

# Lancashire Insurance Company (UK) Ltd

## Solvency and Financial Condition Report

### Disclosures

31 December  
**2025**

(Monetary amounts in USD thousands)

## General information

Entity name	Lancashire Insurance Company (UK) Ltd
Entity identification code and type of code	LEI/213800SEKTC7F87AAE76
Type of undertaking	Non-life undertakings
Country of incorporation	GB
Language of reporting	en
Reporting reference date	31 December 2025
Currency used for reporting	USD
Accounting standards	IFRS
Method of Calculation of the SCR	Standard formula
Matching adjustment	No use of matching adjustment
Volatility adjustment	No use of volatility adjustment
Transitional measure on the risk-free interest rate	No use of transitional measure on the risk-free interest rate
Transitional measure on technical provisions	No use of transitional measure on technical provisions

## List of reported templates

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IR.02.01.02 - Balance sheet

IR.05.02.01 - Premiums, claims and expenses by country: Non-life obligations

IR.05.04.02 - Non-life income and expenditure : reporting period

IR.17.01.02 - Non-Life Technical Provisions

IR.19.01.21 - Non-Life insurance claims

IR.23.01.01 - Own Funds

IR.25.04.21 - Solvency Capital Requirement

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

IR.02.01.02

**Balance sheet**

**Assets**

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

Solvency II value
C0010
0
205,169
0
0
0
195,365
40,965
102,269
0
52,131
9,804
0
0
0
0
353,522
353,522
0
19,822
41,597
12,815
0
12,710
4,015
649,650

		<b>Solvency II value</b>
		C0010
<b>Liabilities</b>		
R0505	Technical provisions - total	377,643
R0510	<i>Technical provisions - non-life</i>	377,643
R0515	<i>Technical provisions - life</i>	0
R0542	Best estimate - total	369,284
R0544	<i>Best estimate - non-life</i>	369,284
R0546	<i>Best estimate - life</i>	
R0552	Risk margin - total	8,359
R0554	<i>Risk margin - non-life</i>	8,359
R0556	<i>Risk margin - life</i>	
R0565	Transitional (TMTP) - life	
R0740	Contingent liabilities	0
R0750	Provisions other than technical provisions	
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	
R0780	Deferred tax liabilities	5,167
R0790	Derivatives	
R0800	Debts owed to credit institutions	
R0810	Financial liabilities other than debts owed to credit institutions	
R0820	Insurance & intermediaries payables	
R0830	Reinsurance payables	27,283
R0840	Payables (trade, not insurance)	15,856
R0850	Subordinated liabilities	0
R0860	<i>Subordinated liabilities not in Basic Own Funds</i>	
R0870	<i>Subordinated liabilities in Basic Own Funds</i>	0
R0880	Any other liabilities, not elsewhere shown	
R0900	<b>Total liabilities</b>	425,949
R1000	<b>Excess of assets over liabilities</b>	223,702

IR.05.02.01

Premiums, claims and expenses by country: Non-life obligations

	C0010	C0020	C0030	C0040	C0050	C0060	C0070
	Top 5 countries (by amount of gross premiums written)						Total Top 5 and home country
Home Country	US						
	C0080	C0090	C0100	C0110	C0120	C0130	C0140
<b>Premiums written</b>							
R0110 Gross - Direct Business	169,090	160,824					329,913
R0120 Gross - Proportional reinsurance accepted	6,329	0					6,329
R0130 Gross - Non-proportional reinsurance accepted	334	0					334
R0140 Reinsurers' share	154,637	136,657					291,294
R0200 Net	21,116	24,166					45,282
<b>Premiums earned</b>							
R0210 Gross - Direct Business	163,622	159,841					323,462
R0220 Gross - Proportional reinsurance accepted	14,983	0					14,983
R0230 Gross - Non-proportional reinsurance accepted	384	0					384
R0240 Reinsurers' share	147,622	130,186					277,809
R0300 Net	31,367	29,654					61,021
<b>Claims incurred</b>							
R0310 Gross - Direct Business	93,103	101,004					194,107
R0320 Gross - Proportional reinsurance accepted	9,962	0					9,962
R0330 Gross - Non-proportional reinsurance accepted	-4,782	0					-4,782
R0340 Reinsurers' share	83,134	80,799					163,934
R0400 Net	15,148	20,205					35,353
R0550 Net expenses incurred	-27,200	-2,431					-29,630





IR.17.01.02  
Non-Life Technical Provisions

	Direct business and accepted proportional reinsurance											Accepted non-proportional reinsurance				Total Non-Life obligation		
	Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance		Non-proportional property reinsurance	
	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180	
<b>Best estimate</b>																		
<b>Premium provisions</b>																		
R0060 Gross							-34,792	2,994	-14,827	-913						-968	-1,865	-50,372
R0140 Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default							-15,265	-10,227	-7,700	35,553						-190	773	2,944
R0150 <b>Net Best Estimate of Premium Provisions</b>							-19,528	13,221	-7,128	-36,466						-778	-2,638	-53,316
<b>Claims provisions</b>																		
R0160 Gross							96,272	191,890	94,118	32,934					841	3,601	419,656	
R0240 Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default							81,124	159,485	76,623	29,623					690	3,032	350,578	
R0250 <b>Net Best Estimate of Claims Provisions</b>							15,148	32,405	17,494	3,311					151	569	69,078	
R0260 <b>Total best estimate - gross</b>							61,480	194,884	79,290	32,021					-127	1,736	369,284	
R0270 <b>Total best estimate - net</b>							-4,380	45,626	10,367	-33,155					-627	-2,069	15,762	
R0280 <b>Risk margin</b>							1,924	4,677	1,400	355					0	1	8,359	
R0320 <b>Technical provisions - total</b>							63,404	199,561	80,691	32,376					-127	1,737	377,643	
R0330 <b>Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total</b>							65,860	149,258	68,924	65,175					500	3,805	353,522	
R0340 <b>Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total</b>							-2,455	50,303	11,767	-32,799					-627	-2,068	24,121	

IR.19.01.21

Non-Life insurance claims

Total Non-life business

Z0020

Accident year / underwriting year

Gross Claims Paid (non-cumulative)															
(absolute amount)															
Year	C0010	C0020	C0030	C0040	C0050		C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180	
	Development year											In Current year	Sum of years (cumulative)		
	0	1	2	3	4	5	6	7	8	9	10 & +				
R0100	Prior											2,600	2,600	2,600	
R0160	-9	19,732	30,801	24,929	13,900	1,807	1,125	592	450	-102	206		206	93,439	
R0170	-8	4,725	21,402	13,903	18,754	16,636	-8,404	-3,910	-4,301	-5,773			-5,773	53,032	
R0180	-7	2,257	63,313	16,701	3,942	3,282	3,301	2,459	1,906				1,906	97,160	
R0190	-6	4,083	12,107	10,973	24,254	1,959	1,423	3,952					3,952	58,750	
R0200	-5	20,852	25,063	12,100	12,687	3,585	3,609						3,609	77,896	
R0210	-4	28,314	55,181	16,914	4,717	13,719							13,719	118,844	
R0220	-3	33,492	37,646	11,014	9,249								9,249	91,401	
R0230	-2	18,630	20,077	26,427									26,427	65,133	
R0240	-1	26,234	40,137										40,137	66,371	
R0250	0	42,996											42,996	42,996	
R0260													<b>Total</b>	<b>139,027</b>	<b>767,623</b>

Gross Undiscounted Best Estimate Claims Provisions														
(absolute amount)														
Year	C0200	C0210	C0220	C0230	C0240		C0250	C0260	C0270	C0280	C0290	C0300	C0360	
	Development year											Year end (discounted data)		
	0	1	2	3	4	5	6	7	8	9	10 & +			
R0100	Prior											36,153	10,712	
R0160	-9	126,667	97,187	51,043	15,213	11,757	-130	2,000	1,543	632	488		478	
R0170	-8	87,336	65,465	42,133	39,624	13,569	10,251	9,228	7,905	7,415			7,158	
R0180	-7	125,354	53,171	21,314	21,379	16,688	14,270	10,141	2,890				2,800	
R0190	-6	84,263	57,930	24,223	9,138	7,348	6,099	4,165					3,990	
R0200	-5	120,117	62,150	37,282	33,164	27,708	13,299						12,754	
R0210	-4	125,393	47,612	24,879	34,020	26,189							24,814	
R0220	-3	115,372	67,900	41,426	41,632								39,479	
R0230	-2	103,752	72,004	41,900									39,683	
R0240	-1	124,956	83,891										79,386	
R0250	0	209,845											198,015	
R0260													<b>Total</b>	<b>419,266</b>

Gross premium			
	C0570	C0580	
	Gross earned premium at reporting reference date	Estimate of future gross earned premium	
R0160	N-9	281,434	0
R0170	N-8	249,305	0
R0180	N-7	228,605	0
R0190	N-6	223,740	0
R0200	N-5	241,436	0
R0210	N-4	292,211	0
R0220	N-3	316,468	0
R0230	N-2	359,696	0
R0240	N-1	379,197	0
R0250	N	376,733	0



IR.25.04.21

**Solvency Capital Requirement**

**Net of loss absorbing capacity of technical provisions**

		C0010
<b>Market risk</b>		
R0070	Interest rate risk	16,231
R0080	Equity risk	0
R0090	Property risk	0
R0100	Spread risk	20,064
R0110	Concentration risk	1,994
R0120	Currency risk	11,002
R0125	Other market risk	
R0130	Diversification within market risk	-17,816
R0140	<b>Total Market risk</b>	<b>31,475</b>
<b>Counterparty default risk</b>		
R0150	Type 1 exposures	4,448
R0160	Type 2 exposures	4,908
R0165	Other counterparty risk	
R0170	Diversification within counterparty default risk	-603
R0180	<b>Total Counterparty default risk</b>	<b>8,753</b>
<b>Life underwriting risk</b>		
R0190	Mortality risk	
R0200	Longevity risk	
R0210	Disability-Morbidity risk	
R0220	Life-expense risk	
R0230	Revision risk	
R0240	Lapse risk	
R0250	Life catastrophe risk	
R0255	Other life underwriting risk	
R0260	Diversification within life underwriting risk	
R0270	<b>Total Life underwriting risk</b>	<b>0</b>
<b>Health underwriting risk</b>		
R0280	Health SLT risk	
R0290	Health non SLT risk	
R0300	Health catastrophe risk	
R0305	Other health underwriting risk	
R0310	Diversification within health underwriting risk	
R0320	<b>Total Health underwriting risk</b>	<b>0</b>
<b>Non-life underwriting risk</b>		
R0330	Non-life premium and reserve risk (ex catastrophe risk)	23,600
R0340	Non-life catastrophe risk	39,700
R0350	Lapse risk	9,773
R0355	Other non-life underwriting risk	
R0360	Diversification within non-life underwriting risk	-21,140
R0370	<b>Non-life underwriting risk</b>	<b>51,933</b>
R0400	<b>Intangible asset risk</b>	
<b>Operational and other risks</b>		
R0422	Operational risk	11,302
R0424	Other risks	
R0430	<b>Total Operational and other risks</b>	<b>11,302</b>
R0432	<b>Total before all diversification</b>	<b>143,021</b>
R0434	Total before diversification between risk modules	103,463
R0436	Diversification between risk modules	-20,231
R0438	<b>Total after diversification</b>	<b>83,232</b>
R0440	Loss absorbing capacity of technical provisions	
R0450	Loss absorbing capacity of deferred tax	
R0455	Other adjustments	
R0460	<b>Solvency capital requirement including undisclosed capital add-on</b>	<b>83,232</b>
R0472	Disclosed capital add-on - excluding residual model limitation	
R0474	Disclosed capital add-on - residual model limitation	
R0480	<b>Solvency capital requirement including capital add-on</b>	<b>83,232</b>
R0490	Biting interest rate scenario	
R0495	Biting life lapse scenario	

IR.28.01.01

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

Linear formula component for non-life insurance and reinsurance obligations

R0010 MCR<sub>NL</sub> Result

C0010

9,742
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Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
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C0020

C0030

R0020	Medical expense insurance and proportional reinsurance
R0030	Income protection insurance and proportional reinsurance
R0040	Workers' compensation insurance and proportional reinsurance
R0050	Motor vehicle liability insurance and proportional reinsurance
R0060	Other motor insurance and proportional reinsurance
R0070	Marine, aviation and transport insurance and proportional reinsurance
R0080	Fire and other damage to property insurance and proportional reinsurance
R0090	General liability insurance and proportional reinsurance
R0100	Credit and suretyship insurance and proportional reinsurance
R0110	Legal expenses insurance and proportional reinsurance
R0120	Assistance and proportional reinsurance
R0130	Miscellaneous financial loss insurance and proportional reinsurance
R0140	Non-proportional health reinsurance
R0150	Non-proportional casualty reinsurance
R0160	Non-proportional marine, aviation and transport reinsurance
R0170	Non-proportional property reinsurance

C0020	C0030
0	
0	
0	
0	
0	
0	10,721
45,626	24,865
10,367	6,784
0	914
0	
0	
0	
0	
0	
0	-10
0	186

Linear formula component for life insurance and reinsurance obligations

R0200 MCR<sub>L</sub> Result

C0040

0
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Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
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C0050

C0060

R0210	Obligations with profit participation - guaranteed benefits
R0220	Obligations with profit participation - future discretionary benefits
R0230	Index-linked and unit-linked insurance obligations
R0240	Other life (re)insurance and health (re)insurance obligations
R0250	Total capital at risk for all life (re)insurance obligations


Overall MCR calculation

R0300	Linear MCR
R0310	SCR
R0320	MCR cap
R0330	MCR floor
R0340	Combined MCR
R0350	Absolute floor of the MCR
R0400	<b>Minimum Capital Requirement</b>

C0070

9,742
83,232
37,454
20,808
20,808
4,723
20,808