

Flood Re Limited

Solvency and Financial Condition Report

Disclosures

31 March

2020

(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 2020
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
Assets		
R0030	Intangible assets	
R0040	Deferred tax assets	0
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)	485,111
R0080	<i>Property (other than for own use)</i>	0
R0090	<i>Holdings in related undertakings, including participations</i>	0
R0100	<i>Equities</i>	0
R0110	<i>Equities - listed</i>	
R0120	<i>Equities - unlisted</i>	
R0130	<i>Bonds</i>	0
R0140	<i>Government Bonds</i>	0
R0150	<i>Corporate Bonds</i>	0
R0160	<i>Structured notes</i>	0
R0170	<i>Collateralised securities</i>	0
R0180	<i>Collective Investments Undertakings</i>	0
R0190	<i>Derivatives</i>	
R0200	<i>Deposits other than cash equivalents</i>	485,111
R0210	<i>Other investments</i>	0
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	0
R0240	<i>Loans on policies</i>	0
R0250	<i>Loans and mortgages to individuals</i>	
R0260	<i>Other loans and mortgages</i>	
R0270	Reinsurance recoverables from:	51,729
R0280	<i>Non-life and health similar to non-life</i>	51,729
R0290	<i>Non-life excluding health</i>	51,729
R0300	<i>Health similar to non-life</i>	0
R0310	<i>Life and health similar to life, excluding index-linked and unit-linked</i>	0
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	0
R0360	Insurance and intermediaries receivables	-1
R0370	Reinsurance receivables	
R0380	Receivables (trade, not insurance)	4,069
R0390	Own shares (held directly)	
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	2,719
R0420	Any other assets, not elsewhere shown	
R0500	Total assets	543,628

S.02.01.02

Balance sheet

		Solvency II value
		C0010
	Liabilities	
R0510	Technical provisions - non-life	143,857
R0520	<i>Technical provisions - non-life (excluding health)</i>	143,857
R0530	<i>TP calculated as a whole</i>	0
R0540	<i>Best Estimate</i>	137,801
R0550	<i>Risk margin</i>	6,056
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	172
R0830	Reinsurance payables	
R0840	Payables (trade, not insurance)	22,589
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	166,618
R1000	Excess of assets over liabilities	377,010

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															34,079	
R0130	Gross - Non-proportional reinsurance accepted															0	
R0140	Reinsurers' share															63,557	
R0200	Net															-29,479	
Premiums earned																	
R0210	Gross - Direct Business															0	
R0220	Gross - Proportional reinsurance accepted															33,602	
R0230	Gross - Non-proportional reinsurance accepted															0	
R0240	Reinsurers' share															67,435	
R0300	Net															-33,834	
Claims incurred																	
R0310	Gross - Direct Business															0	
R0320	Gross - Proportional reinsurance accepted															153,589	
R0330	Gross - Non-proportional reinsurance accepted															0	
R0340	Reinsurers' share															74,134	
R0400	Net															79,454	
Changes in other technical provisions																	
R0410	Gross - Direct Business															0	
R0420	Gross - Proportional reinsurance accepted															5,961	
R0430	Gross - Non-proportional reinsurance accepted															0	
R0440	Reinsurers' share															2,609	
R0500	Net															3,352	
R0550	Expenses incurred															1,230	
R1200	Other expenses															16,917	
R1300	Total expenses															18,147	

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
	C0080	C0090	C0100	C0110	C0120	C0130	C0140
R0010							
Premiums written							
R0110	Gross - Direct Business						0
R0120	Gross - Proportional reinsurance accepted	34,079					34,079
R0130	Gross - Non-proportional reinsurance accepted						0
R0140	Reinsurers' share	63,557					63,557
R0200	Net	-29,479					-29,479
Premiums earned							
R0210	Gross - Direct Business						0
R0220	Gross - Proportional reinsurance accepted	33,602					33,602
R0230	Gross - Non-proportional reinsurance accepted						0
R0240	Reinsurers' share	67,435					67,435
R0300	Net	-33,834					-33,834
Claims incurred							
R0310	Gross - Direct Business						0
R0320	Gross - Proportional reinsurance accepted	153,589					153,589
R0330	Gross - Non-proportional reinsurance accepted						0
R0340	Reinsurers' share	74,134					74,134
R0400	Net	79,454					79,454
Changes in other technical provisions							
R0410	Gross - Direct Business						0
R0420	Gross - Proportional reinsurance accepted	5,961					5,961
R0430	Gross - Non-proportional reinsurance accepted						0
R0440	Reinsurers' share	2,609					2,609
R0500	Net	3,352					3,352
R0550	Expenses incurred	1,230					1,230
R1200	Other expenses						16,917
R1300	Total expenses						18,147

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	2011	0	0	0	0	0	0	0	0	0	0	0	0	
R0170	2012	0	0	0	0	0	0	0	0	0	0	0	0	
R0180	2013	0	0	0	0	0	0	0	0	0	0	0	0	
R0190	2014	0	0	0	0	0	0	0	0	0	0	0	0	
R0200	2015	0	0	0	0	0	0	0	0	0	0	0	0	
R0210	2016	0	0	0	0	0	0	0	0	0	0	0	0	
R0220	2017	96	1,383	445	69	0	0	0	0	0	0	69	1,994	
R0230	2018	654	2,759	1,716	0	0	0	0	0	0	0	1,716	5,128	
R0240	2019	2,381	3,541	0	0	0	0	0	0	0	0	3,541	5,922	
R0250	2020	1,605	0	0	0	0	0	0	0	0	0	1,605	1,605	
R0260												Total	6,931	14,649

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	2011	0	0	0	0	0	0	0	0	0	0	0	
R0170	2012	0	0	0	0	0	0	0	0	0	0	0	
R0180	2013	0	0	0	0	0	0	0	0	0	0	0	
R0190	2014	0	0	0	0	0	0	0	0	0	0	0	
R0200	2015	0	0	0	0	0	0	0	0	0	0	0	
R0210	2016	0	0	0	0	0	0	0	0	0	0	0	
R0220	2017	6,410	708	73	0	0	0	0	0	0	0	0	
R0230	2018	9,521	2,146	185	0	0	0	0	0	0	0	184	
R0240	2019	11,810	2,710	0	0	0	0	0	0	0	0	2,695	
R0250	2020	114,279	0	0	0	0	0	0	0	0	0	113,612	
R0260												Total	116,490

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
377,010	377,010			
0		0	0	0
0				0
0	0	0	0	0
0				
0				
0				
0				
39,899			39,899	
39,899			39,899	0
0				
0				
0				
0				
0				
0				
39,899			39,899	
39,899			39,899	0
416,909	377,010	0	39,899	0
377,010	377,010	0	0	
416,909	377,010	0	39,899	0
377,010	377,010	0	0	
79,798				
19,949				
522.46%				
1889.83%				
C0060				
377,010				
0				
0				
0				
377,010				
0				

S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

	Gross solvency capital requirement	USP	Simplifications
	C0110	C0090	C0120
R0010 Market risk	457		
R0020 Counterparty default risk	1,096		
R0030 Life underwriting risk	0		
R0040 Health underwriting risk	0		
R0050 Non-life underwriting risk	39,512		
R0060 Diversification	-875		
R0070 Intangible asset risk	0		
R0100 Basic Solvency Capital Requirement	40,190		
Calculation of Solvency Capital Requirement			
R0130 Operational risk	6,408		
R0140 Loss-absorbing capacity of technical provisions	0		
R0150 Loss-absorbing capacity of deferred taxes			
R0160 Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	0		
R0200 Solvency Capital Requirement excluding capital add-on	46,598		
R0210 Capital add-ons already set	33,200		
R0220 Solvency capital requirement	79,798		
Other information on SCR			
R0400 Capital requirement for duration-based equity risk sub-module	0		
R0410 Total amount of Notional Solvency Capital Requirements for remaining part	0		
R0420 Total amount of Notional Solvency Capital Requirements for ring fenced funds	0		
R0430 Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	0		
R0440 Diversification effects due to RFF nSCR aggregation for article 304	0		
Approach to tax rate			
R0590 Approach based on average tax rate	Not applicable		
Calculation of loss absorbing capacity of deferred taxes			
R0640 LAC DT			
R0650 LAC DT justified by reversion of deferred tax liabilities	0		
R0660 LAC DT justified by reference to probable future taxable economic profit	0		
R0670 LAC DT justified by carry back, current year	0		
R0680 LAC DT justified by carry back, future years	0		
R0690 Maximum LAC DT	0		

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

8,091

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

	0	
	0	
	0	
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	86,072	
	0	
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	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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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	Minimum Capital Requirement

C0070

8,091
79,798
35,909
19,949
19,949
3,101
19,949