

Flood Re Limited

Solvency and Financial Condition Report

Disclosures

31 March

2019

(Monetary amounts in GBP thousands)

General information

Undertaking name	Flood Re Limited
Undertaking identification code	213800T10I8L6FY5G82
Type of code of undertaking	LEI
Type of undertaking	Reinsurance undertakings
Country of authorisation	GB
Language of reporting	en
Reporting reference date	31 March 2019
Currency used for reporting	GBP
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

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

S.02.01.02

Balance sheet

Solvency II value	
C0010	
	3,483
	0
	353,318
	0
	0
	0
	0
	0
	0
	0
	0
	0
	0
	0
	0
	0
	353,318
	0
	0
	0
	12,102
	12,102
	12,102
	0
	0
	0
	138
	429
	0
	5,207
	374,678

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>
R0290	<i>Non-life excluding health</i>
R0300	<i>Health similar to non-life</i>
R0310	<i>Life and health similar to life, excluding index-linked and unit-linked</i>
R0320	<i>Health similar to life</i>
R0330	<i>Life excluding health and 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	Total assets

S.02.01.02

Balance sheet

		Solvency II value
		C0010
	Liabilities	
R0510	Technical provisions - non-life	41,120
R0520	<i>Technical provisions - non-life (excluding health)</i>	41,120
R0530	<i>TP calculated as a whole</i>	0
R0540	<i>Best Estimate</i>	32,280
R0550	<i>Risk margin</i>	8,840
R0560	<i>Technical provisions - health (similar to non-life)</i>	0
R0570	<i>TP calculated as a whole</i>	0
R0580	<i>Best Estimate</i>	0
R0590	<i>Risk margin</i>	0
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	<i>Technical provisions - health (similar to life)</i>	0
R0620	<i>TP calculated as a whole</i>	
R0630	<i>Best Estimate</i>	
R0640	<i>Risk margin</i>	
R0650	<i>Technical provisions - life (excluding health and index-linked and unit-linked)</i>	0
R0660	<i>TP calculated as a whole</i>	
R0670	<i>Best Estimate</i>	
R0680	<i>Risk margin</i>	
R0690	Technical provisions - index-linked and unit-linked	0
R0700	<i>TP calculated as a whole</i>	
R0710	<i>Best Estimate</i>	
R0720	<i>Risk margin</i>	
R0740	Contingent liabilities	
R0750	Provisions other than technical provisions	
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	
R0780	Deferred tax liabilities	
R0790	Derivatives	
R0800	Debts owed to credit institutions	
R0810	Financial liabilities other than debts owed to credit institutions	
R0820	Insurance & intermediaries payables	
R0830	Reinsurance payables	
R0840	Payables (trade, not insurance)	30,762
R0850	Subordinated liabilities	0
R0860	<i>Subordinated liabilities not in BOF</i>	
R0870	<i>Subordinated liabilities in BOF</i>	0
R0880	Any other liabilities, not elsewhere shown	
R0900	Total liabilities	71,882
R1000	Excess of assets over liabilities	302,796

S.05.01.02

Premiums, claims and expenses by line of business

Non-life

Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)													Line of business for: accepted non-proportional reinsurance				Total
Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Misc. financial loss	Health	Casualty	Marine, aviation and transport	Property	C0200	
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160		
Premiums written																	
R0110	Gross - Direct Business															0	
R0120	Gross - Proportional reinsurance accepted															33,728	
R0130	Gross - Non-proportional reinsurance accepted															0	
R0140	Reinsurers' share															75,411	
R0200	Net															-41,684	
Premiums earned																	
R0210	Gross - Direct Business															0	
R0220	Gross - Proportional reinsurance accepted															33,821	
R0230	Gross - Non-proportional reinsurance accepted															0	
R0240	Reinsurers' share															74,543	
R0300	Net															-40,722	
Claims incurred																	
R0310	Gross - Direct Business															0	
R0320	Gross - Proportional reinsurance accepted															11,903	
R0330	Gross - Non-proportional reinsurance accepted															0	
R0340	Reinsurers' share															5,951	
R0400	Net															5,951	
Changes in other technical provisions																	
R0410	Gross - Direct Business															0	
R0420	Gross - Proportional reinsurance accepted															3,979	
R0430	Gross - Non-proportional reinsurance accepted															0	
R0440	Reinsurers' share															2,003	
R0500	Net															1,976	
R0550	Expenses incurred															527	
R1200	Other expenses															16,054	
R1300	Total expenses															16,581	

S.05.02.01

Premiums, claims and expenses by country

Non-life

	C0010	C0020	C0030	C0040	C0050	C0060	C0070
	Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations			Top 5 countries (by amount of gross premiums written) - non-life obligations		Total Top 5 and home country
R0010	C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written							
R0110	Gross - Direct Business						0
R0120	Gross - Proportional reinsurance accepted	33,728					33,728
R0130	Gross - Non-proportional reinsurance accepted						0
R0140	Reinsurers' share	75,411					75,411
R0200	Net	-41,684	0	0	0	0	-41,684
Premiums earned							
R0210	Gross - Direct Business						0
R0220	Gross - Proportional reinsurance accepted	33,821					33,821
R0230	Gross - Non-proportional reinsurance accepted						0
R0240	Reinsurers' share	74,543					74,543
R0300	Net	-40,722	0	0	0	0	-40,722
Claims incurred							
R0310	Gross - Direct Business						0
R0320	Gross - Proportional reinsurance accepted	11,903					11,903
R0330	Gross - Non-proportional reinsurance accepted						0
R0340	Reinsurers' share	5,951					5,951
R0400	Net	5,951	0	0	0	0	5,951
Changes in other technical provisions							
R0410	Gross - Direct Business						0
R0420	Gross - Proportional reinsurance accepted	3,979					3,979
R0430	Gross - Non-proportional reinsurance accepted						0
R0440	Reinsurers' share	2,003					2,003
R0500	Net	1,976	0	0	0	0	1,976
R0550	Expenses incurred	527					527
R1200	Other expenses						16,054
R1300	Total expenses						16,581

S.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										0	0	0
R0160	2010	0	0	0	0	0	0	0	0	0	0	0	0
R0170	2011	0	0	0	0	0	0	0	0	0	0	0	0
R0180	2012	0	0	0	0	0	0	0	0	0	0	0	0
R0190	2013	0	0	0	0	0	0	0	0	0	0	0	0
R0200	2014	0	0	0	0	0	0	0	0	0	0	0	0
R0210	2015	0	0	0	0	0	0	0	0	0	0	0	0
R0220	2016	0	0	0	0	0	0	0	0	0	0	0	0
R0230	2017	96	1,383	1,924								1,924	3,404
R0240	2018	654	3,412									3,412	4,066
R0250	2019	2,381										2,381	2,381
R0260												Total	7,718

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										0	0	
R0160	2010	0	0	0	0	0	0	0	0	0	0	0	
R0170	2011	0	0	0	0	0	0	0	0	0	0	0	
R0180	2012	0	0	0	0	0	0	0	0	0	0	0	
R0190	2013	0	0	0	0	0	0	0	0	0	0	0	
R0200	2014	0	0	0	0	0	0	0	0	0	0	0	
R0210	2015	0	0	0	0	0	0	0	0	0	0	0	
R0220	2016	0	0	0	0	0	0	0	0	0	0	0	
R0230	2017	6,410	708	0								0	
R0240	2018	9,521	0									0	
R0250	2019	0										0	
R0260												Total	0

S.23.01.01

Own Funds

Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35

R0010	Ordinary share capital (gross of own shares)
R0030	Share premium account related to ordinary share capital
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
R0160	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

R0300	Unpaid and uncalled ordinary share capital callable on demand
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand
R0320	Unpaid and uncalled preference shares callable on demand
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC
R0360	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
R0390	Other ancillary own funds
R0400	Total ancillary own funds

Available and eligible own funds

R0500	Total available own funds to meet the SCR
R0510	Total available own funds to meet the MCR
R0540	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

Reconciliation reserve

R0700	Excess of assets over liabilities
R0710	Own shares (held directly and indirectly)
R0720	Foreseeable dividends, distributions and charges
R0730	Other basic own fund items
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds
R0760	Reconciliation reserve

Expected profits

R0770	Expected profits included in future premiums (EPIFP) - Life business
R0780	Expected profits included in future premiums (EPIFP) - Non- life business
R0790	Total Expected profits included in future premiums (EPIFP)

Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
C0010	C0020	C0030	C0040	C0050
0	0		0	
0	0		0	
0	0		0	
0		0	0	0
0	0			
0		0	0	0
0		0	0	0
299,313	299,313			
0		0	0	0
3,483				3,483
0	0	0	0	0
0				
0				
302,796	299,313	0	0	3,483

0				
0				
0				
0				
0				
0				
0				
0				
35,100			35,100	
35,100			35,100	0

337,896	299,313	0	35,100	3,483
299,313	299,313	0	0	
334,413	299,313	0	35,100	0
299,313	299,313	0	0	

70,200
17,550
476.37%
1705.49%

C0060
302,796
0
3,483
0
299,313

0

S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

- R0010 Market risk
- R0020 Counterparty default risk
- R0030 Life underwriting risk
- R0040 Health underwriting risk
- R0050 Non-life underwriting risk
- R0060 Diversification

R0070 Intangible asset risk

R0100 **Basic Solvency Capital Requirement**

Calculation of Solvency Capital Requirement

- R0130 Operational risk
- R0140 Loss-absorbing capacity of technical provisions
- R0150 Loss-absorbing capacity of deferred taxes
- R0160 Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC
- R0200 **Solvency Capital Requirement excluding capital add-on**
- R0210 Capital add-ons already set
- R0220 **Solvency capital requirement**

Other information on SCR

- R0400 Capital requirement for duration-based equity risk sub-module
- R0410 Total amount of Notional Solvency Capital Requirements for remaining part
- R0420 Total amount of Notional Solvency Capital Requirements for ring fenced funds
- R0430 Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios
- R0440 Diversification effects due to RFF nSCR aggregation for article 304

Gross solvency capital requirement	USP	Simplifications
C0110	C0090	C0120
0		
0		
0		
0		
0		

0
0

C0100
0
0
0
0
0
70,200
70,200

0
0
0
0
0

USP Key

For life underwriting risk:

- 1 - Increase in the amount of annuity benefits
- 9 - None

For health underwriting risk:

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

For non-life underwriting risk:

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

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

R0010 MCR_{NL} Result

C0010
1,897

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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- 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	
20,178	
0	
0	
0	
0	
0	
0	
0	
0	
0	

Linear formula component for life insurance and reinsurance obligations

R0200 MCR_L Result

C0040
0

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

C0050	C0060

Overall MCR calculation

- R0300 Linear MCR
- R0310 SCR
- R0320 MCR cap
- R0330 MCR floor
- R0340 Combined MCR
- R0350 Absolute floor of the MCR
- R0400 **Minimum Capital Requirement**

C0070
1,897
70,200
31,590
17,550
17,550
3,199
17,550