP) - Non- life business	
R0790	**Total Expected profits included in future premiums (EPIFP)**	0

S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
R0010	Market risk	3		
R0020	Counterparty default risk	1,600		
R0030	Life underwriting risk	0		
R0040	Health underwriting risk	0		
R0050	Non-life underwriting risk	0		
R0060	Diversification	-2		
R0070	Intangible asset risk	0		
R0100	**Basic Solvency Capital Requirement**	1,601		

USP Key

For life underwriting risk:
1 - Increase in the amount of annuity benefits
9 - None

For health underwriting risk:
1 - Increase in the amount of annuity benefits
2 - Standard deviation for NSLT health premium risk
3 - Standard deviation for NSLT health gross premium risk
4 - Adjustment factor for non-proportional reinsurance
5 - Standard deviation for NSLT health reserve risk
9 - None

For non-life underwriting risk:
4 - Adjustment factor for non-proportional reinsurance
6 - Standard deviation for non-life premium risk
7 - Standard deviation for non-life gross premium risk
8 - Standard deviation for non-life reserve risk
9 - None

	Calculation of Solvency Capital Requirement	C0100
R0130	Operational risk	480
R0140	Loss-absorbing capacity of technical provisions	0
R0150	Loss-absorbing capacity of deferred taxes	0
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	0
R0200	**Solvency Capital Requirement excluding capital add-on**	2,081
R0210	Capital add-ons already set	0
R0220	**Solvency capital requirement**	2,081
	Other information on SCR	
R0400	Capital requirement for duration-based equity risk sub-module	0
R0410	Total amount of Notional Solvency Capital Requirements for remaining part	0
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds	0
R0430	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	0
R0440	Diversification effects due to RFF nSCR aggregation for article 304	0

	Approach to tax rate	C0109
R0590	Approach based on average tax rate	0

	Calculation of loss absorbing capacity of deferred taxes	LAC DT
		C0130
R0640	LAC DT	0
R0650	LAC DT justified by reversion of deferred tax liabilities	0
R0660	LAC DT justified by reference to probable future taxable economic profit	0
R0670	LAC DT justified by carry back, current year	0
R0680	LAC DT justified by carry back, future years	0
R0690	Maximum LAC DT	0

S.28.01.01

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

	Linear formula component for non-life insurance and reinsurance obligations	C0010
R0010	MCR_{NL} Result	66

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	**Net (of reinsurance) written premiums in the last 12 months**
		C0020	C0030
R0020	Medical expense insurance and proportional reinsurance	0	
R0030	Income protection insurance and proportional reinsurance	0	
R0040	Workers' compensation insurance and proportional reinsurance	0	
R0050	Motor vehicle liability insurance and proportional reinsurance	0	
R0060	Other motor insurance and proportional reinsurance	0	
R0070	Marine, aviation and transport insurance and proportional reinsurance	0	
R0080	Fire and other damage to property insurance and proportional reinsurance	2	
R0090	General liability insurance and proportional reinsurance	638	
R0100	Credit and suretyship insurance and proportional reinsurance	2	
R0110	Legal expenses insurance and proportional reinsurance	0	
R0120	Assistance and proportional reinsurance	0	
R0130	Miscellaneous financial loss insurance and proportional reinsurance	0	
R0140	Non-proportional health reinsurance	0	
R0150	Non-proportional casualty reinsurance	0	
R0160	Non-proportional marine, aviation and transport reinsurance	0	
R0170	Non-proportional property reinsurance	0	

	Linear formula component for life insurance and reinsurance obligations	C0040
R0200	MCR_{L} Result	0

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

	Overall MCR calculation	C0070
R0300	Linear MCR	66
R0310	SCR	2,081
R0320	MCR cap	937
R0330	MCR floor	520
R0340	Combined MCR	520
R0350	Absolute floor of the MCR	3,187
R0400	**Minimum Capital Requirement**	3,187

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