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MULSANNE HOLDINGS (GIBRALTAR) LIMITED

SOLVENCY AND FINANCIAL CONDITION REPORT

As at 31 December 2024

Contents

Glossary

GFSC	Gibraltar Financial Services Commission
ENID's	Events Not in Data
GAAP	Generally Accepted Accounting Practice
MCR	Minimum Capital Requirements
SCR	Solvency Capital Requirements
MICL	Mulsanne Insurance Company Limited
MHGL	Mulsanne Holdings (Gibraltar) Limited)
Key	Key Claims and Administration Services Limited
QRT	Quarterly Reporting Template
SFCR	Solvency and Financial Condition Report
XoL	Excess of Loss Reinsurance

Executive Summary

Introduction

This is the inaugural Solvency and Financial Condition Report for Mulsanne Holdings (Gibraltar) Limited. In prior years the Solvency and Financial Condition Report was prepared on a solo entity basis for Mulsanne Insurance Company Limited. During 2024, after engagement between the Mulsanne Board of Directors, the ultimate beneficial owner, and the Gibraltar Financial Services Commission (‘GFSC’), consent was obtained from the GFSC to amend the legal ownership structure of the business in a manner that would allow the GFSC to exercise Group Supervision across the Insurer Group. This consent was obtained on 10 October 2024.

Mulsanne Holdings (Gibraltar) Limited (‘MHGL’ or ‘the Group’ or ‘the Holding Company’) is an insurance holding company domiciled in Gibraltar. MHGL is not a trading entity and its sole purpose is that of a group holding company. Its subsidiaries are Mulsanne Insurance Company Limited (‘MICL’ or ‘the Company’ or ‘the insurer’) a GFSC authorised insurer underwriting UK motor insurance business, and Key Claims and Administration Services Limited (‘KCASL’ or ‘Key Claims’) a company providing claims handling services to MICL and one insurance company external to the wider Group. The only company within the insurer group carrying out regulated activities is Mulsanne Insurance Company Limited.

All companies with the Group carry out their functions via the Board of Directors, various Committees and carefully selected, experienced outsourced service providers.

The purpose of this report is to satisfy the public disclosure requirements under the Solvency II directive, as adopted into Gibraltar law by the Financial Services (Insurance Companies) Regulations 2020 “Solvency II”) including the Delegated Regulations of the European Parliament and any other local Gibraltar laws and regulations as appropriate. The elements of the disclosure relate to business performance, governance, risk profile, solvency and capital management.

Business and Performance

During the year ended 31 December 2024, Mulsanne underwrote £95.9m of gross premiums. This was a decrease on the 2023 written premium of £112.9m. The reduction in written premiums was driven by a continued reduction in the level of capacity offered to external distributors with the company maintaining only one material external relationship into 2025, and a continued focus on delivering an underwriting profit rather than headline premium volumes. Throughout 2024, the insurer witnessed a softening in market rates but the Board took a conscious decision to focus on underwriting margins rather than reducing primary rates in line with the competition. The Group made a consolidated unaudited loss for the year of £19.3m (2023 – £26.7m loss). This was primarily driven by losses within the insurer. On a GAAP basis, the Group net assets as at 31 December 2024 amounted to £26.6m (2023 – £23.4m) which included capital injections of £22.5m during the year.

Underwriting activities produced a loss of £10.59m (2023 - £10.3m loss). The performance was impacted by loss ratio deterioration in prior periods, largely driven by externally distributed business in run-off. Following a remediation plan which increased focus on internally distributed business, the underlying performance has improved substantially and is expected to be profitable in the future.

The Insurer continues to hold an investments portfolio split between liquid assets such as money market funds, and more illiquid strategic investments which include unlisted bonds, loans and equities. During the year, a company Mulsanne invested in was sold for less than the £2m book value and required the balance to be provided for which contributing to the full year loss. The Insurer is focused on having a more liquid portfolio in the future and the Board is overseeing a liquidation plan to achieve this. The portfolio generated investment returns of £4.3m (2023 – £2.6m) which was ahead of budget due to gains on illiquid assets, partly offset by an interest write off.

Key drivers for the full year losses included amounts of £6.9m that have remained unpaid but overdue from several debtors. This included profit commissions from intermediaries which will need to be recovered through legal claims.

Mulsanne purchases both Excess of Loss and Quota Share reinsurance to protect the business against the impact of large losses and to assist with the effective management of capital. Excess of Loss retention is £1m on the most recent underwriting years. During 2024 the Quota Share ceding percentage remained unchanged such that for the most recent underwriting year the Company retains 30% of each and every motor risk.

In April 2019 the Company purchased a Loss Portfolio Transfer (LPT) reinsurance contract in respect of the 2017 and prior underwriting years. This contract remained in force during 2024. Since the purchase of this LPT, the associated outstanding claims reserves have reduced materially, naturally reducing the risk management effects of the LPT. As part of the Company's wider risk management processes, the LPT strategy is under review, with consideration being given to commutation and renewal.

In response to deteriorating financial conditions arising from doubtful debt provisioning and adverse claims development on prior underwriting years, Mulsanne witnessed a deterioration in the SCR coverage which resulted in an SCR breach for the reporting period to 30th June 2024. Please see section E.3. for more details.

During the year £22.5m of additional fully paid-up Ordinary share capital was injected into the Company and as a result, the Company has an unaudited solvency ratio of 130.7% of the Solvency Capital Requirement ("SCR") as at 31 December 2024. On a group basis the SCR coverage was 126.6% for the same period.

The 2022 Russian invasion of Ukraine has continued into its third year continuing to affect global energy prices and supply chains. Additionally, the 2023 Gaza conflict caused disruption to global shipping supply chains. These tensions continue to fuel claims inflation as vehicle repairs are delayed and car prices remain high. The Company does not have any direct underwriting exposure to Russia, Ukraine or the middle east. Given the nature of the Company's investment portfolio, the Company has not suffered any falls in the value of its investments due to geo-political challenges. In more recent periods, trade tariffs implemented by the US administration has caused uncertainty and disruption to both international trade and global financial markets, whilst it is too early to ascertain the long-term impact of these measures, the Board continues to monitor the potential impacts to the Group in terms of both inflation and investments.

Systems of Governance

The Group operates a partially-outsourced business model and a material proportion of the Company's expenses reflect charges from its outsourced service providers. Some day-to-day operational management during the year was outsourced to Mulsanne's insurance manager in Gibraltar, SRS Management (Gibraltar) Limited ("SRS") in conjunction with the Company's local employees. This service continues assistance with risk management, Solvency II reporting, company secretarial and compliance services, with the accounting function being fully transferred in house from the 1 January 2025. In addition, other key outsourced services comprise policy administration, the provision of management information, claims handling and information technology services. These services are outsourced to other entities within the wider group or Key Claims.

The Company has in place systems of governance which are proportionate to the size and complexity of the operation. Such systems, and the underlying processes and procedures, are subject to ongoing review to ensure any required improvements are made.

In October 2024 the business restructured into a group of companies within the Insurer Group, with certain matters being reserved for the Board of MHGL. However, as MHGL is a holding company with no day to day trading activity and with the regulated underwriting activities being conducted by MICL, the day to day responsibility for governance rests with MICL's Board of Directors. At the time of writing, the MICL Board is comprised of six Executive Directors and two Independent Non-Executive Directors (including the Non-Executive Chair who is also the Consumer Duty Champion). The Insurer also operates via three sub-committees of the Board: Claims and Underwriting Committee, Risk, Audit and Compliance Committee (Chaired by an independent non-executive director) and Investment Committee. There are also a number of specialised supporting committees allowing more detailed discussions which report up the relevant committee.

At the time of writing, the MHGL Board is comprised of four Executive Directors and one Independent Non-Executive Director.

Mulsanne complies with all requirements with regards to key functions and fitness and propriety, with full details provided in section B.

The Insurer outsources internal audit services to an independent third-party company, Mazars LLP and also utilised SX3 for specialised claims audits. Both relationships are overseen by the Regulated Individual for Internal Audit.

During the year, and in early 2025, there were changes to the Board composition of MHGL, MICL and KCASL and the Regulated Individuals of the insurer to strengthen the governance arrangements.

Risk Profile

Mulsanne has a strong risk management system, with close involvement of the entire MICL Board. Risk is classified into strategic, insurance, investment, liquidity, credit, concentration, operational, conduct and regulatory.

Key risks identified by management comprise:

- Risks priced too low and undesirable market segments are written.
- Adequacy of pricing feedback loops.
- Claims inflation.
- Loss of key staff.
- Change in Key Claims business model and sub-outsourcing.
- Oversight risk of contracted third parties.
- Breach of GFSC or other regulatory requirements or expectations.
- Exposure to outsourced service providers
- Failure on intermediaries to pay premiums that are due.

Full detail on risk management is provided in Section C.

Valuation for Solvency Purposes

Section D of this report sets out in detail the inputs, bases and methods of recognition and valuation of assets and liabilities, including a comparison between Solvency II and GAAP valuation. The main valuation differences arise from reclassifications and from differences in the valuation of technical provisions.

Capital and Risk Management

Due to MICL's deterioration in financial position arising from doubtful debt provisioning and adverse claims development, on 24 July 2024, pursuant to Section 122 of the Financial Services (Insurance Companies) Regulations 2020, the Mulsanne Insurance Company Board of Directors duly notified the GFSC that there would be a risk of a breach of the Solvency Capital Requirement once the Quantitative Reporting Templates were submitted in August 2024, for the period ended 30 June 2024. At the same time the Board duly reported that the Directors were engaged with the Shareholder to restore the capital position of the Insurer to a regulatory capital level above the SCR. See below note in section E3.

In April 2019, Mulsanne purchased a retrospective Loss Portfolio Transfer ("LPT") cover to provide protection against adverse development of reserves on the 2017 and prior underwriting years. As part of the Company's capital management and risk management plans, this LPT arrangement has remained in place during 2024 but is under review.

The Company continues to use reinsurance as part of the risk management and capital management policy. In addition to the LPT protection, the Company continues to purchase Excess of Loss and Quota Share Reinsurance with reinsurers that have a credit rating of A- or better.

A Business and Performance

A.1 Business Information

A.1.1 Company Details

Companies Included in this SFCR:	Mulsanne Holdings (Gibraltar) Limited Incorporated in Gibraltar Company limited by shares 5/5 Crutchett's Ramp Gibraltar GX11 1AA Registered Number 101653
	Mulsanne Insurance Company Limited Incorporated in Gibraltar Company limited by shares 5/5 Crutchett's Ramp Gibraltar GX11 1AA Registered Number 101673
	Key Claims and Administration Services Limited Incorporated in the United Kingdom Company limited by shares Mara House Tarporley England Registered Number 9959613

This Solvency and Financial Condition Report covers MHGL and its subsidiaries on a group basis and MICL on a solo basis.

A.1.2 Supervisory Authority

The Company and the Group Supervisory Authority is:

Gibraltar Financial Services Commission

P.O. Box 940

Suite 3, Ground Floor Atlantic Suites Europort Avenue Gibraltar

A.1.3 Auditor

The Insurer and Group auditors are:

PKF Canillas

Europort Avenue

Suite 2.1.09

Building 2

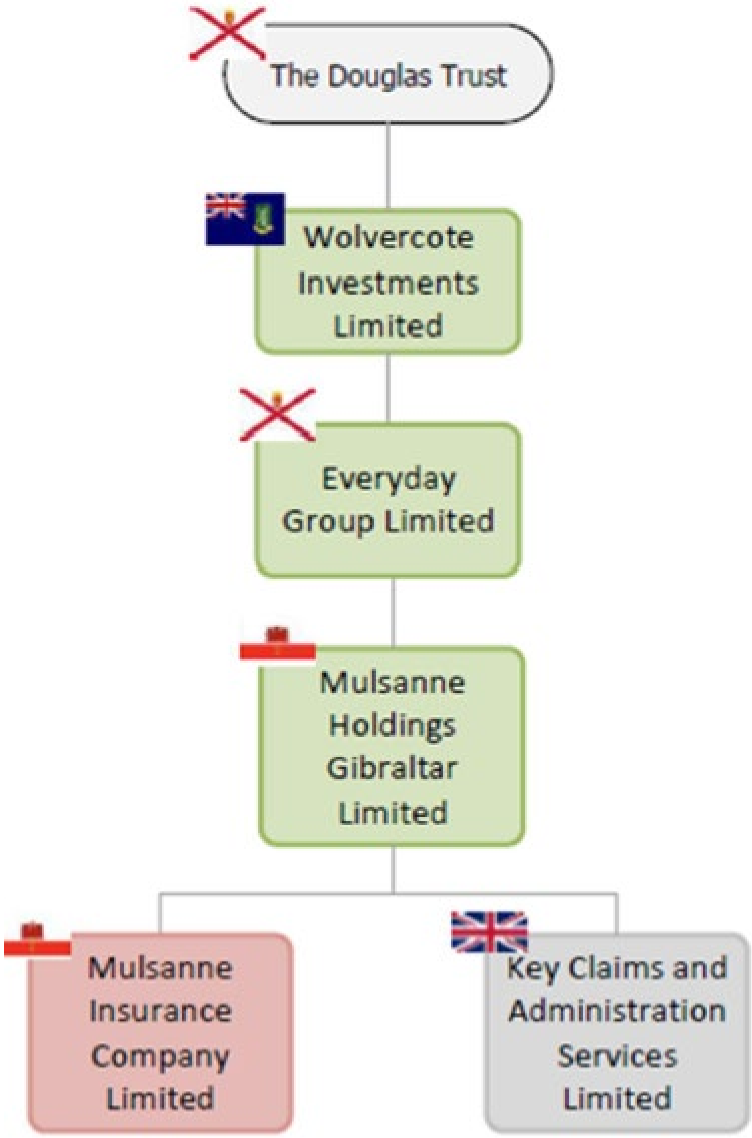
Eurotowers

Gibraltar

A.1.4 Ultimate Shareholders

MICL and KCASL are 100% owned by MHGL. MHGL is 100% owned by Everyday Group Limited.

A.1.5 Group Structure



A.1.6 Material Lines of Business and Geographical Areas

MICL is the only insurance company in the Group, and the Company's only business is UK motor insurance. The following table shows the insurance business by class for the year ended 31 December 2024. All business has been conducted in the UK. During 2023 some motor add-on business was written under Assistance and Miscellaneous Financial Loss classes, but the Company terminated these arrangements in 2023.

	Period ended 31 December 2024		Period ended 31 December 2023	
	£'000s	%	£'000s	%
Premium				
Gross Written Premiums				
Motor	95,907	100.0%	112,690	99.7%
Assistance	-	0.0%	268	0.2%
Miscellaneous Financial Loss	-	0.0%	36	0.0%
Total	95,907	100.0%	112,994	100.0%
Net Written Premiums				
Motor	11,243	100.0%	16,660	98.2%
Assistance	-	0.0%	268	1.6%
Miscellaneous Financial Loss	-	0.0%	36	0.2%
	11,243	100.0%	16,964	100.0%

A.1.7 Significant Business or Other Events

During the year the Company witnessed deteriorating financial performance and engaged with the Shareholder and GFSC to agree a capital remediation plan under a Letter of Understanding that was entered into in October 2024.

Pursuant to the capital restoration plan, the ultimate shareholder injected £22.5m of ordinary paid-up share capital into the Company in the form of cash.

Continuing on from the Company's investment approach in 2023, the investment strategy continued to focus on reducing MICL's exposure to illiquid assets and as a result, surplus cashflows have been invested into highly liquid short term cash deposits.

A.2 Underwriting Performance

MICL underwrote only motor business during the year, with a small amount of add-on products in the prior year, now in run-off. All business was written in the United Kingdom.

The Company mitigates its risk through a mixture of Quota Share reinsurance, Excess of Loss reinsurance and on prior years an LPT contract and co-insurance arrangement. This provides protection both against adverse performance from attritional losses and from large claims.

The Group prepares its financial statements in accordance with Generally Accepted Accounting Principles in Gibraltar ("GAAP") and the underwriting performance information given in this section is therefore on a GAAP basis.

The following table summarises the technical account performance for the year ended 31 December 2024 with a comparison for 2023.

	Period ended 31 December 2024 £000s				
	Motor liability	Other Motor	Misc Financial Loss	Assistance	Total
Gross Written Premiums	87,276	8,632	-	-	95,907
Outward reinsurance premiums	(77,045)	(7,620)	-	-	(84,665)
Gross Written Premiums	**10,231**	**1,012**	**-**	**-**	**11,243**
Earned premiums, net of reinsurance	9,494	939	-	-	10,433
Other Technical Income	10,262	1,015	-	-	11,277
Claims incurred gross	(90,535)	(8,954)	-	-	(99,489)
Claims incurred reinsurers share	70,414	6,964	-	-	77,378
Net claims incurred	(20,121)	(1,990)	-	-	(22,111)
Net operating expenses	(21,148)	(2,092)	-	-	(23,240)
Balance on the technical account	(21,513)	(2,128)	-	-	(23,640)

	Period ended 31 December 2023 £000s				
	Motor liability	Other Motor	Misc Financial Loss	Assistance	Total
Gross Written Premiums	102,548	10,142	268	36	112,994
Outward reinsurance premiums	(87,387)	(8,643)	-	-	(96,030)
Gross Written Premiums	**15,161**	**1,499**	**268**	**36**	**16,964**
Earned premiums, net of reinsurance	19,995	1,978	510	68	22,550
Other Technical Income	485	48	1	-	534
Claims incurred gross	(163,627)	(16,183)	(204)	(27)	(180,041)
Claims incurred reinsurers share	132,834	13,137	-	-	145,971
Net claims incurred	(30,793)	(3,046)	(204)	(27)	(34,070)
Net operating expenses	(7,191)	(711)	(114)	(17)	(8,033)
Balance on the technical account	(17,504)	(1,731)	193	24	(19,019)

The Insurer has continued to execute its philosophy of protecting the loss ratio against adverse movements, streamlining the portfolio, focusing on internally distributed products and maintaining technical excellence. The core distribution avenue, serviced by our IHR ("Insurer Hosted Rates") and managed by our internally built granular control cycle, accounted for the bulk of net written premium. Portfolio simplification continued as the number of products and distribution partners were reduced, allowing the company to focus on core growth areas. In addition, the distribution of short-term motor insurance products has been scaled down, refocusing resources on the annual propositions.

The company has prioritised loss ratio over net written premium levels in the face of a softening market which has led to a reduction in net written premium levels over the latter half of the year. Material attention continues to be given to enhancing the rates and pricing ecosystem; the appropriate use of data enrichment; and anti-fraud control. The strategic imperatives of; maintaining both pricing discipline, and full control of all underwriting levers, remain central to the company.

In addition to pricing, a full review of the claims function has been undertaken, looking to embed this function within the Group. Mulsanne now has greater oversight and cooperation with this area and there is a detailed schedule of strategic improvements planned to continually improve this area.

A.3 Investment Performance

During 2024 the Company liquidated a small number of investments in accordance with the firms liquidity management policy. The remaining investments continue to be highly diversified. Additionally, the Company has a relatively small exposure to a handful of property related loans via a protected cell company investment structure, however the size of this investment has reduced significantly in 2024. The company also holds several discounted bond investments whose performance is related to the underlying performance of a small number of residential property developments in the United Kingdom.

The Company continues to invest new funds in accordance with the Prudent Person Principle, and investments supporting technical provisions remain highly liquid. The Company also holds investments in a small number of less liquid unlisted investments. On an annual basis the Company obtains an independent valuation of these illiquid assets and the value of these assets is reflected in the financial statements of the Company.

During the year, one unlisted debt instrument did not perform as anticipated with the debt issuer defaulting on the terms of the debt. As a result, the Company booked a loss on this investment of £2.0m in 2024. The asset has been materially written down and the Company continues to monitor the situation.

The Company's investment portfolio comprises:

	Period ended 31 December 2024		Period ended 31 December 2023	
	£000s	%	£000s	%
Investible Assets				
Corporate bonds	-	0.0%	-	0.0%
Government bonds	-	0.0%	-	0.0%
Equities	10,884	13.6%	10,878	13.5%
Funds	45,037	56.1%	22,658	28.1%
Derivatives	-	0.0%	-	0.0%
Cash and cash equivalents	10,269	12.8%	29,704	36.8%
Loans and Mortgages	14,132	17.6%	17,449	21.6%
Total	80,321	100.0%	80,689	100.0%

The Company's investment returns and expenses were:

	Period ended 31 December 2024 £000s		Period ended 31 December 2023 £000s	
	£000s	%	£000s	%
Investment Income				
Corporate bonds	-	0.0%	-	0.0%
Government bonds	-	0.0%	-	0.0%
Equities	-	0.0%	(379)	(9.8%)
Funds	3,602	83.0%	3,019	77.9%
Derivatives	-	0.0%	-	0.0%
Cash and cash equivalents	283	6.5%	62	1.6%
Property income	454	10.5%	1,171	30.2%
Total	4,339	100.0%	3,873	100.0%

The Company uses the services of experienced investment managers to advise on its portfolio. Investments are reviewed by the Investment Committee who are currently overseeing a plan to reduce illiquid assets and focus on more traditional, easily valued, liquid assets.

Mulsanne does not invest in securitisations and has not recognised any gains or losses taken directly to equity.

A.4 Performance of other Activities

The Company receives co-insurance and reinsurance commission with respect to costs incurred by the Company. The table below shows the net amounts in the year. The value of commissions received is in part linked to the underlying underwriting result of the company.

	31 December 2024 £000s	31 December 2023 £000s
Commissions		
Reinsurance Commission	10,628	14,719
Reinsurance Profit Commission	943	(4,299)
Coinsurance Commission	(294)	(129)
Total	11,277	10,291

A.5 Any other Information

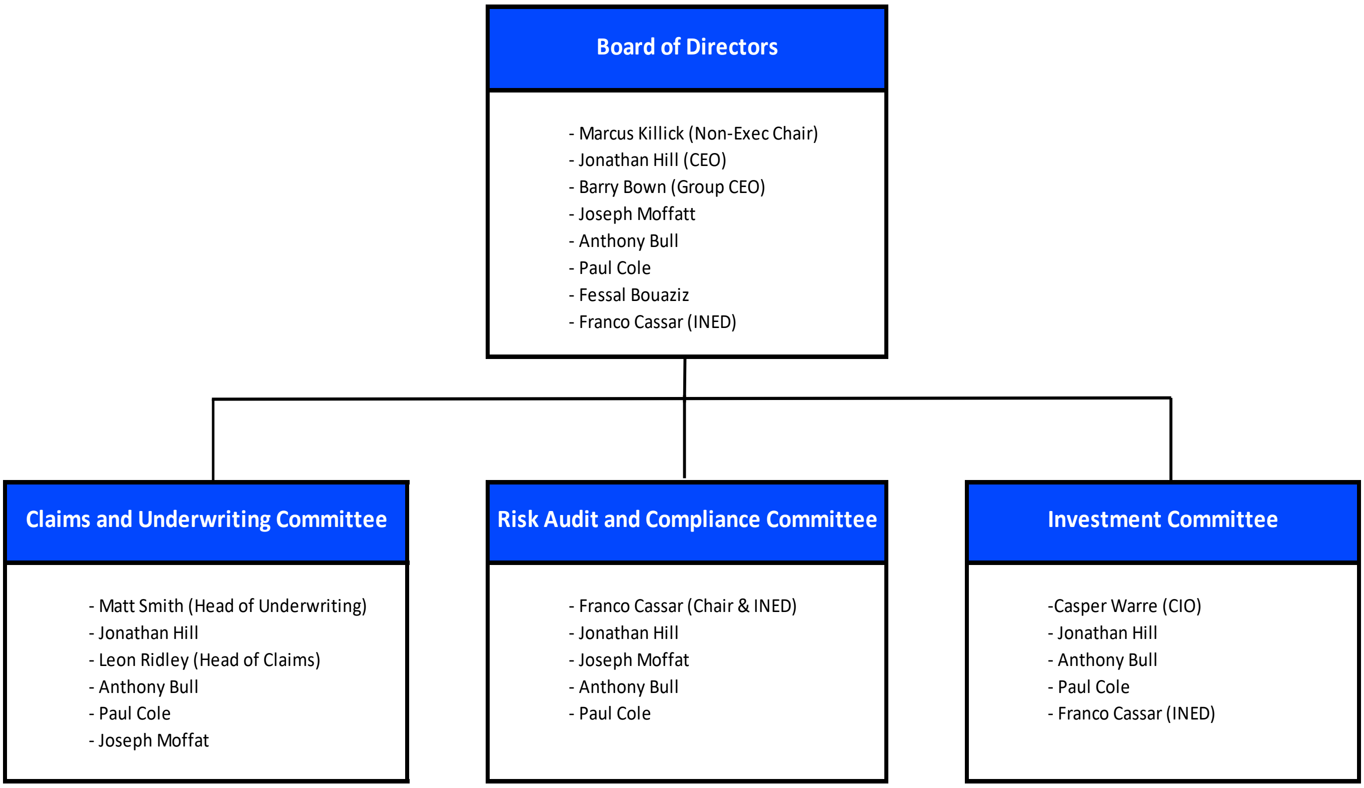
During the year the Company was in dispute with two FCA authorised distribution businesses in the United Kingdom in connection with commission amounts due to the Company under existing terms of business. The Company continues to review the position in respect of these matters but has made the appropriate provisions within these results.

B Systems of Governance

B.1 General Information on Systems of Governance

B.1.1 Structure of the Board and Committees

MICL operates through a main Board and three Sub-Committees, at the time of writing the membership as set out below:



In addition to the above committees, there are several sub-committees as follows:

- Reserving committee
- Reinsurance committee
- Claims committee
- Product and Customer committee

MHGL and MICL's Company Secretary is SRS Management (Gibraltar) Limited.

Since October 2024, MHGL has assumed over-arching responsibility for the governance of the Group. The Group has common directors between MHGL and the various subsidiaries, thus ensuring appropriate oversight and governance.

The directors of MHGL are:

- Marcus Killick*
- Barry Bown**
- Jonathan Hill*
- Paul Cole*
- Mark Duthie

* MICL Directors

** MICL and Key Claims Directors

The MICL Board is responsible for overseeing the business of activities Mulsanne, for providing strategic direction and for supervising management. While the MICL Board delegates certain functions to Sub-Committees, this does not absolve the Directors of their responsibility to the Company.

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

- Setting the strategic direction and objectives of the Company
- Ensuring the integrity and reliability of the Company's finances, including:
  - Business planning.
  - Capital and Solvency position.
  - Director's remuneration.
  - Dividend policy.
  - Accounting policies.
  - Approval of public documents.
- Approving, managing and monitoring the internal and external audit strategy and the performance and effectiveness of the external and internal auditors
- Establishing an appropriate internal control system and monitoring its effectiveness
- Approving the underwriting strategy and policy and monitoring its implementation
- Overseeing the calculation of the SCR and technical provisions
- Overseeing, guiding, and challenging the ORSA and approving the ORSA report
- Overseeing the completion of quarterly and annual QRTs, the SFCR and the RSR

The Company has in place a Claims and Underwriting Committee, which operates under agreed Terms of Reference approved by the Board. The key responsibilities of the Committee include:

- Implementing and overseeing the claims handling, reserving and settlement strategy and philosophy

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

The Company has in place an Investment Committee, which operates under agreed Terms of Reference approved by the Board. The key responsibilities of the Committee include:

- Providing guidance on, managing, and monitoring the investment and cash flow strategy
- Overseeing the performance of investments and investment managers
- Advising on investment risk strategy and policy and risk appetites and limits
- Providing input into the calculation of the SCR
- Providing input into the ORSA process
- Ensuring appropriate information is required for regulatory reporting purposes
- Reporting on all relevant matters to the Board

The Company has in place a Risk Audit & Compliance Committee, which operates under agreed Terms of Reference approved by the Board. The key responsibilities of the Committee include:

- Establishing an effective risk management framework including risk management strategies and policies and risk appetite and tolerance limits.
- Overseeing the performance and continued independence of the appointed internal and external auditors.
- Receiving, considering, reviewing, challenging, and agreeing recommendations and proposals following internal and external audits.
- Providing oversight and challenge to the effectiveness of the governance framework.
- Review guidelines and policies that govern the processes by which management operate.

- Receive and consider quarterly reports from the Compliance Function including the analysis of complaints.
- Receive quarterly reports from the Internal Audit Function.
- Providing oversight of all customer and conduct related matters.
- Overseeing operational resilience, business continuity and disaster recovery procedures.
- Providing oversight of the core outsourcing partners.

B.1.2 Key Functions

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

- Risk Management
- Compliance
- Actuarial
- Internal Audit

In accordance with local regulations the following mandatory function holders are also required and have been fulfilled and approved:

- Head of Finance
- Head of Claims
- Head of Underwriting
- Chief Operating Officer (appointed 2025)

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

B.1.2.1 Risk Function

The Board of MICL retains full responsibility for the risk function. The function is currently overseen by Paul Cole.

The function holder is supported in his role by the outsourced service providers, including the Company's insurance manager and the third-party administrator, who provide input into and assistance with risk management.

The Board has retained responsibility for risk management and the function therefore has the required authority to fulfil its role.

B.1.2.2 Compliance Function

The Company outsources compliance services to its insurance manager, with the function being currently overseen by Paul Cole. The compliance team works closely with the wider group in providing compliance services to the Company.

The Board has approved a compliance monitoring programme, which is updated on an annual basis, and is intended to ensure that Mulsanne complies at all times with all relevant rules, regulations, legislation and guidance to which the Company is subject, both in Gibraltar and, where applicable, in the UK.

Being outsourced, the function is operationally independent from the other areas of the business and, while it reports to the Board, the Board is not able to influence the function or to exert other inappropriate pressures. The Compliance function is authorised to access all areas of the business and is therefore entitled to full and unrestricted access to all information, records, property, personnel, and activities, including those residing with outsourced service providers.

The Compliance function formally reports to the Risk, Audit Compliance Committee (“RACC”) on a quarterly basis.

B.1.2.3 Actuarial Function

The Actuarial Function has specific duties and responsibilities under Solvency II. The Actuarial Function Holder role is held by Fessal Bouaziz, who is a Director of the Company. As the Actuarial Function Holder is not employed by the Company the function has a high degree of operational independence. Specific duties of the Actuarial Function include, but are not limited to:

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

In addition, the Company utilises the services of an external actuarial firm, Willis Towers Watson to carry out independent reserve reviews on a quarterly basis to provide a further element of operational independence.

Given the level of experience and technical expertise within the actuarial team, alongside the independent technical support and regular reviews of the Board skill matrix, the Board is comfortable with the level of rigor across this function area.

B.1.2.4 Internal Audit

Mulsanne's Internal Audit function is overseen by Clare Hamilton-Hodson. Internal Audit is responsible for evaluating the approach to risk management and governance, with particular emphasis on the internal control system.

During the year ended 31 December 2024, Mulsanne continued to outsource the Internal Audit function to Mazars LLP, who had the skills, knowledge, and expertise to provide the services and were entirely independent from operational aspects of the business.

B.1.3 Changes during the Period

Mulsanne Insurance Company Limited:

Barry Bown was appointed executive director on 16 August 2024

Paul Twilley resigned from the Board and as Head of Claims on 23 December 2024.

Leon Ridley was appointed as Head of Claims on 11 March 2025

Matt Smith was appointed as Head of Underwriting on 11 March 2025

Jonathan Hill was appointed to the Board and as CEO 12 March 2025

Joseph Moffatt was appointed to the Board and as COO on 12 March 2025

Matt Fothergill resigned from the Board and as CEO on 12 March 2025

Mulsanne Holding (Gibraltar) Limited:

Matt Fothergill resigned from the Board 12 March 2025

Jonathan Hill, Barry Bown and Marcus Killick were all appointed to the Board on 12 March 2025

Mark Duthie was appointed to the Board 30 April 2025

Key Claims and Administration Services Limited:

Barry Bown was appointed to the Board 25 March 2024

Paul Twilley resigned from the Board 23 December 2024

Matt Fothergill resigned from the Board 14 March 2025

Leon Ridley was appointed to the Board on 17 March 2025

B.1.4 Remuneration Policy

MICL has three local employees in addition to the Directors of the Company. The two Independent Non-Executive directors along with the three employees are the only individuals to receive remuneration directly from the Company. All other Directors are remunerated elsewhere.

Due to the size of the Company and the simple remuneration arrangements, MICL does not have a separate Remuneration Committee, with responsibility for this area being retained by the Group Human Resources department.

The MICL two Independent Non-Executive directors received a fixed fee for services and there were no variable or performance-related elements to their remuneration. The remuneration of certain other Directors is linked to the performance of the Company and none of the Directors are entitled to share options or shares in the Company and do not have any entitlement to pensions from Mulsanne.

Key Claims, as at 31 December 2024, has 41 employees and two executive directors who are remunerated from elsewhere within the group.

B.1.5 Material Transactions

During the year, Mulsanne paid a fee of £0.3m (2023 - £0.3m) to its insurance manager for services provided. One of the Directors was also a Director of the insurance manager during the course of the year. At 31 December 2023, the balance owed by Mulsanne was £nil.

During the year, Key Claims charged claims handling and administration fees to MICL of £5.2m (2023 – £5.4m). KCASL are paid an advance payment, as at December 2024 the balance overpaid by MICL was £0.1m (2023 – £0.2m).

During the year MHGL, as the immediate parent of MICL, injected £22.5m into MICL in the form of cash.

During the year there were no other intragroup transactions between MICL and MHGL or Key Claims and MHGL. No amounts are owed amongst these entities.

B.2 Fit and Proper Requirements

B.2.1 Requirements for Skills, Knowledge and Expertise

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

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

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

B2.2 Policies and Processes with regard to Fit Requirements

The relevant Boards will consider the skills, knowledge and experience required prior to any new appointment and assess whether the individual meets the requirements. On an ongoing basis, all individuals are required to ensure that their skills and knowledge are kept up-to-date and to confirm this annually. The fitness of key individuals is monitored and reported on by the compliance function.

B.2.3 Policies and Processes with regard to Proper Requirements

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

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

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

B.3 Risk Management System including ORSA

B.3.1 Risk Management System

MHGL is responsible for ensuring there is appropriate risk management on a Group basis, encompassing all subsidiaries. The MICL risk management framework, which is described below, drives the Group risk management framework. MICL and Key Claims maintain a risk register and group risks are considered as part of the Group ORSA process. Both solo entity and group solvency calculations are produced.

B.3.1.1 Overview

MICL categorises its risks as follows:

- Strategic Risk
- Non-life Insurance Risk
- Investment Risk
- Liquidity Risk
- Credit Risk
- Concentration Risk

- Operational Risk
- Conduct Risk
- Regulatory Risk
- Political Risk

The Company's aim is to ensure that the business is managed at all times in a risk-focused manner in order to achieve the Company's overall strategic objectives. The Company has in place policies, processes, and procedures for each category of risk.

Risk management is the responsibility of the MICL Board, and delegated to the Risk, Audit and Compliance Committee, a sub-committee of the Board. However, due to the small size of the Company, it depends on assistance from individuals within its outsourced service provider, in particular its insurance manager and third-party administrator.

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

B.3.1.2 Risk Management Strategies, Objectives, Processes and Reporting

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

The Company sets risk appetite and tolerance limits for each category of risk and monitors performance at least quarterly.

B.3.1.3 Identification, Measurement, Monitoring, Management and Reporting of Risks

MICL's Risk Audit and Compliance Committee regularly discusses and considers actual or potential risks and utilises a Risk Register to do so. All risks identified are recorded and assessed as to their impact and the likelihood of their occurrence, both on an inherent basis (before controls and mitigations) and on a residual basis (after taking account of appropriate controls and mitigations).

The Company's highest rated risks are reported to the MICL Board on a regular basis by the Compliance function. In addition, at each Board meeting, consideration is given to whether the Company's risk profile or risk exposure has changed due to decisions taken.

Risk events are reported to the Board when they occur and are recorded in the Risk Register, including their impact and resolution.

Risk management involves the Board as well as key outsourced providers. All forums and individuals involved in risk management have a duty to inform the Compliance, Internal Audit or Actuarial functions of any facts that may be relevant to these functions in performing their duties.

In addition, the Board will receive regular reports from the Internal Audit function as to the adequacy, effectiveness and efficiency of the internal controls.

B.3.1.4 Implementation of Risk Management Function

The MICL Risk and Audit Committee is responsible for the risk management function. While the Company relies on its outsourced service providers for elements of the day-to-day operation of risk management, oversight and control remains with the Board. This ensures that risk management is fully integrated into Mulsanne's business and its decision-making processes.

Mulsanne operates a three-line of defence model as set out below:

Board of Directors

First line of Defence	Second line of Defence	Third line of Defence
Daily underwriting checks	Financial controls	WTW actuarial review
Risk management	Compliance monitoring	PKF external auditor
Operational risk forum	Reporting and oversight	Mazars internal audit
Governance framework		SX3 claims audits
Risk appetite statements		
Sub committees of the Board		

Sub Committees of the Board

Regulator GFSC

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

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

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

B.3.2 Own Risk and Solvency Assessment

B.3.2.1 ORSA Process and Integration

MICL has established a policy setting out the requirement to carry out an Own Risk and Solvency Assessment ("ORSA") which applies to both the Company on a solo basis and to the Group. The purpose of the policy is to ensure that all material risks faced by the Company and Group are appropriately assessed and the level of capital required managing these risks or other risk mitigation measures are determined and put in place. The ORSA should provide the Boards and management with a thorough understanding of the Company's risk profile and provide the information needed to make appropriate decisions.

The ORSA takes account of historic performance and future forecasts/budgets over the business planning horizon, which is a period of three years. Various members of the management team and relevant outsourced providers will carry out the ORSA. The MICL Board maintains oversight and control at all times, steering how the assessment is performed and challenging the results to ensure they properly take account of the Company's material risks.

The Group conducts at least an annual ORSA after which a formal report is prepared.

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

A full reforecast and ORSA will be carried out on an annual basis, subject to there being no material changes in the business or its risk profile in the meantime. This will take place during the final month of the company's financial year, thus ensuring that the timing is aligned with the business planning process.

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

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

- Volumes increasing by more than 15% above budget, and the forecast performance of the business is suchthat management feel that this will continue.
- Net Loss Ratio (Net of Excess of Loss reinsurance) in any underwriting year deteriorating by more than
    - 5 points compared to budget on the current UWY.
    - 3 points compared to previous actuarial review on prior UWYs.

- New material business lines (>£10m of premium) being entered into
- The solvency buffer falling below 125% of the SCR and forecast performance of the business being such that management feel the SCR buffer will continue to be eroded post the 125% breach.

During Q2 2024, due to deteriorating loss ratio performance, the Company's SCR coverage fell below 100% of the SCR. As a result, the Board engaged with the shareholder, and the regulator, to implement a plan to restore the solvency coverage. As part of this plan the shareholder injected £22.5m into the Company during 2024 and as a result the Company reported an unaudited SCR coverage of 130.7% on a solo basis and SCR coverage of 126.6% on a Group basis as at 31 December 2024

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

B.3.2.2 Relationship between Solvency Needs, Risk Profile, Capital Management and Risk Management

The ORSA enables the Board to assess the Company and Groups capital needs over the planning horizon, which is three years. The ORSA is carried out taking due account of MICL's specific risk profile and includes both risks explicitly captured in the Standard Formula, as well as risks which are either not captured or not able to be mitigated through capital. All risks are taken into account in the ORSA process.

The capital management policy has been established to ensure that the Company has in place the appropriate levels and quality of capital both as required by the SCR calculation and as determined by the ORSA. The policy aims to ensure that appropriate plans are in place to enable the Company to meet its capital requirements both in the immediate and the medium-term future and that all items of own funds comply with the relevant rules, regulations, and legislation.

The risk management function takes due account of the available capital, the Company's risk profile, future business plans and the outcome of the ORSA in an iterative cycle.

B.4 Internal Control System

B.4.1 Internal Control System

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

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

The internal control policy is targeted at ensuring that:

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

Key controls that operate to mitigate risks are recorded in the appropriate Risk Register. The internal control framework for MICL is subject to review by MICL's internal audit function. Key Claims is the other trading entity within the Group providing certain services to MICL. Where appropriate, Key Claims has and will form part of the scope of the internal audits. MICL has oversight over KCASL and instruct SX3 to audit KCASL and external outsource functions including Horwich Farrelly, Rostella and Action 365 and Davies Group periodically.

B.4.2 Compliance Function

B.4.2.1 Implementation of Compliance Function

The Company's compliance function is an integral and significant element of MICL's business, responsible for ensuring the Company complies with all relevant rules, regulations, guidance and legislation with regard to both Gibraltar and UK requirements. The compliance function also reports to the Risk Audit and Compliance Committee on any relevant changes in the legal environment in which the Company operates.

MICL outsources its Compliance function to its insurance manager, with a named Compliance Officer having overall responsibility. The compliance function has established a Compliance Monitoring Programme which is approved by the Board on an annual basis. Compliance formally reports to the Board on a quarterly basis with regard to the tasks carried out during the quarter.

While the provision of compliance services has been outsourced, this remains under the oversight of the MICL Board, and the function holder, with the Board retaining full responsibility.

There is no compliance function at a group level, with compliance responsibilities sitting at the trading entity level.

B.4.2.2 *Independence and Authority of Compliance Function*

Due to the outsourced nature of the MICL compliance function, the function is operationally independent from the other areas of the business.

The MICL compliance function is authorised to access all areas of the business and is therefore entitled to full and unrestricted access to all information, records, property, personnel, and activities, including those residing with outsourced service providers.

The MICL Board considers and approves the compliance monitoring programme on an annual basis to ensure that all relevant areas are captured and receives the quarterly compliance reports but does not otherwise seek to instruct or influence the Compliance function.

B.5 Internal Audit Function

B.5.1 Implementation of the Internal Audit Function

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

MICL's Internal Audit function covers all aspects of the Company's business. In particular, it considers:

- Governance and business planning.
- Underwriting and policy administration.
- Claims handling and reserving.
- Investment.
- Finance/Accounting.
- IT and Cyber Risks.
- Compliance.
- Consumer Duty.
- Operational Resilience.

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

MICL outsources the Internal Audit function to an external accountancy firm who also attend the Risk Audit and Compliance Committee. The engagement is for the solo entity only, and does not include other entities within the Group.

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

- The MICL Board, with the assistance of its insurance manager, carries out an internal review of the governance, risk management and business planning systems and processes, including its own procedures, on an annual basis.
- Members of the wider group management team working for MICL, carry out periodic audits of the claims-handlers and brokers and report to the Board, these audits to be conducted at least annually
- Internal Audit will liaise with and leverage the work of the external auditors.

After each audit, appropriate reports are produced.

- An initial report is produced for discussion with management in the relevant area. The draft report should be produced no later than four weeks of the audit work finishing.
- Management's responses and proposed actions will be noted, and an agreed final report will be issued. The final report should be issued no later than four weeks of the draft report being agreed.
- The final report will be submitted to the Board for review at the next meeting.

B.5.2 Independence and Objectivity of the Internal Audit Function

Internal Audit is outsourced to an external accountancy firm (Mazars LLP) with the required skill set and experience and is not involved in any operational aspects of the business. This ensures that the function is independent, objective, and impartial and not subject to influence from the Board or management.

Internal Audit is authorised to review all areas of the Company and its business and is therefore entitled to have full and unrestricted access to all information, records, property, personnel and activities of the Company and the wider Group as appropriate. Staff and management (even if not staff of the Company) have a duty to make all requested information available promptly and to assist with any enquiries.

The MICL Board will approve the audit plan and is free to request additional areas to be reviewed by internal audit. In addition, the Board receives and reviews the reports produced by the function. However, the Board does not otherwise seek to instruct or influence the Internal Audit team.

B.6 Actuarial Function

B.6.1 Implementation of Actuarial Function

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

MICL's Actuarial Function covers all aspects of the business with regard to insurance risks. This encompasses:

- Underwriting
- Reinsurance
- Other risk mitigations
- Reserving
- Capital
- Data

The Actuarial Function is responsible for the following areas:

- Oversight and validation of the calculation of technical provisions
- Assessment of the appropriateness of methodologies and assumptions used and consistency with Articles 76 to 83.
- Explanation of any material changes in data, methodologies, or assumptions
- Assessment of the sufficiency and quality of the data and consistency with data quality standards
- Recommendations to improve data quality where required
- Back-testing of best estimates against actual experience, reporting of material deviations and proposals to improve calculation
- Opinion on overall underwriting policy
- Opinion on adequacy of reinsurance arrangements

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

B.7 Outsourcing

B.7.1 Outsourcing Policy

Outsourcing is defined as the contracting out of all or part of an internal process or internal activities to a third-party provider on a continuous basis. Mulsanne has in place an outsourcing policy which ensures that all outsourcing will:

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

While Mulsanne outsources certain key activities, the Company retains all decision-making powers and ultimate responsibility for the outsourced services.

Mulsanne's outsourcing policy sets out the following:

- The definition of outsourcing.
- Responsibility for implementation and operation of the policy and consequent controls and processes.
- The criteria for outsourcing.
- Due diligence on potential providers.
- Establishment of appropriate contractual arrangements which clearly define responsibilities and allowadequate supervision and control.
- Establishment of appropriate contingency planning, including terminating or exiting the arrangement.
- Periodic audit requirements.
- Records of outsourced arrangements.
- The approval process.
- Contract and legal requirements.
- Risk assessment and risk mitigation measures.

- Monitoring and on-going requirements.

B.7.2 Outsourced Functions and Activities

The following table sets out the key functions outsourced by the Company:

Function/services	Jurisdiction
Policy administration	UK
Data and Management Information	UK
Claims handling, case reserving and settlement	UK
Assisting with risk management	UK/Gibraltar
Assisting with compliance	UK/Gibraltar
Company Secretarial Services	Gibraltar
Internal Audit	UK
Approval of large loss reserving	UK/Gibraltar

B.8 Any other Information

B.8.1 Adequacy of Systems of Governance

MICL is a small company with the directors closely involved in all key aspects of the business. The Company does not underwrite complex insurance products, focusing on a single line of business, with known and understood risks. The systems of governance have therefore been established taking due account of the principle of proportionality, being appropriate to the size, nature, and scale of the operations.

Key Claims is small company responsible for the provision of certain claims handling services to MICL, and responsible for the oversight of Horwich Farrelly, who handle all aspects of claims handling except for large loss bodily injury claims and first notification of loss.

Mulsanne Holdings is not a trading entity and is a holding company for the group. The group has an established authority matrix and certain material matters are reserved for the MHGL Board to approve. Day to day governance, within the authority matrix is delegate to the subsidiary company boards.

The MICL Board has in place a process of regularly evaluating the effectiveness of the systems of governance. In addition, governance falls within the remit of both internal and external audit and the risk management function continuously assesses relevant legislation, guidance, advice, and best practice to ensure that the systems of governance are updated and maintained at all times.

B.8.2 Any other Material Information

There is no other material information to report as at 31 December 2024.

C. Risk Profile

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

Mulsanne's appetite is for the business to focus mainly on motor risks together with a small volume of ancillary, motor-related risks. All business is underwritten in the UK.

With regard to investments, Mulsanne pursues a strategy which is focused on capital preservation whilst seeking to achieve investment returns that are better than cash deposits through diversified investment funds on a carefully selected basis, thus adopting a careful and conservative investment policy.

MICL's risk profile as at 31 December 2024 is set out in the table below:

MICL	**2024**	**2023**
Risk Category	**% of SCR**	**% of SCR**
Insurance Risk	39.2%	44.6%
Market Risk	26.0%	23.1%
Counterparty (Credit) Risk	12.9%	11.3%
Operational Risk	17.9%	21.1%
Add-on	4.1%	0.0%

MHGL's risk profile as at 31 December 2024 is set out in the table below:

MHGL	**2024**
Risk Category	**% of SCR**
Insurance Risk	38.7%
Market Risk	26.0%
Counterparty (Credit) Risk	13.3%
Operational Risk	17.9%
Add-on	4.1%

C.1 Underwriting Risk

C.1.1 Material Risks

MICL is the only company in the group that assumes any underwriting risk. Underwriting risk arises from the risk of loss from changes in insurance liabilities. This can arise from inadequate pricing or risk selection, inappropriate reserving, or other fluctuations in the timing, frequency, and severity of insured events.

MICL distributes all business via intermediaries in a highly competitive industry. Furthermore, the motor market has recently been subject to numerous regulatory and legislative changes and is highly sensitive to the economic environment, the behaviour of policyholders and actions of other service providers to the industry, such as claimant lawyers and claims management companies.

The Company manages underwriting risks through regular review of performance information, encompassing loss ratios, frequency, and cost of claims, conversion rates by products and distribution channels.

The following are the key underwriting risks identified by management:

- Risks priced too high or too low, and undesirable market segments written.
- Inability to place XoL programme at economically viable levels.
- Unplanned risk concentrations.
- Claims inflationary pressures.
- Volume risk impacting profitability.
- Losses on proportional reinsurance strategy.
- Complexity of portfolio and distributors in their infancy with limited track record.
- Adequacy of pricing feedback loops.
- Underwriting strategy not aligned with Group distribution strategy.
- Increased cost of claims as a result of a failure in claims process.

C.1.2 Material Risk Concentrations

MICL's business comprises solely of motor insurance, with some small books of non-motor business that is largely run-off. MICL's business almost entirely to private cars and therefore leads to some risk concentration due to exposure to market factors. The business contains several distinct portfolios, however, the Company is exposed to market conditions within one sector of the General Insurance market.

C.1.3 Risk Mitigations

MICL mitigates underwriting risk through the purchase of reinsurance protection and the implementation of appropriate controls.

The Company purchases Excess of Loss reinsurance to protect against the impact of large claims. In addition, the Company has in place co-insurance and Quota Share reinsurance arrangements to mitigate the impact of large and lower value, attritional losses.

In April 2019 and with effect from 1 January 2019, the Company purchased a Loss Portfolio Transfer to cover business written up to 31 December 2017, to protect against adverse claims performance. As at the time of writing this report this Loss Portfolio Transfer cover remains in place.

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

- Monthly review of detailed underwriting and performance information.
- Post inception validation of high risk policies.
- Quarterly actuarial reserve reviews are performed both externally and internally.
- Monthly loss ratio actual versus expected analysis.
- Regular audits of intermediaries.
- Regular audits of the claims-handler.
- Regular updates of the risk register, including reporting of any risk events.
- Stress testing of loss ratios as part of the ORSA process.
- Actuarial pricing models under-pinning premium rating.
- Detailed risk acceptance criteria at point of quote.
- Centralized rating platform for private car rating.
- Appropriate systems of governance and control.

C.1.4 Stress and Sensitivity Testing

The Company carries out stress and sensitivity testing as part of the ORSA process, which is carried out at least annually. This considers stresses both with regard to business volumes, future loss ratios (and their impact on quota share sliding scale commission income) and the run-off of existing reserves. This showed that the greatest sensitivity arises from changes in future loss ratios driven by bodily injury or deterioration in existing reserves. This is entirely in line with expectations and aligns closely with the management focus on the profitability of new business.

Under extreme scenarios, the level of buffer and protection afforded by the Loss Portfolio Transfer would not be sufficient to absorb this stress. Management is very much alive to the risks arising from inappropriate underwriting and continues to closely monitor this risk. Further to this the Board, as part of the ORSA process considersoptions available to it to recover from such extreme scenarios as part of the company's recovery and resolution planning.

The Company's most significant variable in respect of the projection of ultimate losses attaches to the assumptions used for large bodily injury claim frequency, and also to the assume frequency and severity of attritional claims. The frequency of these claims, by definition, are difficult to predict.

C.2 Market Risk

C.2.1 Material Risks

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

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

MICL pursues a diversified investment policy focusing on the generation of real returns above inflation whilst seeking to observe the Prudent Person Principle. The Company holds some investments that are denominated in US Dollars. In order to mitigate the risk of adverse movements in the value of these assets that may arise through movements in foreign exchange rates, the Company has purchased foreign exchange forward contracts to hedge currency risk. The value of this currency forward hedge is reviewed regularly and adjusted as appropriate to ensure the Company's exposure to currency risk is minimised. The counterparty for the currency hedge transaction is an "A" rated bank.

The Company uses the services of carefully selected and experienced investment managers and advisors who operate under an approved investment policy and within agreed guidelines. As well as setting limits with regard to the type of investments and the rating of counterparties, the policy sets a benchmark return and imposes limits on exposure to single counterparties. The Investment Committee meets on at least a quarterly basis to assess the performance of the portfolio and recommend any changes which may need to be made.

The main market risk to which the Company is exposed is a loss in the value of investments or categories of investments due to market factors.

C2.2 Material Risk Concentrations

MICL has in place an investment portfolio which has exposure across a diversified range of asset classes, and is therefore not exposed to any material market risk concentration with the investment portfolios.

The Company also holds several unlisted debt and equity investments. The total value of these assets is £42.1m (2023: £45.6m). The changes was as a result of sale of Colchis fund, the write down of Hiyacar, partly offset by valuation gains. The largest concentration is around one equity investment valued at £4.3m.

As at 31 December 2024 the Company held £1.4m (2023: £3.1m) with RBS International.

C.2.3 Risk Mitigations

MICL mitigates market risk through the following mechanisms:

- Regular review of investment performance.
- Use of more than one investment manager and an independent advisor.
- Investment policy with agreed limits.
- Diversification within the investment portfolio.
- Appointment of a Chief Investment Officer.

C.2.4 Prudent Person Principle

The Company pursues an investment policy, which ensures investments are limited to relatively standard and easily understood products, the performance of which the company is able to readily monitor and manage. The investment policy balances capital preservation with investment return and sets limits with regard to rating and other measures, taking into account the nature and duration of the Company’s liabilities. In addition, the policy requires appropriate diversification of exposure within the portfolio.

MICL only utilises derivatives for hedging purposes and these are fully taken into account in the ongoing performance of the portfolio. For assets supporting technical provisions, the Company’s policy is to hold investments that are traded regularly and therefore have a ready market value and are highly liquid. Assets that are less liquid, or do not have a readily realisable market value are kept to prudent levels.

While the Insurer currently holds investments in more unusual or complex instruments, the focus of the Investment Committee is to manage the portfolio towards easily valued, liquid assets.

The Company does hold several investments that are less liquid and less easy to realise. Pursuant to Threshold Conditions imposed upon the Company by the GFSC, the exposure to these assets will be reduced over time. For these assets the Investment Committee will:

- Assess the impact on the Company's risk profile, consider whether a revised ORSA is required as a result and make the necessary recommendation to the Board;
- Ensure that appropriate skills are in place to manage and monitor the investment activity – either internally or within the investment manager;
- Assess how the investment complies with the Prudent Person Principle;
- That such investments are in the best interest of customers and policyholders;
- Demonstrate to the Board how the proposed investment activity will improve the portfolio as a whole;
- Seek regular updates from the CIO in respect of the liquidation plan for these assets.

C.2.5 Stress and Sensitivity Testing

MICL includes stress testing of market risk in its ORSA process, these stress tests include:

- Failure of the company to deliver the liquidity plan, resulting in a 1 year delay to the liquidation plan
- Adverse movement in the equity symmetric adjustment under the Standard Formula in conjunction with an adverse movement in risk free rates.

While these stresses do not impact as greatly as loss ratios stresses, they do affect the Company's capital position, however the SCR coverage remains above risk appetite levels.

C.3 Credit Risk

C.3.1 Material Risks

Credit risk arises from the risk that parties who owe money to MICL are unwilling or unable to pay the amounts due to the Company. Credit risk for Mulsanne arises from a number of sources:

- Banking counterparties.
- Reinsurance counterparties.
- Issuers of fixed income securities and debt instruments.
- Premiums and other amounts due from intermediaries.
- Amounts due from connected parties.
- Amounts due from connected parties.

MICL aims to minimise the credit risk arising from its operations through the careful section of counterparties andclose management and control of amounts due to the Company.

C.3.2 Material Risk Concentrations

The Company credit risk exposures during the year were diversified as set out below:

- Funds were held with more than one banking counterparty.
- The majority of the Company's liquid assets are invested in a highly diversified money market fund.
- Reinsurance exposure is diversified between more than one counterparty.
- MICL's investment portfolio comprises several diversified investment funds.
- Certain investments benefit from collateral arrangements.
- The Company uses a very small number of external intermediaries in distributing its products, with the vast majority of the business being distributed through connected party companies.
- Reinsurance counterparties are highly rated.

C.3.3 Risk Mitigations

Mulsanne mitigates credit risk through a number of mechanisms:

- Ensuring distribution is via a small number of tightly controlled brokers
- Debtor control processes to closely monitor ageing of insurance premiums due.
- Carrying out periodic audits of brokers
- Establishing and monitoring credit terms for brokers.
- Using an experienced reinsurance broker.
- Ensuring reinsurance counterparties are appropriately rated.
- Monitoring reinsurance recoveries.
- Ensuring banking counterparties are appropriately rated.
- Use of statutory trust accounts where appropriate.
- Requesting that funds wherever possible are not comingled.
- Reviewing credit terms and avoiding terms over 60 days.

C.3.4 Stress and Sensitivity Testing

MICL depends, to a large extent, on its reinsurance programme in mitigating risk. Hence the credit risk arising from these arrangements needs to be appropriately managed. The risk of reinsurers suffering a credit downgrade is therefore one of the stresses considered as part of the ORSA process. Due to the diversification of reinsurers, the Company is relatively resilient to this risk.

C.4 Liquidity Risk

C.4.1 Material Risks

Liquidity risk is the risk of losses from an inability for MICL to pay its liabilities as they fall due. The Company ha low level of liquidity risk, for those assets supporting technical provisions, due to the nature of its investment portfolio and the amount of funds held with banks on short terms deposits. The Company therefore does not have any material liquidity risk exposure.

C.4.2 Material Risk Concentrations

There are no material liquidity risk concentrations due to the nature of Mulsanne's investment portfolio.

C.4.3 Risk Mitigations

Liquidity risk is mitigated through the carefully structured and diversified investment portfolio and the funds held with banks. Additionally, the Investment Committee meets regularly to review the liquidity position of the Company.

C.4.4 Stress and Sensitivity Testing

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

C.4.5 Expected Profit in Future Premiums

The expected profit in future premium as at 31 December 2024 is -£0.07m (2023 – £3.38m).

C.5 Operational Risk

C.5.1 Material Risks

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

MICL has identified the following key operational risks:

- Sabotage from internal sources including viruses, loss of intellectual property or paralysis of systems.
- Cyber Risks from external sources.
- Embezzlement and Fraud.
- Failure of key outsourced service providers.
- Incomplete MI.
- Failure of Important Business Service that would cause intolerable interruption to business.
- Following a catastrophic event with a key service provider, the Company is unable to continue trading.
- Oversight Risk of Contracted Third Parties.
- Exposure to outsourced service providers.
- Inaccurate reporting of financial results.
- Control of architecture for rating engines.

Operational risks are identified, assessed, and set out in MICL's risk register, along with appropriate controls. There is a process for regular reporting of risk events.

The Risk Register is discussed on a regular basis by the Risk, Audit and Compliance Committee and Mulsanne Board, with input from all relevant functions and activities within the business.

C.5.2 Material Risk Concentrations

There are no material risk concentrations.

C.5.3 Risk Mitigations

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

- Regular audits of key service providers.

- Four-eyes controls over all key operational areas.
- Appropriate Disaster Recovery and Business Continuity Plans.
- Detailed analysis and review of monthly management information.
- Oversight, monitoring and audit of the claims-handler.
- Establishment and maintenance of a conflicts of interest register.
- Involvement of Directors in all key operational areas of the business.
- Board discussion of all negative publicity.
- Regular dialogue with key stakeholders, including regulators and intermediaries.
- Monitoring limits on complaints.
- Monitoring and reporting by the Compliance function.

C.5.4 Stress and Sensitivity Testing

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

C.6 Other Material Risks

On 31 January 2020, the UK formally left the European Union, and the UK and the EU have entered into a Trade and Cooperation Agreement which was provisionally applied from 1 January 2021

As all of MICLs business is with customers located in the United Kingdom, the Board does not anticipate Brexit having an impact on Mulsanne's ability to continue to trade. Brexit has, however, disrupted the supply chain for repair parts for motor vehicles, particularly when the supply of these parts is from within the European Union, with such delays giving rise to additional repair and hire costs. Such changes are also impacting of care worker wages and giving rise to inflations pressures in this area. The Board continues to monitor this situation closely, making underwriting adjustments as appropriate.

In 2022 Russia invaded the Ukraine. The invasion materially disrupted energy markets and the supply of certain raw materials which in turn have compounded inflationary pressure faced by the Company across the claims supply chain. More recently the geopolitical developments in the Middle East have given rise to further supply chain disruption due to the threats to free movement of shipping in the region, this is further compounding supply chain and inflation issues. The Board continues to monitor the inflationary pressure faced by the Company, especially when considering claims strategies and pricing action.

The Board continues to monitor developments as they occur to ensure that actions are taken to mitigate any potential adverse impact as far as possible.

D. Valuation for Solvency Purposes

D1. Assets

The following bases, methods and assumptions have been used in valuing each material class of assets for Solvency II purposes. The material classes of assets as at 31 December 2024, except for reinsurance technical provisions, for the Company are as set out in the table below:

MICL	2024		2023	
	Solvency II Value	GAAP Value	Solvency II Value	GAAP Value
Description	£'000	£'000	£'000	£'000
Intangible Asset	-	-	-	48
Equities (Unlisted)	10,884	10,884	10,878	10,878
Government Bonds	-	-	-	-
Corporate Bonds	-	-	-	-
Collateralised securities	-	-	-	-
Collective Investment Undertakings	40,949	40,861	22,658	20,636
Derivatives	13,895	-	15,071	-
Deposits other than cash equivalents	-	-	-	-
Other Loans and mortgages	18,308	18,308	17,449	19,471
Insurance and Intermediaries Receivables	-	7,639	-	15,128
Reinsurance Receivables	4,977	4,977	5,498	5,498
Receivables (trade, not insurance)	-	-	-	-
Cash and cash equivalents	10,085	10,085	14,634	29,704
Deferred Acquisition and Processing Costs	-	3,989	-	4,097
Any Other Assets	-	539	-	300

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

MHGL	2024	
Description	Solvency II Value £'000	GAAP Value £'000
Intangible Asset	0	987
Tangible Asset	4	4
Equities (Unlisted)	10,884	10,884
Government Bonds	0	0
Corporate Bonds	0	0
Collateralised securities	0	0
Collective Investment Undertakings	40,949	40,861
Derivatives	13,895	0
Deposits other than cash equivalents	0	0
Other Loans and mortgages	18,308	18,308
Insurance and Intermediaries Receivables	0	7,639
Reinsurance Receivables	5,024	5,024
Receivables (trade, not insurance)	0	0
Cash and cash equivalents	10,155	10,155
Deferred Acquisition and Processing Costs	0	3,989
Any Other Assets	0	679

D.1.1 Intangible Assets

At 31 December 2024, the Company held an intangible asset valued at £nil (2023 – £48k) under GAAP, representing software acquisition and development costs. For GAAP purposes, this asset has now been fully depreciated.

The Group also held an intangible asset valued at £987k in the form of Goodwill.

D.1.2 Equities (Unlisted)

As at 31 December 2024 the Company holds several unlisted Equity investments. Various valuation techniques have been used at arriving at the valuation for both a GAAP and Solvency II basis. Such valuations have been arrived at with the assistance of a third-party investment advisor.

D.1.3 Bonds

At the year end, MICL had no direct investments in Government or corporate bonds.

Investments are valued at fair value, being the market prices for identical assets in active markets, and the valuations are the same for GAAP and Solvency II purposes, although GAAP valuations exclude accrued interest. No significant judgements or estimates are used, and there has been no change in the basis of recognition and valuation.

D.1.4 Collective Investment Undertakings

At the end of 2024, the Company held investments in several investment funds totalling £40.9m (2023: £20.6m). These funds are invested into highly diversified funds that include underlying investment in trade receivables, mortgage finance, bridging and development finance in respect of UK properties, corporate bonds, and equities and diversified money market funds. The majority of the funds are listed and therefore have readily ascertainable market values and assets are valued based on the latest NAV valuations both for GAAP and for Solvency II, with no significant estimate or judgements being utilised. In circumstances where a market value of an investment is not readily available, the Company uses the services of an independent investment advisor to perform an annual valuation of the investment. There has been no change in the valuation and recognition basis during the year. For GAAP purposes, these investments were included in the same category as bonds and other fixed income investments.

D.1.5 Derivatives

As at 31 December 2024 the Company held a currency forward position selling US Dollars and buying sterling at a forward future date. This position is used to hedge the currency risk arising from holding certain strategic investments. As these currencies are actively traded and therefore have readily ascertainable market values, the assets are valued at market value both for GAAP and for Solvency II, with no significant estimate or judgements being utilised. As at 31 December 2024 the company had sold $17.6m for a forward value of £14.1m. The currency forward counterparty is a highly rated bank. The value of the currency forward is reviewed regularly and adjusted accordingly to reflect any changes to the underlying value of the assets.

For GAAP purposes, derivative assets and liabilities are shown gross, whereas for Solvency II purposes a net position has been reported, representing Mulsanne's exposure.

D.1.6 Deposits, Cash and Cash Equivalents

At the year end, MICL held £10.1m (2023 – £29.7m) either in term deposits, or in cash and cash equivalents, inclusive of accrued interest, with banking counterparties. All amounts are held in GBP and either in the UK or in Gibraltar.

Deposits, cash and cash equivalents are valued at fair value, based on the actual balances held, and Mulsanne receives weekly or monthly statements.

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

D.1.7 Insurance and Intermediaries Receivables

Insurance and intermediaries' receivable items on a GAAP basis represent premiums owed to Mulsanne from its brokers, less commission and including IPT and including the amount owed to its coinsurance partner. At the year end, the Company was owed £7.6m (2023 – £14.6m). Contracts with the brokers set out payment terms.

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

While the assets are valued on a consistent basis both for GAAP and Solvency II, for Solvency II valuation purposes premium debtors net of the premium relating to Mulsanne's coinsurance partner are set against technical provisions to the extent that they are not overdue. The remaining balance under Solvency II represents the net coinsurance balance.

D.1.8 Reinsurance receivables

The balance ascribed in the Solvency II basis includes amounts due from reinsurers for settled claims above the excess of loss retention amounting to £Nil (2023: £Nil)

D.1.9 Receivables (trade, not insurance)

	£000s	
	2024	2023
Receivables		
Amounts due from connected parties	3,169	4,136
Taxation debtor	-	-
Other debtors	4,037	3,995
	7,206	8,131

Other debtors in 2024 relate solely to amounts due from co-insurance. The amounts due to/from coinsurers are reported on a net basis, and this has historically included premiums due to coinsurers less claims, commissions and other expenses. The coinsurance arrangements were not renewed in 2021 and as a result these arrangements are now in run-off resulting in a debtor position arising as no further new business is attaching to these arrangements. All amounts due are within credit terms.

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

Intercompany receivables relate to expenses incurred by Mulsanne that are rechargeable to other connected party companies.

D.1.10 Deferred Acquisition and Processing Costs

Deferred acquisition and processing costs represent commission, policy administration and similar expenses directly related to the acquisition and processing of policies, which are deferred over the period relating to the underlying unearned premiums. As at 31 December 2024, the Company and Group had £2.0m (2023 – £2.5m) of deferred acquisition costs and £1.2m (2023 – £0.8m) of deferred processing costs.

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

D.1.11 Other Assets

Other assets of £0.5m (2023 – £0.3m) on a GAAP basis represent accrued interest and prepayments. On a Solvency II valuation basis, accrued interest is allocated to the relevant investment to which it relates. Prepayments do not result in cash flows and therefore do not have a Solvency II value.

D.2 Technical Provisions

Technical Provisions represent the insurance liabilities as at the reporting date. The Company’s gross and net Technical Provisions by business line are set out in the table below:

MICL	As at 31 December 2024				
	Motor Liability £'000	Other Motor £'000	Miscellaneous Financial Loss £'000	Assistance £'000	Total £'000
Gross Best Estimate Technical Provisions	199,033	9,778	18	(21)	208,807
Risk Margin	1,770	61	0	(0)	1,831
Total Gross Technical Provisions	**200,803**	**9,839**	**19**	**(22)**	**210,639**
Reinsurance Recoverables	(163,011)	(5,644)	-	-	(168,655)
Net Technical Provisions	**37,791**	**4,195**	**19**	**(22)**	**41,984**

MICL	As at 31 December 2023				
	Motor Liability £'000	Other Motor £'000	Miscellaneous Financial Loss £'000	Assistance £'000	Total £'000
Gross Best Estimate Technical Provisions	200,174	8,140	14	(21)	208,307
Risk Margin	1,912	61	0	(0)	1,973
Total Gross Technical Provisions	**202,086**	**8,201**	**14**	**(21)**	**210,280**
Reinsurance Recoverables	(155,703)	(5,720)	-	-	(161,424)
Net Technical Provisions	**46,383**	**2,481**	**14**	**(21)**	**48,856**

The Group's gross and net Technical Provisions by business line are set out in the table below:

MHGL	As at 31 December 2024				
	Motor Liability £'000	Other Motor £'000	Miscellaneous Financial Loss £'000	Assistance £'000	Total £'000
Gross Best Estimate Technical Provisions	199,035	9,778	18	(21)	208,810
Risk Margin	1,778	62	0	(0)	1,840
Total Gross Technical Provisions	**200,814**	**9,840**	**19**	**(22)**	**210,650**
Reinsurance Recoverables	(162,831)	(5,638)	-	-	(168,469)
Net Technical Provisions	**37,982**	**4,202**	**19**	**(22)**	**42,181**

D.2.1 Bases, Methods and Assumptions

D.2.1.1 Best Estimate

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

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

D.2.1.2 Expenses

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

D.2.1.3 Events Not in Data

There may be possible future events which are not reflected in the historical data of the Company or the market.

Such events are referred to as Events Not in Data ("ENIDs").

The Company considers a number of scenarios and events which could occur and assesses their potential impact. Where this assessment concludes that the negative impact of ENIDs (i.e. increasing reserves) is greater than the potential positive impact (i.e. decreasing reserves), the Company makes provision for such events.

At 31 December 2024, management made a provision for ENIDs of £0.65m (2023 - £0.34m).

D.2.1.4 Bound but not Incepted

MICL may be contractually obligated to write certain business at the year end, although the risks will not incept until the following year. For example, renewal business for January 2025 will be invited prior to 31 December 2024. This may, however, be wholly or partially offset through future cancellations of existing business.

On a statutory account basis, a provision has been made in the current year for bound but not incepted risks, although the impact on the solvency position is not material.

D.2.1.5 Discounting

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

D.2.1.6 Risk Margin

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

D.2.1.7 Allocation to Lines of Business

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

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

D.2.1.8 Reinsurance Recoverables

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

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

D.2.2 Simplifications

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

D.2.3 Uncertainty

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

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

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

D.2.4 Differences between Solvency II and GAAP Valuation

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

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

The table below shows the movement from GAAP technical provisions to Solvency II technical provisions on both a Group and Solo entity basis:

MICL	As at 31 December 2024		
	Gross Technical Reserves £'000	Reinsurance Recoverables £'000	Total £'000
GAAP Reserves	**246,103**	**198,757**	**47,347**
Remove Unearned Premium	(34,273)	(30,463)	(3,810)
Claims on Unexpired Risks	26,378	19,684	6,695
Receivables/Payables	(6,569)	71	(6,640)
Run-off Expenses and Other Adjustments	(450)	(1,561)	1,111
Effect of Discounting	(22,383)	(17,832)	(4,551)
Risk Margin	1,831		1,831
Solvency II Technical Provisions	**210,639**	**168,655**	**41,984**

MICL	As at 31 December 2023		
	Gross Technical Reserves £'000	Reinsurance Recoverables £'000	Total £'000
GAAP Reserves	**260,556**	**207,812**	**52,744**
Remove Unearned Premium	(35,637)	(32,302)	(3,335)
Claims on Unexpired Risks	24,958	19,080	5,877
Receivables/Payables	(14,548)	(11,421)	(3,126)
Run-off Expenses and Other Adjustments	(7,426)	(33)	(7,392)
Effect of Discounting	(19,596)	(15,511)	(4,085)
Risk Margin	1,973	-	1,973
Solvency II Technical Provisions	**210,280**	**167,624**	**42,656**

MHGL	As at 31 December 2024		
	Gross Technical Reserves £'000	Reinsurance Recoverables £'000	Total £'000
GAAP Reserves	**246,103**	**198,565**	**47,539**
Remove Unearned Premium	(34,273)	(30,463)	(3,810)
Claims on Unexpired Risks	26,378	19,684	6,695
Receivables/Payables	(6,569)	71	(6,640)
Run-off Expenses and Other Adjustments	(293)	(1,574)	1,281
Effect of Discounting	(22,383)	(17,813)	(4,569)
BBNI	(154)	-	(154)
Risk Margin	1,840	-	1,840
Solvency II Technical Provisions	**210,650**	**168,469**	**42,181**

Transitional adjustments

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

D.2.5 Changes over the Period

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

D.3 Other Liabilities

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

The material classes of liabilities as at 31 December 2024, except for gross technical provisions, are as set out in the tables below on a solo basis:

MICL	As at 31 December 2024	
	Solvency II Value	GAAP
	£'000	£'000
Insurance & intermediaries payables	-	-
Reinsurance payables	-	2,976
Derivatives	13,895	-
Payables (trade, not insurance)	1,613	3,755
Deferred acquisition cost - reinsurer's share	-	1,375
Deferred Co-insurance commission	-	-
Deferred Reinsurance commission	-	5,580

MICL	As at 31 December 2023	
	Solvency II Value	GAAP
	£'000	£'000
Insurance & intermediaries payables	-	-
Reinsurance payables	-	15,126
Derivatives	15,071	-
Payables (trade, not insurance)	2,710	5,687
Deferred acquisition cost - reinsurer's share	-	2,052
Deferred Co-insurance commission	-	-
Deferred Reinsurance commission	-	2,999

The material classes of liabilities as at 31 December 2024, except for gross technical provisions, are as set out in the tables below on a group basis:

MHGL	As at 31 December 2024	
	Solvency II Value	GAAP
	£'000	£'000
Insurance & intermediaries payables	-	590
Reinsurance payables	-	2,976
Derivatives	13,895	-
Payables (trade, not insurance)	1,829	3,971
Deferred acquisition cost - reinsurer's share	-	1,375
Deferred Co-insurance commission	-	-
Deferred Reinsurance commission	-	5,580

D.3.1 Insurance and Intermediaries Payables

MICL cedes premium to highly rated reinsurers. Settlements with the reinsurance partners are made on a quarterly basis, and this item represents the net amount due for settlement, being premiums owed less claims, less commission due to Mulsanne. These amounts are shown as amounts due due/from reinsurers. The co-insurance arrangements were not renewed in 2021, but prior year arrangements continue to run-off and as a result, there were no amounts due to the co-insurer at 31 December 2024 Mulsanne (2023 – nil).

The balance is valued at fair value, being the amount that is due for settlement. The key estimate in deriving the balance is the actuarial best estimate loss ratio, as this drives the commission receivable, which varies depending on the performance of the business.

The valuation basis is the same for GAAP and Solvency II purposes; although for Solvency II purposes the premium debtors not yet collected and owed to the co-insurance partner have been set against the amount owed. The resulting balances are included in insurance and intermediary receivables. There have been no changes in the valuation approach during the year.

D.3.2 Reinsurance Payables

As at 31 December 2024 MICL had reinsurance payables of £2.9m (2023 – £1.9m) on a GAAP basis, being payments due under the Quota Share and Excess of Loss arrangements, along with amounts payable under the LPT reinsurance contract. The amount due under the Excess of Loss arrangement represents premium above the deposit premiums paid during the year. The amount due under the Quota Share arrangement represents the reinsurer's share of premiums net of claims and commission to Mulsanne which has not yet been settled. Settlements are made in arrears on a monthly basis.

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

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

D.3.3 Derivatives

As set out under assets, the Company's derivative position has been reported gross for GAAP purpose but is netted down for Solvency II reporting.

D.3.4 Payables (trade, not insurance)

Other payables comprise certain costs, including taxes, due at 31 December 2024 are as set out below:

MICL	£000s 2024	2023
Insurance premium tax payable	2,760	5,129
Amount due to related party	-	25
Claims handling cost provision	(38)	117
Other creditors	-	-
Accruals	733	865
Total	**3,455**	**6,136**

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

D.3.5 Deferred acquisition cost – reinsurer's share

Deferred acquisition costs – reinsurer's share is the portion related to reinsurer's share of the commission and similar expenses directly related to the acquisition of policies, which are deferred over the period relating to the underlying unearned premiums. As at 31 December 2024, Mulsanne had £1.3m (2023 – £4.7m) of deferred acquisition costs.

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

D.3.6 Deferred Co-insurance and Reinsurance Commission

MICL receives commission from its co-insurance and reinsurance partners. This is earned in line with the underlying premium and commission relating to premium unearned at the reporting date is deferred to future periods. As at 31 December 2024, the Company had a total of £5.6m (2023 – £4.3m) of deferred commission.

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

E. Capital Management

E.1 Own funds

E.1.1 Management of Own Funds

E.1.1.1 Objectives, Policies and Processes in Managing Own Funds

Mulsanne has in place a Capital Management Policy to ensure that the Company has the appropriate levels and quality of capital to meet both the SCR and the internal view of capital as determined by the ORSA. The intention is for capital requirements to be met in both the immediate and medium-term future.

While Mulsanne's ORSA process is carried out formally on an annual basis, the capital requirements, and own funds to meet these requirements are considered at least quarterly as part of the quarterly regulatory reporting process. The Board discusses the Company's capital position at all meetings as part of its risk management processes and monitors ongoing performance through monthly management accounts.

Unusual products which may be considered to improve the capital position, such as the LPT purchased in April 2019, will undergo a thorough review, discussion and challenge by the Board and Regulator to assess their appropriateness given the Company's risk profile and appetite. Similarly, any unusual investments will be thoroughly reviewed to consider the SCR implications and compliance with the prudent person principle.

There have been no changes in capital management policies or processes during the period.

E.1.1.2 Time Horizon for Business Planning and Material Changes

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

E.1.2 Description of Own Funds

E.1.2.1 Structure, Amount and Quality of own funds

The Company currently only has basic own funds and no ancillary own funds. Own funds are comprised entirely of Share Capital, Share Premium and the Reconciliation Reserve and therefore all qualify as Tier 1 funds During 2024 the Company allotted 6,857 fully paid-up ordinary shares for a consideration of £22.5m to Mulsanne Holdings (Gibraltar) Limited.

MICL	As at 31 December 2024				
	Share Capital	Share Premium	Reconciliation Reserve	Deferred Tax asset	Total Own Funds
	£'000	£'000	£'000	£'000	£'000
At 1 January 2024	**166**	**60,438**	**(29,696)**	**-**	**30,909**
Capital Injections during the year	7	22,493		-	22,500
Movement in the Reconciliation Reserve	-	-	(21,377)	-	(21,377)
At 31 December 2024	**173**	**82,931**	**(51,072)**	**-**	**32,032**

MICL	As at 31 December 2023				
	Share Capital	Share Premium	Reconciliation Reserve	Deferred Tax asset	Total Own Funds
	£'000	£'000	£'000	£'000	£'000
At 1 January 2023	**102**	**38,502**	**(10,407)**	**-**	**28,197**
Capital Injections during the year	64	21,936	-	-	22,000
Movement in the Reconciliation Reserve	-	-	(19,289)	-	(19,289)
At 31 December 2023	**166**	**60,438**	**(29,696)**	**-**	**30,909**

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

The Group's currently only has basic own funds and no ancillary own funds. Own funds are comprised entirely of Share Capital, Share Premium and the Reconciliation Reserve and therefore all qualify as Tier 1 funds During 2024.

MHGL	As at 31 December 2024				
	Share Capital	Share Premium	Reconciliation Reserve	Deferred Tax asset	Total Own Funds
	£'000	£'000	£'000	£'000	£'000
At 1 January 2024	**166**	**60,438**	**(20,505)**		**40,100**
Capital Injections during the year	(84)	(870)			(954)
Movement in the Reconciliation Reserve			(8,283)		(8,283)
At 31 December 2024	**82**	**59,568**	**(28,788)**		**30,862**

E.1.2.2 Terms and Conditions of Own Fund

The Company and Group's Own Funds are fully comprised of Tier 1 funds and have no terms or conditions attached and there are no restrictions affecting the availability and transferability of the Company's Own Funds. The Own Funds are not redeemable and do not carry any guaranteed dividend or other return.

E.1.2.3 Difference in Own Funds between Financial Statements and Solvency II Valuation

The difference in the valuation of Own Funds as shown in the Financial Statements compared to the Solvency II valuation is due to the valuation differences in the underlying assets and liabilities, as set out in the table below on a solo basis:

MICL	**2024 Own Funds £'000**	**2023 Own Funds £'000**
Own Funds per Financial Statements	**26,673**	**23,440**
Difference in Valuation of net Technical Provisions	2,843	6,863
Removal of Deferred Acquisitions and Processing Costs	(2,614)	(2,045)
Removal of Intangible Assets	-	(48)
Removal of Prepayments	(451)	(300)
Removal of Deferred Commissions	5,580	2,999
	-	-
Deferred tax Asset	-	-
Own Funds per Solvency II Valuation	**32,032**	**30,909**

The difference in the valuation of Own Funds as shown in the Financial Statements compared to the Solvency II valuation is due to the valuation differences in the underlying assets and liabilities. These are set out below on a Group basis:

MHGL	2024 Own Funds £'000
Own Funds per Financial Statements	**26,632**
Difference in Valuation of net Technical Provisions	2,838
Removal of Deferred Acquisitions and Processing Costs	(2,609)
Removal of Intangible Assets	(987)
Removal of Prepayments	(591)
Removal of Deferred Commissions	5,580
Deferred tax Asset	-
Own Funds per Solvency II Valuation	**30,862**

Solvency Capital Requirement and Minimum Capital Requirement

E.2.1 SCR and MCR

MICL's SCR and MCR coverage is set out below:

MICL	2024 £'000	2023 £'000
Own Funds	32,032	30,909
Solvency Capital Requirement	24,499	26,456
SCR Coverage	**130.7%**	**116.8%**
Minimum Capital Requirement	6,125	6,614
MCR Coverage	**523.0%**	**467.3%**

MHGL's SCR and MCR coverage is set out below:

MHGL	**2024 £'000**
Own Funds	30,862
Solvency Capital Requirement	24,437
SCR Coverage	**126.3%**
Minimum Capital Requirement	6,109
MCR Coverage	**505.2%**

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

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

E.2.2 SCR by Risk Module

The following table sets outs Mulsanne's SCR broken down by risk module:

MICL	**2024 £'000**	**2023 £'000**
Market Risk	7,802	8,189
Counterparty Risk	3,868	5,569
Non-Life Underwriting Risk	11,766	12,962
Diversification	(5,526)	(6,369)
Basic Solvency Capital Requirement	**17,910**	**20,351**
Add-on	1,216	-
Operational Risk	5,373	6,105
Solvency Capital Requirement	**24,499**	**26,456**

MHGL	**2024 £'000**
Market Risk	7,806
Counterparty Risk	3,987
Non-Life Underwriting Risk	11,619
Diversification	(5,549)
Basic Solvency Capital Requirement	**17,862**
Add-on	1,216
Operational Risk	5,359
Solvency Capital Requirement	**24,437**

E.2.3 Simplifications

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

E.2.4 Inputs used to Calculate the MCR

The following inputs have been used to calculate the Company's MCR:

MICL	**As at 31 December 2024**	
	Net (of reinsurance) best estimate technical provisions	**Net (of reinsurance) written premiums in the last 12 months**
	£'000	**£'000**
Motor Vehicle Liability	36,021	9,822
Motor Vehicle Other	4,134	971
Assistance	0	406
Miscellaneous Financial Loss	18	43
Linear MCR		4,411
SCR		24,499
Combined MCR		6,125
Absolute Floor of the MCR		3,500
Minimum Capital Requirement		6,125

MICL	**As at 31 December 2023**	
	Net (of reinsurance) best estimate technical provisions	**Net (of reinsurance) written premiums in the last 12 months**
	£'000	**£'000**
Motor Vehicle Liability	37,490	24,525
Motor Vehicle Other	2,510	2,426
Assistance	94	1146
Miscellaneous Financial Loss	62	133
Linear MCR		6,005
SCR		26,155
Combined MCR		6,539
Absolute Floor of the MCR		3,186
Minimum Capital Requirement		6,539

The following inputs have been used to calculate the Group's MCR:

MHGL	As at 31 December 2024	
	Net (of reinsurance) best estimate technical provisions	Net (of reinsurance) written premiums in the last 12 months
	£'000	£'000
Motor Vehicle Liability	36,204	9,822
Motor Vehicle Other	4,140	971
Assistance	0	406
Miscellaneous Financial Loss	18	43
Linear MCR		4,427
SCR		24,437
Combined MCR		6,109
Absolute Floor of the MCR		3,500
Minimum Capital Requirement		6,109

E.2.5 Changes over the Period

There has been no material change to the Company's SCR or MCR during the period.

E.3 Non-Compliance with Minimum Capital Requirement or Solvency Capital Requirement

Due to the insurers financial deterioration during 2024, arising from doubtful debt provisioning and deterioration of the best estimate ultimate loss ratios, the Company witnessed a deterioration in the SCR coverage. On 24 July 2024, pursuant to Section 122 of the Financial Services (Insurance Companies) Regulations 2020, the Mulsanne Insurance Company Board of directors duly notified the GFSC that there would be a risk of a breach of the Solvency Capital Requirement once the Quantitative Reporting Templates were submitted for the period ended 30 June 2024, in August 2024. At the same time the Board duly reported that the directors were engaged with the shareholder to restore the capital position of the insurer to a regulatory capital level above the SCR. During the ensuing period the Board of Directors and Shareholder worked with the GFSC to agree a capital remediation plan, that was set out and agreed in a Letter of Understanding that was entered into in October 2024. As a result of this plan, additional capital was injected into the Company to restore the SCR coverage to 130.7% as at 31 October 2024.

At all times both the Company and the Group remained compliant with the MCR

MHGL

IR.02.01.02 - Balance sheet

		Solvency II value
		C0010
Assets		
Goodwill	**R0010**	
Deferred acquisition costs	**R0020**	
Intangible assets	**R0030**	0
Deferred tax assets	**R0040**	0
Pension benefit surplus	**R0050**	0
Property, plant & equipment held for own use	**R0060**	4
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	65,728
Property (other than for own use)	**R0080**	0
Holdings in related undertakings, including participations	**R0090**	0
Equities	**R0100**	10,884
Equities - listed	**R0110**	0
Equities - unlisted	**R0120**	10,884
Bonds	**R0130**	0
Government Bonds	**R0140**	0
Corporate Bonds	**R0150**	0
Structured notes	**R0160**	0
Collateralised securities	**R0170**	0
Collective Investments Undertakings	**R0180**	40,949
Derivatives	**R0190**	13,895
Deposits other than cash equivalents	**R0200**	0
Other investments	**R0210**	0
Assets held for index-linked and unit-linked contracts	**R0220**	0
Loans and mortgages	**R0230**	18,308
Loans on policies	**R0240**	0
Loans and mortgages to individuals	**R0250**	0
Other loans and mortgages	**R0260**	18,308
Reinsurance recoverables from:	**R0270**	0
Non-life and health similar to non-life	**R0280**	168,469
Life and health similar to life, excluding index-linked and unit-linked	**R0315**	0
Life index-linked and unit-linked	**R0340**	0
Deposits to cedants	**R0350**	0
Insurance and intermediaries receivables	**R0360**	0
Reinsurance receivables	**R0370**	0
Receivables (trade, not insurance)	**R0380**	5,024
Own shares (held directly)	**R0390**	0
Amounts due in respect of own fund items or initial fund called up but not yet paid in	**R0400**	0
Cash and cash equivalents	**R0410**	10,155
Any other assets, not elsewhere shown	**R0420**	0
Total assets	**R0500**	267,688

Liabilities

Technical provisions - total	R0505	0
Technical provisions - non-life	R0510	0
Technical provisions - life	R0515	0
Best estimate - total	R0542	208,810
Best estimate - non-life	R0544	208,810
Best estimate - life	R0546	0
Risk margin - total	R0552	1,840
Risk margin - non-life	R0554	1,840
Risk margin - life	R0556	0
Transitional (TMTP) - life	R0565	0
Other technical provisions	R0730	
Contingent liabilities	R0740	0
Provisions other than technical provisions	R0750	8,130
Pension benefit obligations	R0760	0
Deposits from reinsurers	R0770	0
Deferred tax liabilities	R0780	0
Derivatives	R0790	13,895
Debts owed to credit institutions	R0800	0
Financial liabilities other than debts owed to credit institutions	R0810	0
Insurance & intermediaries payables	R0820	0
Reinsurance payables	R0830	0
Payables (trade, not insurance)	R0840	3,561
Subordinated liabilities	R0850	0
Subordinated liabilities not in Basic Own Funds	R0860	0
Subordinated liabilities in Basic Own Funds	R0870	0
Any other liabilities, not elsewhere shown	R0880	590
Total liabilities	R0900	236,826
Excess of assets over liabilities	R1000	30,862

IR.05.04.02 - Non-life income and expenditure

					All business (including annuities stemming from accepted non-life insurance and reinsurance contracts)	All non-life business (ie excluding annuities stemming from accepted insurance and reinsurance contracts)	Line of Business for: non-life insurance and accepted proportional reinsurance obligations: Motor vehicle liability insurance - personal lines	Line of Business for: non-life insurance and accepted proportional reinsurance obligations: Motor vehicle other motor insurance - personal lines
					C0010	**C0015**	**C0140**	**C0150**
Income	Premiums written	Gross written premiums		**R0110**		95,907	87,276	8,632
			Gross written premiums - insurance (direct)	**R0111**		95,907	87,276	8,632
			Gross written premiums - accepted reinsurance	**R0113**		0	0	0
		Net written premiums		**R0160**		11,243	10,231	1,012
	Premiums earned and	Gross earned premiums		**R0210**		96,755	88,047	8,708
		Net earned premiums		**R0220**		10,433	9,494	939
Expenditure	Claims incurred	Gross (undiscounted) claims incurred		**R0610**		80,434	73,195	7,239
			Gross (undiscounted) direct business	**R0611**		80,434	73,195	7,239
			Gross (undiscounted) reinsurance accepted	**R0612**		0	0	0
		Net (undiscounted) claims incurred		**R0690**		20,409	18,573	1,837
		Net (discounted) claims incurred		**R0730**	20,409	20,409		
	Analysis of expenses	Technical expenses incurred net of reinsurance ceded		**R0910**	2,843			
		Acquisition costs, commissions, claims management costs		**R0985**	5,372	5,372	4,889	483
	Other expenditure	Other expenses		**R1140**	16,191			
	Total expenditure			**R1310**	0			

IR.05.02.01 - Premiums, claims and expenses by country

			Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
			C0010	C0020	C0030	C0040	C0050	C0060	C0070
		R0010		GB					
			C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written	Gross - Direct Business	R0110	0	95,907	0	0	0	0	0
	Gross - Proportional reinsurance	R0120	0	0	0	0	0	0	0
	Gross - Non-proportional	R0130	0	0	0	0	0	0	0
	Reinsurers' share	R0140	0	84,665	0	0	0	0	0
	Net	R0200	0	11,243	0	0	0	0	0
Premiums earned	Gross - Direct Business	R0210	0	96,755	0	0	0	0	0
	Gross - Proportional reinsurance	R0220	0	0	0	0	0	0	0
	Gross - Non-proportional	R0230	0	0	0	0	0	0	0
	Reinsurers' share	R0240	0	86,322	0	0	0	0	0
	Net	R0300	0	10,433	0	0	0	0	0
Claims incurred	Gross - Direct Business	R0310	0	80,434	0	0	0	0	0
	Gross - Proportional reinsurance	R0320	0	0	0	0	0	0	0
	Gross - Non-proportional	R0330	0	0	0	0	0	0	0
	Reinsurers' share	R0340	0	60,024	0	0	0	0	0
	Net	R0400	0	20,409	0	0	0	0	0
Net expenses incurred		R0550	0	24,406	0	0	0	0	0

IR.23.01.04 - Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
Basic own funds		C0010	C0020	C0030	C0040	C0050
Ordinary share capital (gross of own shares)	R0010	82	82		0	
Non-available called but not paid in ordinary share capital at group level	R0020	0	0		0	
Share premium account related to ordinary share capital	R0030	59,568	59,568		0	
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	0	0		0	
Subordinated mutual member accounts	R0050	0		0	0	0
Non-available subordinated mutual member accounts at group level	R0060	0		0	0	0
Surplus funds	R0070	0	0			
Non-available surplus funds at group level	R0080	0	0			
Preference shares	R0090	0		0	0	0
Non-available preference shares at group level	R0100	0		0	0	0
Share premium account related to preference shares	R0110	0		0	0	0
Non-available share premium account related to preference shares at group level	R0120	0		0	0	0
Reconciliation reserve	R0130	-28,788	-28,788			
Subordinated liabilities	R0140	0		0	0	0
Non-available subordinated liabilities at group level	R0150	0		0	0	0
An amount equal to the value of net deferred tax assets	R0160	0				0
The amount equal to the value of net deferred tax assets not available at the group level	R0170	0				0
Other items approved by supervisory authority as basic own funds not specified above	R0180	0	0	0	0	0
Non available own funds related to other own funds items approved by supervisory authority	R0190	0	0	0	0	0
Minority interests (if not reported as part of a specific own fund item)	R0200	0	0	0	0	0
Non-available minority interests at group level	R0210	0	0	0	0	0
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	0				
Deductions						
Deductions for participations where there is non-availability of information	R0250	0	0	0	0	0
Deduction for participations included by using D&A when a combination of methods is used	R0260	0	0	0	0	0
Total of non-available own fund items	R0270	0	0	0	0	0
Total deductions	R0280	0	0	0	0	0
Total basic own funds after deductions	R0290	30,862	30,862	0	0	0
Own funds when using the D&A, exclusively or in combination of method 1						
Own funds aggregated when using the D&A and combination of method	R0450	0	0	0	0	0
Own funds aggregated when using the D&A and combination of method net of IGT	R0460	0	0	0	0	0
Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings	R0520	30,862	30,862	0	0	0
Total available own funds to meet the minimum consolidated group SCR	R0530	30,862	30,862	0	0	
Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings	R0560	30,862	30,862	0	0	0
Total eligible own funds to meet the minimum consolidated group SCR	R0570	30,862	30,862	0	0	
Consolidated Group SCR	R0590	24,437				
Minimum consolidated Group SCR	R0610	6,103				
Ratio of Eligible own funds to the consolidated Group SCR (excluding other financial sectors and the	R0630	1.2629				
Ratio of Eligible own funds to Minimum Consolidated Group SCR	R0650	5.0517				
Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)	R0660	0	0	0	0	0
SCR for entities included with D&A method	R0670	0				
Group SCR	R0680	0				
Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	R0690	0.0000				

		c
Reconciliation reserve		C0060
Excess of assets over liabilities	R0700	30,862
Own shares (held directly and indirectly)	R0710	0
Foreseeable dividends, distributions and charges	R0720	0
Deductions for particpations in financial and credit institutions	R0725	0
Other basic own fund items	R0730	59,650
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	0
Other non available own funds	R0750	0
Reconciliation reserve	R0760	-28,788

IR.25.04.22 - Solvency Capital Requirement

Rows		C0010
Net of loss-absorbing capacity of technical provisions		
Market risk	R0140	7,806
Interest rate risk	R0070	431
Equity risk	R0080	4,124
Property risk	R0090	0
Spread risk	R0100	1,527
Concentration risk	R0110	5,423
Currency risk	R0120	40
Other market risk	R0125	0
Diversification within market risk	R0130	-3,739
Counterparty default risk	R0180	3,987
Type 1 exposures	R0150	3,544
Type 2 exposures	R0160	567
Other counterparty risk	R0165	0
Diversification within counterparty default risk	R0170	-124
Non-life underwriting risk	R0370	11,619
Non-life premium and reserve risk	R0330	11,467
Non-life catastrophe risk	R0340	560
Lapse risk	R0350	0
Other non-life underwriting risk	R0355	0
Diversification within non-life underwriting risk	R0360	-407
Intangible asset risk	R0400	0
Operational and other risks	R0430	5,359
Operational risk	R0422	5,359
Other risks	R0424	0
Total before all diversification	R0432	33,041
Total before diversification between risk modules	R0434	28,771
Diversification between risk modules	R0436	-5,549
Total after diversification	R0438	23,221
Loss-absorbing capacity of technical provisions	R0440	0
Loss-absorbing capacity of deferred taxes	R0450	0
Other adjustments	R0455	0
Solvency capital requirement including undisclosed capital add-on	R0460	23,221
Disclosed capital add-on - excluding residual model limitation	R0472	1,216
Disclosed capital add-on - residual model limitation	R0474	0
Solvency capital requirement including capital add-on	R0480	24,437
Biting interest rate scenario	R0490	Decrease
Biting life lapse scenario	R0495	
Information on other entities		
Capital requirement for other financial sectors (Non-insurance capital requirements)	R0500	0
Capital requirement for other financial sectors (Non-insurance capital requirements) - Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	R0510	0
Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational retirement provisions	R0520	0
Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement for non- regulated entities carrying out financial activities	R0530	0
Capital requirement for non-controlled participation requirements	R0540	0
Capital requirement for residual undertakings	R0550	0
Overall SCR		
Solvency capital requirement (consolidation method)	R0555	24,437
SCR for undertakings included via D and A	R0560	0
SCR for sub-groups included via D and A	R0565	0
Solvency capital requirement	R0570	24,437

IR.32.01.22 - Undertakings in the scope of the group

Identification code of the undertaking	Type of identification code of the undertaking	Country	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority	Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
								% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if excluded	Method used and under method 1, treatment of the undertaking
C0020	C0030	C0010	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
213800974MMOM5RC5825	LEI	GI	Mulsanne Insurance Company Limited	2	Limited Company		Gibraltar Financial Services Commission	100.0000	100.0000	100.0000		1	100.0000	1	2025-10-11	1
KCASL	SC	GB	Key Claims and Administration Limited	11	Limited Company		Gibraltar Financial Services Commission	100.0000	100.0000	100.0000		1	100.0000	1	2025-10-11	1

MICL

IR.02.01.02 - Balance sheet

		Solvency II value
		C0010
Assets		
Goodwill	**R0010**	
Deferred acquisition costs	**R0020**	
Intangible assets	**R0030**	0
Deferred tax assets	**R0040**	0
Pension benefit surplus	**R0050**	0
Property, plant & equipment held for own use	**R0060**	0
Investments (other than assets held for index-linked and unit-linked	**R0070**	65,728
Property (other than for own use)	**R0080**	0
Holdings in related undertakings, including participations	**R0090**	0
Equities	**R0100**	10,884
Equities - listed	**R0110**	0
Equities - unlisted	**R0120**	10,884
Bonds	**R0130**	0
Government Bonds	**R0140**	0
Corporate Bonds	**R0150**	0
Structured notes	**R0160**	0
Collateralised securities	**R0170**	0
Collective Investments Undertakings	**R0180**	40,949
Derivatives	**R0190**	13,895
Deposits other than cash equivalents	**R0200**	0
Other investments	**R0210**	0
Assets held for index-linked and unit-linked contracts	**R0220**	0
Loans and mortgages	**R0230**	18,308
Loans on policies	**R0240**	0
Loans and mortgages to individuals	**R0250**	0
Other loans and mortgages	**R0260**	18,308
Reinsurance recoverables from:	**R0270**	168,655
Non-life and health similar to non-life	**R0280**	168,655
Life and health similar to life, excluding index-linked and unit-linked	**R0315**	0
Life index-linked and unit-linked	**R0340**	0
Deposits to cedants	**R0350**	0
Insurance and intermediaries receivables	**R0360**	0
Reinsurance receivables	**R0370**	0
Receivables (trade, not insurance)	**R0380**	4,977
Own shares (held directly)	**R0390**	0
Amounts due in respect of own fund items or initial fund called up but not	**R0400**	0
Cash and cash equivalents	**R0410**	10,085
Any other assets, not elsewhere shown	**R0420**	0
Total assets	**R0500**	267,753

Liabilities		
Technical provisions - total	**R0505**	210,639
Technical provisions - non-life	**R0510**	210,639
Technical provisions - life	**R0515**	0
Best estimate - total	**R0542**	208,807
Best estimate - non-life	**R0544**	208,807
Best estimate - life	**R0546**	0
Risk margin - total	**R0552**	1,831
Risk margin - non-life	**R0554**	1,831
Risk margin - life	**R0556**	0
Transitional (TMTP) - life	**R0565**	0
Other technical provisions	**R0730**	
Contingent liabilities	**R0740**	0
Provisions other than technical provisions	**R0750**	8,130
Pension benefit obligations	**R0760**	0
Deposits from reinsurers	**R0770**	0
Deferred tax liabilities	**R0780**	0
Derivatives	**R0790**	13,895
Debts owed to credit institutions	**R0800**	0
Financial liabilities other than debts owed to credit institutions	**R0810**	0
Insurance & intermediaries payables	**R0820**	0
Reinsurance payables	**R0830**	0
Payables (trade, not insurance)	**R0840**	3,058
Subordinated liabilities	**R0850**	0
Subordinated liabilities not in Basic Own Funds	**R0860**	0
Subordinated liabilities in Basic Own Funds	**R0870**	0
Any other liabilities, not elsewhere shown	**R0880**	0
Total liabilities	**R0900**	235,721
Excess of assets over liabilities	**R1000**	32,032

IR.05.04.02 - Non-life income and expenditure

					All business (including annuities stemming from accepted non-life insurance and reinsurance contracts)	All non-life business (ie excluding annuities stemming from accepted insurance and reinsurance contracts)	Line of Business for: non-life insurance and accepted proportional reinsurance obligations: Motor vehicle liability insurance - personal lines	Line of Business for: non-life insurance and accepted proportional reinsurance obligations: Motor vehicle other motor insurance - personal lines
					C0010	**C0015**	**C0140**	**C0150**
Income	Premiums written	Gross written premiums		**R0110**		95,907	87,276	8,632
			Gross written premiums - insurance (direct)	**R0111**		95,907	87,276	8,632
			Gross written premiums - accepted reinsurance	**R0113**		0	0	0
		Net written premiums		**R0160**		11,243	10,231	1,012
	Premiums earned and provision for unearned	Gross earned premiums		**R0210**		96,755	88,047	8,708
		Net earned premiums		**R0220**		10,433	9,494	939
Expenditure	Claims incurred	Gross (undiscounted) claims incurred		**R0610**		323,813	307,193	16,584
			Gross (undiscounted) direct business	**R0611**		323,813	307,193	16,584
			Gross (undiscounted) reinsurance accepted	**R0612**		0	0	0
		Net (undiscounted) claims incurred		**R0690**		70,837	66,977	3,825
		Net (discounted) claims incurred		**R0730**	70,837	70,837		
	Analysis of expenses incurred	Technical expenses incurred net of reinsurance ceded		**R0910**	21,118			
		Acquisition costs, commissions, claims management costs		**R0985**	0	0	0	0
	Other expenditure	Other expenses		**R1140**	0			
	Total expenditure			**R1310**	91,439			

IR.05.02.01 - Premiums, claims and expenses by country

			Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
			C0010	C0020	C0030	C0040	C0050	C0060	C0070
		R0010		GI					
			C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written	Gross - Direct Business	**R0110**	95,907	0	0	0	0	0	95,907
	Gross - Proportional reinsurance	**R0120**	0	0	0	0	0	0	0
	Gross - Non-proportional	**R0130**	0	0	0	0	0	0	0
	Reinsurers' share	**R0140**	84,665	0	0	0	0	0	84,665
	Net	**R0200**	11,243	0	0	0	0	0	11,243
Premiums earned	Gross - Direct Business	**R0210**	96,755	0	0	0	0	0	96,755
	Gross - Proportional reinsurance	**R0220**	0	0	0	0	0	0	0
	Gross - Non-proportional	**R0230**	0	0	0	0	0	0	0
	Reinsurers' share	**R0240**	86,322	0	0	0	0	0	86,322
	Net	**R0300**	10,433	0	0	0	0	0	10,433
Claims incurred	Gross - Direct Business	**R0310**	323,813	0	0	0	0	0	323,813
	Gross - Proportional reinsurance	**R0320**	0	0	0	0	0	0	0
	Gross - Non-proportional	**R0330**	0	0	0	0	0	0	0
	Reinsurers' share	**R0340**	252,975	0	0	0	0	0	252,975
	Net	**R0400**	70,837	0	0	0	0	0	70,837
Net expenses incurred		**R0550**	21,118	0	0	0	0	0	21,118

IR.17.01.02 - Non-Life Technical Provisions

		Direct business and accepted		Total Non-Life obligation
		Motor vehicle liability insurance	Other motor insurance	
Best estimate		**C0050**	**C0060**	**C0180**
Premium provisions				
Gross	**R0060**	14,699	3,398	18,098
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**	15,437	534	15,971
Net Best Estimate of Premium Provisions	**R0150**	-738	2,864	2,127
Claims provisions				
Gross	**R0160**	184,334	6,380	190,709
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**	147,575	5,109	152,684
Net Best Estimate of Claims Provisions	**R0250**	36,759	1,271	38,025
Total Best estimate - gross	**R0260**	199,033	9,778	208,807
Total Best estimate - net	**R0270**	36,021	4,134	40,152
Risk margin	**R0280**	1,770	61	1,831
Technical provisions - total (best estimate plus risk margin)				
Technical provisions - total	**R0320**	200,803	9,839	210,639
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**	163,011	5,644	168,655
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0340**	37,791	4,195	41,984

IR.19.01.21 - Non-life Insurance Claims Information (simplified template for the public disclosure)

Total Non-Life Business

Accident year / Underwriting year	Z0020	Underwriting year [UWY]

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

Development year

Year		0	1	2	3	4	5	6	7	8	9	10 & +	In Current year	Sum of years (cumulative)
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
Prior	R0100											0	0	0
N-9	R0160	3,695	8,776	3,754	2,572	1,347	769	788	197	796	330		330	23,022
N-8	R0170	4,119	9,371	4,008	3,292	2,163	760	3,227	93	1,718			1,718	28,753
N-7	R0180	3,678	8,460	3,203	1,473	1,745	3,245	10,120	1,087				1,087	33,011
N-6	R0190	4,940	8,528	2,766	2,155	993	1,826	279					279	21,488
N-5	R0200	4,795	9,247	3,701	2,521	1,959	8,586						8,586	30,810
N-4	R0210	6,871	15,550	4,495	2,168	5,009							5,009	34,092
N-3	R0220	9,137	38,307	16,088	14,695								14,695	78,228
N-2	R0230	26,549	71,311	31,241									31,241	129,101
N-1	R0240	21,447	33,425										33,425	54,871
N	R0250	15,022											15,022	15,022
												Total	111,392	448,400

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

Development year

Year		0	1	2	3	4	5	6	7	8	9	10 & +	Year end (discounted data)
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
Prior	R0100											41	37
N-9	R0160	0	21,741	17,870	12,969	12,514	14,212	13,735	14,082	25,332	21,052		18,997
N-8	R0170	15,740	22,038	16,291	12,002	8,248	9,278	2,035	1,087	13			12
N-7	R0180	11,218	17,779	14,479	10,340	9,067	6,102	690	16				15
N-6	R0190	12,912	14,822	6,114	4,433	2,812	388	67					60
N-5	R0200	15,509	19,759	16,613	12,121	12,426	4,487						4,049
N-4	R0210	17,323	17,784	11,389	8,268	2,441							2,203
N-3	R0220	31,905	47,560	44,424	32,256								29,107
N-2	R0230	62,451	78,968	67,922									61,289
N-1	R0240	45,112	48,668										43,915
N	R0250	35,456											31,994
												Total	191,677

IR.23.01.01 - Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
Basic own funds		**C0010**	**C0020**	**C0030**	**C0040**	**C0050**
Ordinary share capital (gross of own shares)	**R0010**	173	173		0	
Share premium account related to ordinary share capital	**R0030**	82,931	82,931		0	
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	**R0040**	0	0		0	
Subordinated mutual member accounts	**R0050**	0		0	0	0
Surplus funds	**R0070**	0	0			
Preference shares	**R0090**	0		0	0	0
Share premium account related to preference shares	**R0110**	0		0	0	0
Reconciliation reserve	**R0130**	-51,072	-51,072			
Subordinated liabilities	**R0140**	0		0	0	0
An amount equal to the value of net deferred tax assets	**R0160**	0				0
Other own fund items approved by the supervisory authority as basic own funds not specified above	**R0180**	0	0	0	0	0
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	**R0220**	0				
Total basic own funds	**R0290**	32,032	32,032	0	0	0
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	**R0300**	0			0	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	**R0310**	0			0	
Unpaid and uncalled preference shares callable on demand	**R0320**	0			0	0
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	**R0330**	0			0	0
Letters of credit and guarantees	**R0340**	0			0	
Letters of credit and guarantees other	**R0350**	0			0	0
Supplementary members calls	**R0360**	0			0	
Supplementary members calls - other	**R0370**	0			0	0
Other ancillary own funds	**R0390**	0			0	0
Total ancillary own funds	**R0400**	0			0	0
Available and eligible own funds						
Total available own funds to meet the SCR	**R0500**	32,032	32,032	0	0	0
Total available own funds to meet the MCR	**R0510**	32,032	32,032	0	0	
Total eligible own funds to meet the SCR	**R0540**	32,032	32,032	0	0	0
Total eligible own funds to meet the MCR	**R0550**	32,032	32,032	0	0	
SCR	**R0580**	24,499				
MCR	**R0600**	6,125				
Ratio of Eligible own funds to SCR	**R0620**	1.3075				
Ratio of Eligible own funds to MCR	**R0640**	5.2299				

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		c
Reconciliation reserve		**C0060**
Excess of assets over liabilities	**R0700**	32,032
Own shares (held directly and indirectly)	**R0710**	0
Foreseeable dividends, distributions and charges	**R0720**	0
Deductions for participations in financial and credit institutions	**R0725**	0
Other basic own fund items	**R0730**	83,104
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	**R0740**	0
Reconciliation reserve	**R0760**	-51,072

IR.25.04.21 - Solvency Capital Requirement

Rows		C0010
Net of loss-absorbing capacity of technical provisions		
Market risk	**R0140**	7,802
Interest rate risk	**R0070**	422
Equity risk	**R0080**	4,124
Property risk	**R0090**	0
Spread risk	**R0100**	1,527
Concentration risk	**R0110**	5,423
Currency risk	**R0120**	40
Other market risk	**R0125**	0
Diversification within market risk	**R0130**	-3,734
Counterparty default risk	**R0180**	3,868
Type 1 exposures	**R0150**	3,430
Type 2 exposures	**R0160**	560
Other counterparty risk	**R0165**	0
Diversification within counterparty default risk	**R0170**	-122
Non-life underwriting risk	**R0370**	11,766
Non-life premium and reserve risk (ex catastrophe risk)	**R0330**	11,613
Non-life catastrophe risk	**R0340**	560
Lapse risk	**R0350**	0
Other non-life underwriting risk	**R0355**	0
Diversification within non-life underwriting risk	**R0360**	-407
Intangible asset risk	**R0400**	0
Operational and other risks	**R0430**	5,373
Operational risk	**R0422**	5,373
Other risks	**R0424**	0
Total before all diversification	**R0432**	33,072
Total before diversification between risk modules	**R0434**	28,809
Diversification between risk modules	**R0436**	-5,526
Total after diversification	**R0438**	23,283
Loss-absorbing capacity of technical provisions	**R0440**	0
Loss-absorbing capacity of deferred taxes	**R0450**	0
Other adjustments	**R0455**	0
Solvency capital requirement including undisclosed capital add-on	**R0460**	23,283
Disclosed capital add-on - excluding residual model limitation	**R0472**	1,216
Disclosed capital add-on - residual model limitation	**R0474**	0
Solvency capital requirement including capital add-on	**R0480**	24,499
Biting interest rate scenario	**R0490**	Decrease
Biting life lapse scenario	**R0495**	

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

		MCR components
		C0010
MCRNL Result	**R0010**	4,413

		Background information	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	**C0030**
Medical expense insurance and proportional reinsurance	**R0020**	0	0
Income protection insurance and proportional reinsurance	**R0030**	0	0
Workers' compensation insurance and proportional reinsurance	**R0040**	0	0
Motor vehicle liability insurance and proportional reinsurance	**R0050**	36,021	10,231
Other motor insurance and proportional reinsurance	**R0060**	4,134	1,012
Marine, aviation and transport insurance and proportional reinsurance	**R0070**	0	0
Fire and other damage to property insurance and proportional reinsurance	**R0080**	0	0
General liability insurance and proportional reinsurance	**R0090**	0	0
Credit and suretyship insurance and proportional reinsurance	**R0100**	0	0
Legal expenses insurance and proportional reinsurance	**R0110**	0	0
Assistance and proportional reinsurance	**R0120**	0	0
Miscellaneous financial loss insurance and proportional reinsurance	**R0130**	18	0
Non-proportional health reinsurance	**R0140**	0	0
Non-proportional casualty reinsurance	**R0150**	0	0
Non-proportional marine, aviation and transport reinsurance	**R0160**	0	0
Non-proportional property reinsurance	**R0170**	0	0

		c
		C0040
MCRL Result	**R0200**	0

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

		c
		C0070
Linear MCR	**R0300**	4,413
SCR	**R0310**	24,499
MCR cap	**R0320**	11,025
MCR floor	**R0330**	6,125
Combined MCR	**R0340**	6,125
Absolute floor of the MCR	**R0350**	3,500
Minimum Capital Requirement	**R0400**	6,125