Lancashire Insurance Company (UK) Ltd

Solvency and Financial Condition Report

Disclosures

31 December

2021

(Monetary amounts in USD thousands)

General information

Undertaking name
Undertaking identification code
Type of code of undertaking
Type of undertaking
Country of authorisation
Language of reporting
Reporting reference date
Currency used for reporting
Accounting standards
Method of Calculation of the SCR
Matching adjustment

Volatility adjustment
Transitional measure on the risk-free interest rate
Transitional measure on technical provisions

Lancashire Insurance Company (UK) Ltd
213800SEKTC7F87AAE76
LEI
Non-life undertakings
GB
en
31 December 2021
USD
IFRS
Standard formula
No use of matching adjustment
No use of volatility adjustment
No use of transitional measure on the risk-free interest rate
No use of transitional measure on technical provisions

List of reported templates

S.02.01.02 - Balance sheet

 $\ensuremath{\mathsf{S.05.01.02}}$ - Premiums, claims and expenses by line of business

S.05.02.01 - Premiums, claims and expenses by country

S.17.01.02 - Non-Life Technical Provisions

S.19.01.21 - Non-Life insurance claims

S.23.01.01 - Own Funds

S.25.01.21 - Solvency Capital Requirement - for undertakings on Standard Formula

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

5.02.01.02

Balance sheet

		value
	Assets	C0010
R0030	Intangible assets	
R0040	Deferred tax assets	
R0050	Pension benefit surplus	
R0060	Property, plant & equipment held for own use	0
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	200,489
R0080	Property (other than for own use)	0
R0090	Holdings in related undertakings, including participations	0
R0100	Equities	0
R0110	Equities - listed	
R0120	Equities - unlisted	
R0130	Bonds	194,144
R0140	Government Bonds	91,036
R0150	Corporate Bonds	99,183
R0160	Structured notes	0
R0170	Collateralised securities	3,926
R0180	Collective Investments Undertakings	6,345
R0190	Derivatives	
R0200	Deposits other than cash equivalents	0
R0210	Other investments	0
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	0
R0240	Loans on policies	0
R0250	Loans and mortgages to individuals	
R0260	Other loans and mortgages	
R0270	Reinsurance recoverables from:	200,034
R0280	Non-life and health similar to non-life	200,034
R0290	Non-life excluding health	200,034
R0300	Health similar to non-life	0
R0310	Life and health similar to life, excluding index-linked and unit-linked	0
R0320	Health similar to life	
R0330	Life excluding health and index-linked and unit-linked	
R0340	Life index-linked and unit-linked	
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	20,958
R0370	Reinsurance receivables	9,323
R0380	Receivables (trade, not insurance)	
R0390	Own shares (held directly)	
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	24,241
R0420	Any other assets, not elsewhere shown	3,106
R0500	Total assets	458,151

Solvency II

5.02.01.02

Balance sheet

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions - non-life	234,611
R0520	Technical provisions - non-life (excluding health)	234,611
R0530	TP calculated as a whole	0
R0540	Best Estimate	223,314
R0550	Risk margin	11,297
R0560	Technical provisions - health (similar to non-life)	0
R0570	TP calculated as a whole	0
R0580	Best Estimate	0
R0590	Risk margin	0
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	Technical provisions - health (similar to life)	0
R0620	TP calculated as a whole	
R0630	Best Estimate	
R0640	Risk margin	
R0650	Technical provisions - life (excluding health and index-linked and unit-linked)	0
R0660	TP calculated as a whole	
R0670	Best Estimate	
R0680	Risk margin	
R0690	Technical provisions - index-linked and unit-linked	0
R0700	TP calculated as a whole	
R0710	Best Estimate	
R0720	Risk margin	
R0740	Contingent liabilities	0
R0750	Provisions other than technical provisions	
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	
R0780	Deferred tax liabilities	4,668
R0790	Derivatives	
R0800	Debts owed to credit institutions	
R0810	Financial liabilities other than debts owed to credit institutions	
R0820	Insurance & intermediaries payables	0
R0830	Reinsurance payables	8,289
R0840	Payables (trade, not insurance)	14,519
R0850	Subordinated liabilities	0
R0860	Subordinated liabilities not in BOF	
R0870	Subordinated liabilities in BOF	0
R0880	Any other liabilities, not elsewhere shown	0
R0900	Total liabilities	262,087
R1000	Excess of assets over liabilities	196,064

S.05.01.02

Premiums, claims and expenses by line of business

Non-life

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)									Line of business for: accepted non-proportional reinsurance							
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Misc. financial loss	Health	Casualty	Marine, aviation and transport	Property	Total
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
	Premiums written																	
	Gross - Direct Business						150,819	117,403		32,415								300,637
R0120							0	0		0							2 121	0
	Gross - Non-proportional reinsurance accepted Reinsurers' share						422.440	00.703		20 505						569	2,194	2,763
							133,418			29,595						491	1,703	264,000
R0200	Premiums earned						17,401	18,610		2,820						78	491	39,400
D0240	Gross - Direct Business		I		I		162,401	100,471		23,496								286,368
R0210							162,401	100,471		23,496								200,300
	Gross - Non-proportional reinsurance accepted						0	0		0					I	613	2,341	2,954
	Reinsurers' share						141,388	89,055		20,817						533	1,835	253,628
R0300							21,013			2,679						80	506	35,694
110500	Claims incurred						21,013	,		2,017							500	33,071
R0310	Gross - Direct Business						42,874	61,859		4,899								109,632
R0320	Gross - Proportional reinsurance accepted						-3			0								-3
	Gross - Non-proportional reinsurance accepted															-268	-964	-1,232
R0340	Reinsurers' share						36,719	47,349		4,341						-214	-916	87,279
R0400	Net						6,152	14,510		558						-54	-48	21,118
	Changes in other technical provisions																	
R0410	Gross - Direct Business																	0
R0420	Gross - Proportional reinsurance accepted																	0
R0430	Gross - Non-proportional reinsurance accepted																	0
R0440	Reinsurers' share																	0
R0500	Net						0	0		0						0	0	0
R0550	Expenses incurred						-11,171	-7,037		-681						-107	-155	-19,151
	Other expenses		I		1	1	, , , , , ,	,,,,,,		77.1		1			1			35,792
	Total expenses																	16,641

S.05.02.01

Premiums, claims and expenses by country

Non-life

		C0010	C0020	C0030	C0040	C0050	C0060	C0070
		Home Country		amount of gross pr	emiums written) -	Top 5 countries (b premiums writ obliga	ten) - non-life	Total Top 5 and home country
R0010			US	CA	кү	EG	ZA	nome country
	'	C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	Gross - Direct Business	192,053	68,588	2,971	2,588	3,765	6,046	276,011
R0120	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0130	Gross - Non-proportional reinsurance accepted	377	-107	0	0	0	0	270
R0140	Reinsurers' share	161,924	57,111	2,479	2,372	3,392	5,339	232,617
R0200	Net	30,506	11,370	492	216	373	707	43,664
	Premiums earned							
R0210	Gross - Direct Business	194,806	51,886	2,803	54	1,685	4,641	255,875
R0220	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0230	Gross - Non-proportional reinsurance accepted	386	-113	0	0	0	0	273
R0240	Reinsurers' share	161,617	47,387	2,363	44	1,550	4,346	217,307
R0300	Net	33,575	4,386	440	10	135	295	38,841
	Claims incurred							
R0310	Gross - Direct Business	44,267	10,738	570	14	378	55,786	111,753
R0320	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0330	Gross - Non-proportional reinsurance accepted	-109	-316	0	0	0	0	-425
R0340	Reinsurers' share	39,510	8,369	456	12	305	44,636	93,288
R0400	Net	4,648	2,053	114	2	73	11,150	18,040
	Changes in other technical provisions							
R0410	Gross - Direct Business							0
R0420	Gross - Proportional reinsurance accepted							0
R0430	Gross - Non-proportional reinsurance accepted							0
R0440	Reinsurers' share							0
R0500	Net	0	0	0	0	0	0	0
R0550	Expenses incurred	-12,575	-3,182	-315	-4	-80	-220	-16,376
R1200	Other expenses							35,792
R1300	Total expenses							19,416

Non-Life Technical Provisions

				Direct bus	illess and accepte	ra proportional re	ilisul alice					ACI	cepted non-propi	or cional remsuran	ce			
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non- proportional health reinsurance	Non- proportional casualty reinsurance	Non- proportional marine, aviation and transport reinsurance	Non- proportional property reinsurance	Total Non-Life obligation
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
R0010	Technical provisions calculated as a whole						0	0		0						0	0	0
R0050	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole																	0
	Technical provisions calculated as a sum of BE and RM																	
	Best estimate																	
	Premium provisions																	
R0060							-23,335	-1,896		-19,315						-493	-310	-45,349
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default						6,574	-24,322		-5,267						-1,191	4,481	-19,725
R0150	Net Best Estimate of Premium Provisions						-29,909	22,426		-14,048						698	-4,791	-25,624
	Claims provisions																	
R0160							135,109	106,270		14,759						2,804	9,721	268,663
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default						112,061	85,790		11,965						2,234	7,709	219,759
R0250							23,048	20,480		2,794						570	2,012	48,904
R0260	Total best estimate - gross						111,774	104,374		-4,556						2,311	9,411	223,314
R0270	Total best estimate - net						-6,861	42,906		-11,254						1,268	-2,779	23,280
R0280	Risk margin						5,153	4,194		906						230	814	11,297
	Amount of the transitional on Technical Provisions																	
R0290	Technical Provisions calculated as a whole																	0
	Best estimate																	0
R0310	Risk margin																	0
R0320	Technical provisions - total						116,927	108,568		-3,650						2,541	10,225	234,611
R0330	Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total						118,635	61,468		6,698						1,043	12,190	200,034
R0340	Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total						-1,708	47,100		-10,348						1,498	-1,965	34,577

Direct business and accepted proportional reinsurance

Accepted non-proportional reinsurance

S.19.01.21 Non-Life insurance claims

Total Non-life business

Z0020

Γ	Gross Claims	Paid (non-cum	nulative)											
	(absolute am	ount)	,											
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
	Year					Developm	ent year						In Current	Sum of years
		0	1	2	3	4	5	6	7	8	9	10 & +	year	(cumulative)
R0100	Prior											263	263	263
R0160	2012	76,222	21,243	3,109	4,862	2,411	4,777	1,363	107	13	45		45	114,152
R0170	2013	41,952	29,433	10,522	4,777	9,507	410	569	1,318	1			1	98,491
0180	2014	15,735	24,172	23,265	4,814	1,910	2,000	350	1,054				1,054	73,300
.0190	2015	24,767	29,460	27,833	2,305	1,787	395	330					330	86,877
0200	2016	19,658	30,504	24,507	13,820	1,622	1,111						1,111	91,222
.0210	2017	4,662	21,050	13,653	18,602	16,537							16,537	74,505
0220	2018	2,226	63,151	16,529	3,882								3,882	85,788
.0230	2019	3,960	11,636	10,166									10,166	25,763
0240	2020	20,451	24,000										24,000	44,451
0250	2021	28,175											28,175	28,175
0260												Total	85,564	722,987

	Gross Undisc	ounted Best E	stimate Clain	ns Provisions									
	(absolute am	ount)											
													C0360
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	Year end
	Year					Developn	nent year						(discounted
		0	1	2	3	4	5	6	7	8	9	10 & +	data)
R0100	Prior											11,781	11,773
R0160	2012	0	0	0	28,319	13,963	6,626	5,157	1,032	-2,355	1,417		1,413
R0170	2013	0	0	22,784	22,705	10,080	8,492	7,536	20,311	7,627			7,574
R0180	2014	0	59,774	20,253	10,199	5,415	4,137	-3,297	2,741				2,710
R0190	2015	117,067	59,771	22,099	14,107	6,244	47,786	4,715					5,063
R0200	2016	126,667	97,187	51,043	15,213	11,757	-130						-114
R0210	2017	87,336	65,465	42,133	39,624	13,569							13,337
R0220	2018	125,354	53,171	21,314	21,379								20,992
R0230	2019	84,263	57,930	24,223									23,820
R0240	2020	120,117	62,150										61,092
R0250	2021	125,393											121,003
R0260												Total	268,663

S.23.01.01

Own Funds

R0780 Expected profits included in future premiums (EPIFP) - Non- life business
R0790 Total Expected profits included in future premiums (EPIFP)

	Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35
	basic of the detaction for participations in other financial sector as foreseen in article 50 of perspecta regulation 2015/33
R0010	Ordinary share capital (gross of own shares)
R0030	
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings
R0050	Subordinated mutual member accounts
R0070	Surplus funds
R0090	Preference shares
R0110	Share premium account related to preference shares
R0130	Reconciliation reserve
R0140	Subordinated liabilities
	An amount equal to the value of net deferred tax assets
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above
R0220	Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds
R0230	Deductions for participations in financial and credit institutions
R0290	Total basic own funds after deductions
	Ancillary own funds
	Unpaid and uncalled ordinary share capital callable on demand
	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand
	Unpaid and uncalled preference shares callable on demand
	A legally binding commitment to subscribe and pay for subordinated liabilities on demand
	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC
	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC
	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC Other ancillary own funds
	Total ancillary own funds
	Available and eligible own funds
R0500	Total available own funds to meet the SCR
	Total available own funds to meet the MCR
	Total eligible own funds to meet the SCR
R0550	Total eligible own funds to meet the MCR
R0580	SCR
R0600	MCR
R0620	Ratio of Eligible own funds to SCR
R0640	Ratio of Eligible own funds to MCR
	Reconcilliation reserve
	Excess of assets over liabilities
	Own shares (held directly and indirectly)
	Foreseeable dividends, distributions and charges
	Other basic own fund items
	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds Reconciliation reserve
	Expected profits
R0770	Expected profits included in future premiums (EPIFP) - Life business
	Expected prints included in future premiums (EFIF). Line dosiness

Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
0010	C0020	C0030	C0040	C0050
188,442	188,442		0	
0	0		0	
0	0		0	
0		0	0	0
0	0			
0		0	0	0
0		0	0	0
7,622	7,622	-1	-	
0		0	0	0
0		0	0	0
0	0	0	0	0
0				
0				
196,064	196,064	0	0	0
0 0 0 0 0 0 0 0 0 0 0	196,064	0	0	0
196,064	196,064	0	0	
196,064	196,064	0	0	0
196,064	196,064	0	0	
78,564				
19,641				
249.56%				
998.24%				
C0060				
196,064				
0				

188,442

7,622

51,736

51,736

Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
R001	Market risk	9,801		
R002	Counterparty default risk	12,023		
R003	Life underwriting risk	0		
R004	Health underwriting risk	0		
R005	Non-life underwriting risk	59,772		
R006	Diversification	-11,712		
			USP Key	
R007	Intangible asset risk	0	For life underw	riting risk;
			1 - Increase in the benefits	ne amount of annuity
R010	Basic Solvency Capital Requirement	69,884	9 - None	
			For health unde	erwriting risk:
	Calculation of Solvency Capital Requirement	C0100	1 - Increase in th	ne amount of annuity
R013	·	8,680	benefits 2 - Standard dev	riation for NSLT health
R014	3	0	premium risl	k
R015	3		3 - Standard dev premium risi	riation for NSLT health gross k
R016	·	0	4 - Adjustment f reinsurance	actor for non-proportional
R020	, , , , , , , , , , , , , , , , , , ,	78,564	5 - Standard dev	riation for NSLT health
R021		0	reserve risk 9 - None	
R022	Solvency capital requirement	78,564		
			For non-life und 4 - Adjustment f	derwriting risk: actor for non-proportional
DO 40	Other information on SCR	0	reinsurance	
R040		0	premium risi	riation for non-life k
R041	3pm	0	7 - Standard dev premium risi	riation for non-life gross
R042 R043		0	8 - Standard dev	riation for non-life
	3,	0	reserve risk 9 - None	
R044	Diversification effects due to RFF nSCR aggregation for article 304	0		
	Approach to tax rate	C0109		
R059	• •	0		
11057	Approach based on average tax rate			
	Calculation of loss absorbing capacity of deferred taxes	LAC DT		
		C0130		
R064	LAC DT			
R065	LAC DT justified by reversion of deferred tax liabilities	0		
R066		0		
R067		0		
R068		0		

S.28.01.01

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

	Linear formula component for non-life insurance and reinsurance obligations	C0010		
R0010	MCR _{NL} Result	8,510		
			Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
			C0020	C0030
R0020	Medical expense insurance and proportional reinsurance		0	
R0030	Income protection insurance and proportional reinsurance		0	
R0040	Workers' compensation insurance and proportional reinsurance		0	
R0050	Motor vehicle liability insurance and proportional reinsurance		0	
R0060	Other motor insurance and proportional reinsurance		0	
R0070	Marine, aviation and transport insurance and proportional reinsurance		0	17,401
R0080	Fire and other damage to property insurance and proportional reinsurance		42,906	18,610
R0090	General liability insurance and proportional reinsurance		0	
R0100	Credit and suretyship insurance and proportional reinsurance		0	2,820
R0110	Legal expenses insurance and proportional reinsurance		0	
R0120	Assistance and proportional reinsurance		0	
R0130	Miscellaneous financial loss insurance and proportional reinsurance		0	
R0140	Non-proportional health reinsurance		0	
R0150	Non-proportional casualty reinsurance		1 260	70
R0160	Non-proportional marine, aviation and transport reinsurance		1,269	78 491
R0170	Non-proportional property reinsurance		U	471
R0200	Linear formula component for life insurance and reinsurance obligations MCR_L Result	C0040		
			Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
			C0050	C0060
R0210	Obligations with profit participation - guaranteed benefits			
R0220	Obligations with profit participation - future discretionary benefits			
R0230	Index-linked and unit-linked insurance obligations			
R0240	Other life (re)insurance and health (re)insurance obligations			
R0250	Total capital at risk for all life (re)insurance obligations			
	Overall MCR calculation	C0070		
R0300	Linear MCR	8,510		
R0310	SCR	78,564		
R0320	MCR cap	35,354		
R0330	MCR floor	19,641		
R0340	Combined MCR	19,641		
R0350	Absolute floor of the MCR	4,309		
R0400	Minimum Capital Requirement	19,641		