SFCR 2022
Solvency and Financial Condition Report
Great Lakes Insurance UK Limited

2022

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Executive Summary

A - BUSINESS AND PERFORMANCE

Great Lakes Insurance UK Limited ("GLLS" or "the Company") hereby submits its Solvency and Financial Condition Report ("SFCR") for the 2022 financial year-ending 31 December 2022.

GLLS is a newly formed subsidiary of Great Lakes Insurance, S.E ("GLISE"). GLLS is authorised and regulated by the Prudential Regulatory Authority ("PRA") to transact primary insurance within the UK market from 2023 onwards. The Company supports GLISE's business model in offering insurance solutions in niche markets and is an integral part of Munich Re's "primary insurance out of reinsurance" ("PIRI") strategy. In addition, the Company works with a number of companies in the ERGO Group (part of the Munich Re Group) in selected international primary insurance solutions by providing specialised resources and capacities. The Company was incorporated on 3 June 2021 and received authorisation from the PRA on 28 July 2022 to commence underwriting from 1 January 2023. The Company therefore did not trade during the year-ending 31 December 2022.

For the year-ending 31 December 2022, the Company generated a loss before tax of £2,120k (2021: NA), driven by £2,857k (2021:NA) of expenses (primarily the recharge for shared services from Munich Re UK Services Limited ("MRUKS")). This was offset by investment income of £737k (2021: NA). This loss was offset by deferred tax credit of £530k bringing the non-underwriting result after tax to a loss of £1,590k. In advance of the start of underwriting on 1 January 2023, the Company received two capital injections from its immediate parent company GLISE totalling £225,000k (£10,000k being received in July 2022 with a further £215,000k being received in November 2022).

Great Lakes Insurance UK Limited has the same credit rating as its ultimate parent company, Munich Re, being A+ (Superior) as rated by A.M. Best and AA- (Very strong) by S&P.

B – SYSTEM OF GOVERNANCE

GLLS has a system of governance that takes account of the business it does (type, size and complexity) and the underlying risk profile in an appropriate manner. The system of governance incorporates an appropriate and transparent organisational structure with clearly defined committees, structures and responsibilities. The GLLS Board maintains oversight of the operation of these committees and sets a Terms of Reference for each which will be reviewed and updated annually.

The Company received authorisation and license from the Prudential Regulatory Authority (the PRA) to undertake regulated activities concerning the arranging, carrying out and effecting of insurance contracts on 28 July 2022. The Company however did not transact any insurance business during 2022 whilst it established a governance framework suitable for its insurance activities. The GLLS Board has reviewed the Company's organisational structure and the systems of oversight in place and considers them to be appropriate.

C – RISK PROFILE

The level of risk assumed by GLLS is commensurate with its risk bearing capacity. This means that GLLS has (or has access to) sufficient economic capital resources to enable it to meet its current and future capital needs, in line with its strategic objectives and risk profile. GLLS is in a position to withstand (or to take measures to withstand) the impact of foreseeable adverse events within the Company's risk tolerance over the planning period.

The risks are assessed using standard formula basis and projected for Own Risk and Solvency Assessment ("ORSA"), which is approved by the GLLS Board and submitted to Prudential Regulation Authority ("PRA"). The risks are considered as part of the ORSA on the basis of the predefined risk categories and the findings documented in the Company's ORSA report. Non-quantified risks are sufficiently managed through other processes. The stress tests and sensitivity analyses performed for significant risks and events have demonstrated that the Company's capitalisation would be sufficient even in such situation.

D – VALUATION FOR SOLVENCY PURPOSES

The Company is compliant with the valuation requirements set out in PRA Rulebook, Rule 2.1 in all material aspects. The section on Valuation for Solvency Purposes sets out the valuation approach for each material balance sheet item. There are different rules for the accounting of certain balance sheet items that differ under Solvency II from those applied under United Kingdom Generally Accepted Accounting Practice (UK GAAP). These differences arise primarily in the accounting for loss and premium reserves that are included within technical provisions.

Whilst the Company has started underwriting from 1 January 2023, in accordance with Solvency II valuation methodology, premium reserves could have been in place as at 31 December 2022 in respect of policies that were bound but not incepted ("BBNI"). The Company has performed an assessment to determine the quantum of the premium provisions in respect of BBNI. It has been concluded that these are not material and therefore no items are reflected within technical provisions on the solvency balance sheet. In accordance with the requirements of UK GAAP, there were no insurance reserves as at 31 December 2022.

All other balance sheet items as at 31 December 2022 are valued consistently between Solvency II and UK GAAP.

E – CAPITAL MANAGEMENT

The Company's capital level is considered appropriate. GLLS's overall capital management strategy is to optimise capital usage in line with the business strategy, risk appetite and overall steering philosophy. This is whilst embracing economic steering concepts to the largest extent possible, but being flexible enough to reflect other important constraints, such as fulfilling all applicable regulatory capital.

Capital management decisions must therefore strike a balance between efficient use of capital, economic value creation for the shareholder and shaping the risk profile such that policyholders and other stakeholders, as well as GLLS's reputation, are protected.

For the financial year-ending 31 December 2022, the solvency capital requirement ("SCR") has been calculated using the standard formula as the tool for setting regulatory capital. GLLS's standard formula SCR is £62,064k and the Minimum Capital Requirement ("MCR") is £15,516k. This represents an SCR coverage ratio of 359%. The MCR coverage ratio is 1431%.

Business and performance

A

A. BUSINESS AND PERFORMANCE

A.1. Business

General information

Great Lakes Insurance UK Limited ("GLLS" or "the Company") is authorised to act as an insurance company in the United Kingdom and is regulated by both the Prudential Regulatory Authority ("PRA") and the Financial Conduct Authority ("FCA"). The Company was incorporated on 3 June 2021. Great Lakes insurance UK Limited commenced insurance business operations from 1 January 2023. The Company therefore did not trade during the year-ending 31 December 2022.

GLLS is a wholly owned subsidiary of Great Lakes Insurance SE ("GLISE"), a fully licensed and authorised insurance company in Germany. Great Lakes Insurance SE is regulated by the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, "BaFin") and subject to the German Insurance Supervisory Act (Versicherungsaufsichtsgesetz, "VAG"). GLISE is authorised to transact both non-life insurance and reinsurance business throughout the European Union ("EU") and the European Economic Area ("EEA"), on a Freedom of Establishment and Freedom of Services basis.

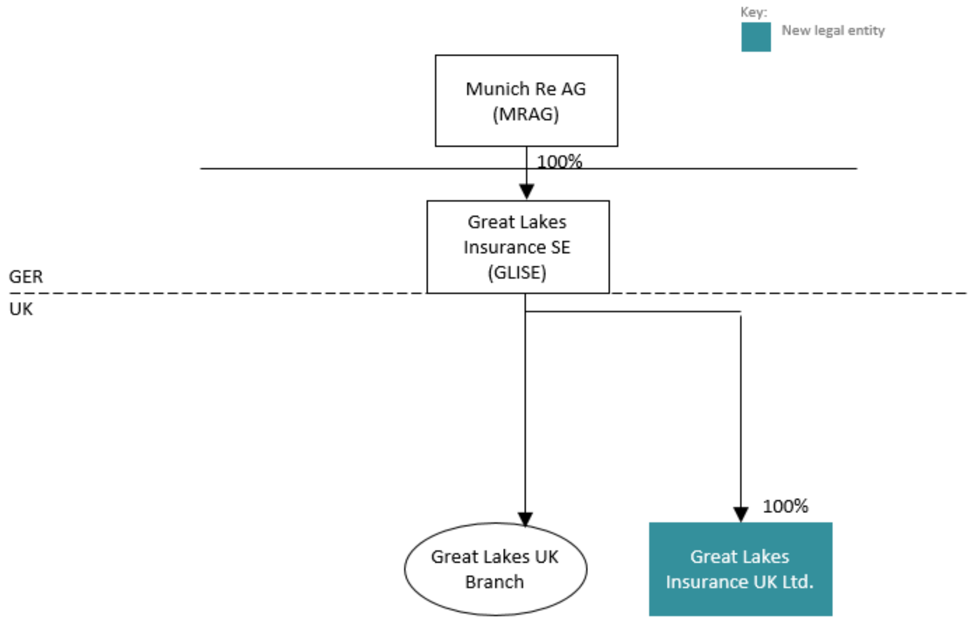
GLISE is a wholly owned subsidiary of Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in Munich (Munich Re AG), a public limited company incorporated in Germany. Munich Re is one of the world's leading risk carriers providing, via its group companies, insurance and reinsurance to its customers worldwide. Munich Re and its subsidiaries distribute financial products and services across the entire global insurance and reinsurance value chain.

The primary purpose of GLLS is to complement GLISE's business strategy post-Brexit by providing the capability of serving UK agency and co-insurance business aimed at UK domiciled retail and smaller commercial policyholders (small and medium-sized enterprises, "SME"). GLLS will focus on forging strategic partnerships with third parties including the delegation of binding and/or underwriting authority within agreed and monitored parameters rather than selling directly to retail or commercial customers. GLLS aims to enter into and maintain long-term and profitable relationships with Managing General Agents ("MGAs"), targeting business opportunities that lie within its risk appetite and allowing it to meet its pre-defined risk return objectives, while pursuing an appropriate level of diversification.

In order to meet these objectives, GLLS will underwrite only business with selected MGAs within an approved framework of product governance, underwriting and outsourcing controls against all material risks.

Below diagram shows GLLS within the Munich Re group structure.

Diagram 1: Great Lakes Insurance UK Limited ("GLLS" or "the Company") group structure



The contact details for the Company, its UK regulators and external auditors are included below. The contact details for the Munich Re group regulators are also included:

<u>Company's name and registered address:</u>
Great Lakes Insurance UK Limited ("GLLS")
10 Fenchurch Avenue, London
EC3M 5BN
Tel: 020 3003 7000

<u>UK regulators name and contact details:</u>
Prudential Regulation Authority ("PRA")
20 Moorgate, London
EC2R 6DA

Contact details:
Tel.: 020 3461 7000
email: contact@pra.org.uk

Financial Conduct Authority ("FCA")
12 Endeavour Square, London
E20 1JN

Contact details:
Tel.: 020 7066 1000
web :www.fca.org.uk

<u>Munich Re group regulators name and contact details:</u>
Federal Financial Supervisory Authority
(Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin)
Graurheindorfer Str. 108
53117 Bonn

Alternatively:
Postfach 12 53
53002 Bonn

Contact details:
Tel.: 02 28 / 41 08 - 0
Fax: 02 28 / 41 08 - 15 50

email: poststelle@bafin.de or
De-Mail: poststelle@bafin.de-mail.de

External auditor*:
Ernst & Young LLP
25 Churchill Place
Canary Wharf
London
E14 5EY

*In accordance with the requirements of the PRA Rulebook, as at the balance sheet date the Company is designated as a small firm for audit purposes and therefore this SFCR does not require an external audit.

The Company is 100% owned by Great Lakes Insurance SE which holds 100% of the voting rights in the Company.

Classes of Business (CoB) and regions

Great Lakes Insurance UK Limited commenced insurance business operations from 1 January 2023 and therefore did not perform any underwriting during the 2022 financial year.

From 2023 onwards, the portfolio is expected to have a large proportion of UK retail and commercial motor business and GLLS will be writing all classes of non-life business including travel, aviation, property, and general liability business.

Significant business events

Prior of the commencement of underwriting on 1 January 2023, GLLS received two capital injections of £10,000k in July 2022 and further £215,000k in November 2022. The Company received authorisation from the PRA on 28 July 2022. In 2022, the Company appointed four independent non-executive directors and a non-executive shareholder representative director.

A.2. Underwriting performance

The Company did not underwrite in the 2022 financial year and therefore no further comment is included.

A.3. Investment performance

The income and expense figures shown, and hence the investment result, are based on the UK GAAP annual statutory accounts.

The investment result, as seen in the below table is £804k. This is driven from bearer bonds, £395k and their amortisation, £409k. Most of the portfolio is made out of fixed-interest securities issued by entities, with 82% being AA-rated and 16% being AAA-rated.

Our risk management activities include detailed monitoring of our investments, enabling us to promptly sell assets or take other corrective action where necessary. Our investments fulfil our strict requirements for sustainable investment. We firmly believe that these high standards will have a positive effect on risk and return in the long term. Our asset manager, MUNICH ERGO Asset Management GmbH (“MEAG”), also a Munich Re group company, processes our investments together with Munich Re’s specialist departments in line with the Company's investment strategy and mandate and the legal requirements as part of an outsourcing agreement with the Company.

Table 1: Investment Result

£'000	2022	2021
Net income from Investment	804	0
Gains and losses on the disposal of investments	(48)	0
Other income and expenses	(19)	0
Total	**737**	0

A.4. Performance of other activities

Other income and expenses

The Company incurred expenses during the year-ending 31 December 2022 in relation to the activities undertaken in preparation for the start of underwriting from 1 January 2023. The majority of these expenses were incurred by Munich Re UK Services Limited ("MRUKS"), another Munich Re Group entity, and recharged to the Company.

Gains and losses resulting from currency translation are recognised under other income or other expenses. GLLS has no other currency than GBP which was transacted in 2022, therefore there is no material currency translation result.

System of governance

B

B. SYSTEM OF GOVERNANCE

B.1. General information the system of governance

GLLS is wholly owned subsidiary of Great Lakes Insurance SE who in turn is a wholly owned subsidiary of Münchener Rückversicherungs-Gesellshaft Aktiengesellschaft in Munich (Munich Re) and hence belongs to the Munich Re Group.

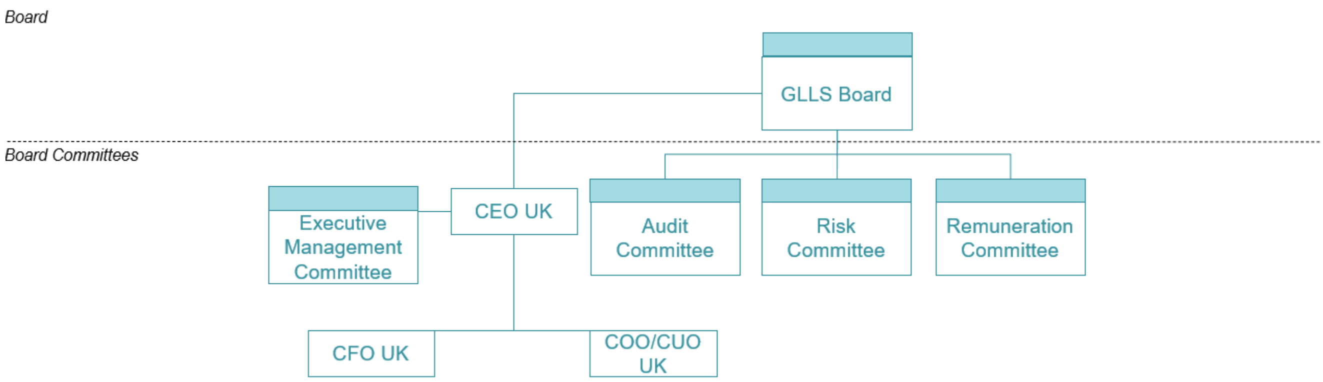
The system of governance is considered to be appropriate for the Company taking into account the nature, scale and complexity of the risks inherent to the business. The Company operates a "three lines of defence" governance model with the responsibility for the first line being with business management, the second line with the independent functions, Risk Management, Compliance and Actuarial and the third line being the responsibility of Internal Audit. Further information on this model is included in the section below.

Overview of the Board and its Committees

The GLLS Board is ultimately responsible and accountable for the performance and strategy of the Company and for ensuring that the Company complies with all legal, statutory, regulatory and administrative requirements. To support the efficient management of the Company the GLLS Board has delegated certain functions to committees, though by doing this the GLLS Board does not absolve itself of its ultimate responsibility for the Company.

The established corporate governance framework is as follows:

Diagram 2: Corporate governance framework



The Board

The GLLS Board functions as the corporate decision-making body and provides leadership of the Company within a framework of prudent and effective controls which enables risk to be assessed and managed. The GLLS Board sets the strategic aims of the Company and ensures that the necessary resources, both financial and staff, are in place to allow the Company to meet its objectives. The GLLS Board is collectively responsible for the long-term success of the Company and delivery of sustainable value to its shareholder. The GLLS Board sets the strategy and risk appetite for the Company and approves capital and operating plans presented by management for the achievement of the strategic objectives it has set. Implementation of the strategy set by the Board is delegated to the Executive Management Committee, which is led by the Chief Executive Officer.

The Board will meet at least four times a year. As at December 2022, the members of the Board were:

Board member	Board role	Date of appointment
Claire Weston	Chief Executive Officer	20 July 2021
Jessie Shi	Chief Financial Officer	3 June 2021
Tony Ayles	Chief Operating Officer and Chief Underwriting Officer	1 January 2022
Christoph Carus	Non-Executive Director	1 September 2022
Tim Carroll	Chair of the Governing Body/ Independent non-executive director	1 July 2022
Katherine Coates	Independent non-executive director	1 September 2022
Lesley Watkins	Independent non-executive director	1 September 2022
Nicolas Brown	Independent non-executive director	1 September 2022

Audit Committee

The objective of the Audit Committee is to assist the Board in discharging its responsibilities for monitoring the Company’s financial reporting process and ensuring its integrity. The Audit Committee reviews the adequacy and effectiveness of the Company’s internal control system, makes recommendations to the Board for the approval in relation to the (re)appointment, resignation or removal of the External Auditor, and monitors the effectiveness, performance and objectivity of the Internal and External Auditors. The key areas of responsibilities for the Audit Committee include:

- Financial Reporting
- Narrative Reporting
- Internal Audit
- External Audit
- Internal Control and Risk Framework
- Whistleblowing & Internal Fraud

Risk Committee

The Risk Committee advises the GLLS Board on the overall Company risk appetite, tolerance and strategy, and the principal and emerging risks the Company is willing to take in order to achieve its long-term strategic objectives. The Risk Committee advises the GLLS Board on capital management and solvency topics. Additionally, the purpose of the Risk Committee is to assist the GLLS Board by overseeing the risk management and compliance system, policies and practices of the Company, and review all risk appetite and risk profile and key risk indicator metrics. The responsibilities of the Risk Committee fall under the following key headings:

- Risk Management Framework
- Risk Exposure and Strategy
- Capital Management
- Compliance Management System
- Data Protection
- Delegated Authority
- Other Matters:
  - provide advice to the GLLS Board Audit Committee on key assumptions to be used in regulatory and public disclosures and other issues as requested by the Board Audit Committee.
  - provide advice to the GLLS Board Remuneration Committee on risks related to performance objectives and other issues as requested by the GLLS Board Remuneration Committee.

Remuneration Committee

The primary objective of the Remuneration Committee is to assist the GLLS Board with oversight of the design and operation of the Company remuneration system. The Remuneration Committee is responsible for reviewing and approving the following:

- Remuneration Policy and Practices
- Bonus Arrangements
- Service Contracts
- Pensions
- Remuneration Consultants
- Workforce Remuneration

No director or member of Senior Management shall be involved in any decisions as to their own remuneration outcome.

Executive Management Committee

The purpose of the Executive Management Committee is to direct the day-to-day management, oversight and decision making of the Company. In fulfilling its purpose, the Executive Management Committee gives due consideration to:

- Balancing the interests of various stakeholders (employees, clients and regulators), as well as the shareholder;
- Upholding the integrity, brand, and reputation of the Company; and
- Planning the Company's future development

The appropriateness of GLLS's organisational structure will be subject to regular review. This ensures that the organisational structure satisfies the supervisory and/or legal requirements regarding the organisation of insurance undertakings, supports the sound and prudent management of the undertaking, and contributes to the attainment of the objectives set out in the business and risk strategy.

Remuneration Policy

The Company does not have any employees. MRUKS, another Munich Re Group Company provides staff to the Company. Remuneration policies are designed so as to attract and retain suitable employees to assist the Company in meeting its aims. MRUKS seeks to provide a base salary together with a benefits package that will ensure the long-term security and health of its employees. Salaries and benefits are reviewed regularly to take account of the success of the Company, the Munich Re Group and the latest employment trends. The Company is committed to ensuring MRUKS is being a fair and equal employer and the remuneration policy is designed in order to support this objective.

The most important element of remuneration for MRUKS' employees is base salary. The Company considers that it's base salaries are competitive in the market and appropriate for attracting and retaining the right staff. All salaries are reviewed in accordance with market practice and with any statutory, regulatory or taxation requirements. The Munich Re Group operates an annual bonus plan based on Munich Re Group performance. The bonus amount payable for each employee depends on the achievement of set financial objectives relative to the Munich Re Group business plan. The variable element of remuneration is capped at a percentage of fixed salary, such as to promote sound and effective risk management and to avoid excessive risk taking.

Material transactions with shareholders, persons with significant influence and Board members

As set out in Section A.1 of this report, the Company received two capital injections from GLISE, its only shareholder, for a total amount of £225,000k. There were no other material transactions with shareholders for the year-ending 31 December 2022.

There were also no material transactions with persons with significant influence and Board members for the year-ending 31 December 2022.

B.2. Fit and proper requirements

GLLS maintains an "SM&CR Policy" which applies to all persons holding a Senior Manager or Certification Function. It documents the relevant criteria and procedures, which have been designed to guarantee that any persons who effectively run the undertaking or are responsible for other key functions at the Company at all times meet the "fit and proper" requirements. The Company requires that all staff conducting its business have appropriate skills, knowledge and experience to perform their roles and that all fit and proper regulatory requirements are met under the Senior Managers and Certification Regime (SM&CR).

Fitness Assessment

The Company only appoints staff with the skills, knowledge and expertise necessary to perform the tasks assigned to them. The fitness requirements applicable will depend on the individuals' responsibilities and the work they do. The assessment of whether individual is deemed fit includes an assessment of their professional and formal qualifications, knowledge and relevant experience within the (re)insurance sector, other financial sectors or other companies, and takes into account the duties assigned to the individual.

Propriety Assessment

A person is deemed to meet propriety requirements if no facts indicating inadequate propriety are known. The assessment of whether an individual is proper must include an assessment of that person's honesty and financial soundness based on evidence regarding their character and personal and professional conduct, including any criminal, financial or supervisory aspects relevant for the purposes of the assessment.

Fitness and Propriety Assessments are carried out for new starters, internal movers and on annual basis to ensure those in regulatory roles are re-assessed.

B.3. Risk management system including the own risk and solvency assessment (ORSA)

Risk management system

The objective of risk management at GLLS is to ensure that we are able to meet our policyholders' obligations at all times, while creating sustainable value for our shareholders and protecting the Company's reputation and that of the Great Lakes Insurance SE and therefore Munich Re Group. For this purpose, the Risk Management Function ("RMF") employs strategies, methods and processes used to identify, assess, control, monitor and report short and long-term risks to the Company's ability to operate on a going concern, and to enable mitigation actions to be taken in a timely manner.

Own Risk and Solvency Assessment (ORSA process)

GLLS's ORSA process, which from 2023 onwards will be conducted continuously throughout the year, is part of its overall risk management system and is an interlinked series of processes used to:

- identify, assess, monitor, manage and report both short-term and long-term risks to which the Company faces or may face and
- determine the funds necessary and ensure GLLS's solvency needs are met on an ongoing basis.

The results from the various assessments (both quantitative and qualitative) that will be conducted throughout the year will allow the RMF to form a view regarding the future solvency and risk positions of the Company, commensurate with its adopted business and risk strategy going forward.

The results of these assessments will form the basis of the annual ORSA report. During the year, additional ad-hoc ORSA reporting will also be undertaken outside the regular annual timetable if there are fundamental changes in the overall risk profile or solvency and/or eligible own fund positions (subject to the thresholds set out in GLLS's ORSA Policy and approval from the Chief Risk Officer ("CRO")).

The ORSA process typically consists of a number of separate processes. This will include:

- regular monitoring of the significant risks and of the need for ad-hoc assessment, reporting and ad-hoc countermeasures
- calculation of risk capital requirements and solvency indicators, used to derive input for capital management
- a review of the appropriateness of the Company's risk strategy in the context of its overall business strategy
- stress and scenario testing on significant areas of risk

- embedding the capital model into the overall risk management process, including model validation and governance processes
- risk reporting and risk assessments for important business decisions
- running the internal control system process for managing operational risks

The work that will be involved in the regular ORSA process will then also be linked to GLLS's annual business planning process. It is expected that during a typical year, the findings and conclusions from the ongoing ORSA processes will form the basis for the annual ORSA report, completed at the end of each year to coincide with the approval of GLLS's annual business plan covering future planning periods. A key component of the annual ORSA report covers a risk assessment of GLLS's strategic business plan, including a forward-looking solvency assessment for the Company commensurate with the planned financial figures.

The GLLS Board is responsible for the ORSA and will challenge the underlying assumptions critically before approving the report. The GLLS Board will then take into account the ORSA results when approving the annual business plan, as well as for in making any ongoing strategic decisions.

Solvency requirements

GLLS is currently calculating its solvency capital requirement (SCR) based on the Solvency II standard formula method. The Company intends to seek approval from the PRA to calculate the regulatory SCR using an Internal Model.

Risk strategy

Risk appetite is the expression of the level of acceptable risk as defined by the GLLS Board. It reflects the willingness of GLLS to take on risk because of the potential for a suitable return. The risk appetite is defined within the risk strategy and will be reviewed at least annually against the business strategy and planning. It must be used to determine key business decisions.

The risk strategy is owned and approved by the GLLS Board, developed and governed by the operationally independent RMF (2nd line of defence), and executed and embedded by the respective Risk Owners or Business Units (1st line of defence). The RMF reports to the CRO; has a formal communication and referral channel to the Board via the Risk Committee (a committee that oversees all risk and capital activities); and is also represented in all other committees (e.g. GLLS Executive Committee, GL (Great Lakes) Global committees for Operations and Business, Underwriting, and Investment).

The risk strategy defines the maximum risk limits on the basis of the Company's risk-bearing capacity. We monitor these limits using defined risk thresholds and limits and early-warning mechanisms based on a traffic-light system (triggers). The tolerances are based on the capital and liquidity situation and earnings volatility. Having sufficient risk-bearing capacity is a measure of the Company's ability to absorb losses resulting from identified risks, which must not be allowed to jeopardise the Company's existence.

Risk criteria, appetite and tolerances

The risk strategy covers all risks arising out of the Company's strategy and business. Risk areas are divided into risk categories to which they are formally allocated. The Board issues statements on the risk appetite for each risk category and sub-category, which are formalised through corresponding risk tolerances (i.e. key risk indicators). The process also includes clear guidelines specifying responsibilities, escalation procedures and risk mitigation measures

This is followed by prioritisation of the risk categories and areas to which GLLS considers itself exposed. The risk criteria used for GLLS are given below in order of importance:

- Whole-portfolio risk criteria: These criteria exist to safeguard GLLS's financial strength regarding Capital Model as well as target rating and to manage GLLS's risk of financial distress within a specified risk tolerance. They focus on the entire portfolio of risks.
- Supplementary risk criteria: These criteria cover single risk types to which GLLS is materially exposed, i.e. peak scenarios. Were any of these risks to materialise, they could endanger the ongoing viability of GLLS.
- Other risk criteria: These criteria focus on protecting the reputation of GLLS (and thereby also preserving shareholder value).

Implementing the risk management process

The implementation of risk management at the operational level covers identifying, analysing, assessing and managing risks, which includes the risk reporting based on it. The qualitative and quantitative values defined in the risk strategy are used to manage the risks. Our risk management processes ensure that we are able to monitor all risks continuously and to take countermeasures if a trigger or limit is breached or if there is a change in the risk profile. The main components of our risk management system are:

- Risk identification: Risks in processes are identified using appropriate systems (e.g. the operational risk control system), key risk indicators, and participation of the RMF in all GLLS Board Committees and meetings with representatives from various areas of the Company.
- Risk analysis and assessment: Risks are analysed and assessed both in the units concerned and by the RMF, with experts from various areas also consulted. This enables us to have a quantitative and qualitative assessment by the unit concerned and an independent risk assessment by the RMF. The assessment also takes account of any interdependencies between the risks
- Definition of maximum risk limits and risk tolerances: The maximum risk limits and risk tolerances are integrated into the risk strategy. If necessary, the RMF will decide on suitable risk mitigation measures within the mandate given to it by the GLLS Board and implement them.
- Risk monitoring: All maximum risk limits and risk tolerances defined will be monitored on a regular basis. In addition, certain risks will be regularly subjected to a qualitative assessment and monitored with reference to defined indicators.
- Risk reporting: Our risk reporting not only meets legal requirements, but also creates transparency within the Company for management and will provide information for the public. The internal risk reports provide management with regular information on the risk situation in each risk category, and with our external reporting our aim is to provide a clear overview of the Company's risk situation.

Organisational structure of risk management

Risk management at GLLS is organised according to the three-lines-of-defence approach. This ensures an effective separation of duties between the functions that take risks and the functions that perform the risk control framework. The Company's business units act as the first line of defence and are responsible for identifying, assessing and selecting risks within the defined risk appetite and risk tolerances in the executing the Company's overall business strategy and plan. The RMF is the second line of defence. As such, it is responsible for setting up, implementing, reviewing and improving an effective risk management system that is well integrated into the governance system. This will ensure that our operations and risk decisions are undertaken in line with the defined risk strategy, appetite and tolerance levels.

The actuarial and compliance functions also form part of the second line of defence. The third line of defence is internal audit, which reviews how the Company assesses and manages its risks and annual assurance on the effectiveness of the first and second lines of defence.

The RMF's core tasks are:

- Coordination: The RMF coordinates risk management activity at all levels and in all areas of the business. In this role, it is responsible for the development of strategies, methodologies, processes and procedures for identifying, assessing, monitoring and managing risks and ensures that risk management guidelines are correctly implemented.
- Risk reporting: The RMF is responsible for presenting the Company's overall risk situation. Its responsibilities include taking appropriate account of interactions between different risk categories, producing an aggregated risk profile and, in particular, identifying risks capable of jeopardising the Company's continued existence as a going concern.
- Early warning: It is also the responsibility of the RMF to have in place a system that guarantees early identification of risks and produces proposals for suitable countermeasures.
- Advice: The RMF advises the GLLS Board on risk management issues and on key strategic decisions that need to be made.
- Monitoring: The RMF monitors the effectiveness of the risk management system and identifies potential weaknesses, reporting its findings to the GLLS Board and proposing improvements.

B.4. Internal control system

Description of the operational risk control system (ORCS)

GLLS uses an operational risk control system to manage operational risks. It covers all internal operational structures and processes, including processes for overseeing the provision of outsourced services by external providers. The ORCS meets both the requirements of the Company’s management and legal and regulatory requirements. Using the Munich Re Group-wide ORCS methodology, it provides us with a standard approach for identifying, analysing, assessing and documenting significant operational risks and controls. Clear responsibilities for risks, controls and management also create transparency.

The operational risks and the associated controls in the Company’s key processes having been identified, those risks and the effectiveness of the controls (in respect of their structure and performance) will be evaluated jointly by the process owner and the RMF at least annually. If the risk amounts are above the defined thresholds or the controls assessed as inadequate, appropriate action will be initiated to reduce, transfer and/or closely monitor the risks. Responsibility for the ORCS lies with the Board supported by the GLLS RMF. The individual process owners are responsible for the identifying the potential process risks and for implementing effective controls.

From 2023 onwards, the ORCS process will culminate in an annual assessment and report to the Board. Ad-hoc assessments and reports will be prepared on any significant changes in business activity or strategy or on occurrence of any important event. Internal audit will then check the effectiveness of the controls at regular intervals.

Compliance Function

The GLLS Head of Compliance, as the responsible Key Function Holder and SMF16 Compliance Oversight, assumes the responsibility for Compliance at GLLS reporting to the SMF1, Chief Executive Officer. The Head of Compliance oversees relevant compliance topics and assumes day to day responsibility for communicating with UK regulators.

From 2023 onwards, the compliance function will prepare a quarterly compliance report to the GLLS Risk Committee. The annual compliance plan will then be reviewed and recommended by the GLLS Risk Committee and approved by the GLLS Board. An annual compliance report will then be prepared for the GLLS Board.

The GLLS compliance function fulfils its responsibilities arising out of Article 46(2) of Directive 2009/138/EC and PRA Rulebook, Conditions Governing Business, 4 Internal Control, Section 4.2 in normal operations.

GLLS has adopted a Compliance Policy that is tailored to address specific requirements affecting GLLS and stemming from the requirements of Solvency II, the PRA Rulebook, and FCA Handbook. The Compliance Policy sets out the responsibilities, the position of the compliance function in GLLS including its authorities and reporting obligations, GLLS’s approach to compliance and the structure of the compliance function including interfaces. The Head of Compliance will review the Policy annually and will make updates if required. Material updates to the policy will be approved by the GLLS Board. In addition to the Code of Conduct that applies to Munich Re Group as a whole, there are further compliance standards, specifically with regard to conflicts of interest, gifts and invitations, outsourcing, financial sanctions, ethical walls and financial crime.

To further reinforce compliance at GLLS, the Audit Committee Chairperson, SMF11, is appointed as the whistleblowing champion and will receive an annual whistleblowing report. Additionally, GLLS benefits from use of the whistleblowing channels within the Munich Re Group. These are an external, independent ombudsman (the Munich Re Group’s ombudsman) and the Munich Re Group-wide compliance whistle-blower portal. All whistleblowing channels are detailed in the GLLS whistleblowing policy.

B.5. Internal audit function

The Internal Audit function of GLLS is responsible for undertaking internal audit assessments of key processes/functions. The responsibilities of the internal audit function are clearly defined with the Head of Internal Audit (SMF 5). The Internal Audit function is outsourced to Munich Re and it is the responsibility of the Chief Executive Officer to oversee the work of Internal Audit for GLLS.

Internal Audit will audit the appropriateness and effectiveness of the system of governance and therefore the entire business organisation. A particular focus will be the Operational Risk Control System (“ORCS”). Audits must always be conducted objectively and independently. As part of the follow up process following an audit, Internal Audit is responsible for assessing the rectification of any deficiencies identified.

B.6. Actuarial Function

The actuarial function is established within GLLS with defined responsibilities for the oversight and review of the UK GAAP and Solvency II reserves. GLLS set up the actuarial function in 2022. Its tasks and responsibilities are laid down in the 'GLLS Actuarial Function Policy'. The actuarial function supports the GLLS Board in developing and implementing measures necessary to ensure compliance with both regulatory and internal requirements relating to actuarial matters in the context of Solvency II. Under the Company's outsourcing model, the GLLS reserving process has been outsourced to Munich Re (Central Reserving Department), which also provides the vast majority of the Solvency II technical provision calculations. The GLLS actuarial function maintains oversight of the assumptions, methodology and results relevant to these processes, in line with regulatory requirements.

B.7. Outsourcing

GLLS has an Outsourcing Policy in place which has been approved by the GLLS Board. The prescribed responsibility in respect of outsourced operational functions and activities is assigned to the Chief Underwriting and Chief Operations Officer (SMF 23 and SMF24). Material outsourcing must be approved by the GLLS Board (unless delegated to authorised committees) and notified to PRA from 1 January 2023. GLLS's Regulatory Business Plan set out the proposed material arrangements to be put in place relating to both intra-group outsourcings and with external third parties for insurance activities. These proposals have not materially changed since regulatory authorisation in July 2022.

Material outsourcing of important insurance activities to Managing General Agents (MGA) and Third Party Administrator (TPA)

GLLS did not transact insurance business in 2022 following regulatory authorisation. GLLS will from 1 January 2023 write its entire premium volume via MGAs (managing general agents), agencies with underwriting authority ("underwriting agents") and through coinsurance with other insurance companies. The MGAs are authorised to assess risks, develop products, calculate premiums, sell policies and handle portfolio management, collections, disbursements, complaint management and claims settlement on behalf of GLLS. Claims settlement with settlement authority and the associated complaint management is partly also performed by outside companies ("third-party administrators").

MGA and co-insurance arrangements for UK retail and SME business will transition to GLLS from 1 January 2023. The Company will review and assess new MGA relationships and products in accordance with the GLLS outsourcing policy.

Risk profile

C

C. RISK PROFILE

The implementation of risk management at the operational level covers identifying, analysing, assessing and managing risks, which includes the risk reporting based on it. The qualitative and quantitative values defined in the risk strategy are used to manage the risks. Our risk management processes ensure that we are able to monitor all risks continuously and to take countermeasures if a trigger or limit is breached or if there is a change in the risk profile.

The internal risk reports will provide the GLLS Board with regular information on the Company's risk situation. Any significant change in the risk situation will be reported to the GLLS Board immediately. Any special or abnormal losses or events will also be reported immediately.

Exposure in our risk profile

The Company's risk profile is described in this section. It encompasses the following risk categories:

- Underwriting risk (89%)
- Market risk (10%)
- Credit risk (1%)
- Liquidity risk (0%)
- Operational risk (0%)
- Other material risks (0%)

The percentage in brackets is the allocation of the solvency capital requirement to various risk categories, calculated using the Solvency II standard formula at 31 December 2022 on a pre-diversified basis. Diversification effects between the risk categories are taken into account in order to calculate the total solvency capital requirement.

The liquidity risk and other significant risks (e.g. strategic risks) are not covered directly by the Solvency II standard formula calculation because they are either inherently difficult to quantify or are by nature such that capital is not the most suitable way of mitigating them. For these risks, qualitative risk assessments and risk mitigation are performed.

GLLS, based on the results of the standard formula in calculating the SCR as a 31 December 2022, remains sufficiently capitalised in order to meet both the regulatory requirements as well as and its own risk appetite.

C.1. Underwriting risk

We define underwriting risk as the risk of insurance profitability being lower than expected. Premium, reserve and accumulation risks are significant components of underwriting risk. Premium risk is the risk of premiums collected being insufficient to cover our future contractual obligations. Reserve risk is the risk of the current loss reserves being insufficient to cover all eligible future claims. The risk of accumulation losses stems from an accumulation of individual losses resulting via a single risk event. These can be natural catastrophe or man-made events.

Risk exposure

The GLLS business model is predicated on the delegation of underwriting to MGAs. From 1 January 2023, GLLS will delegate the underwriting and acceptance of insurance business via agency or co-insurance agreements, with authority to distribute and underwrite insurance products performed by external MGAs within agreed conditions. GLLS typically outsources sales, policy administration, premium processing/collection and claims handling. GLLS remains responsible, however, for monitoring the legal, regulatory, compliance and outsourcing risks, and the overall gross underwriting exposures.

The use of an MGA will allow GLLS to explore a particular class of business, by using an MGA to provide expertise, where the MGA is already more familiar with the risks and the customer base.

GLLS may also consider writing direct business on an opportunistic basis – clearly however the GLLS business model is predicated on the delegation to MGAs. Business will only be accepted from brokers which are duly licensed in the UK and with appropriate levels of experience and expertise in the particular line of business.

The insurance risks underwritten and retained by GLLS will be in accordance with its risk appetite set by the Board. Whilst the portfolio will have a large proportion of UK retail and commercial motor business it will also benefit from the diversification that GLLS generates by writing all classes of non-life business including travel, aviation, property, and general liability business.

For a number of MGAs, there will be non-proportional reinsurance programmes with internal and external parties in place. For some MGAs, premiums will be fully ceded via proportional reinsurance contracts to internal business units and companies within the Munich Re Group. For these concerned MGAs, GLLS has therefore no net underwriting risk positions.

Risk mitigation techniques

The underwriting risk will be controlled by following appropriate underwriting guidelines. Actuarial analyses will support the identification of potentially adverse outcomes, which will help initiate countermeasures at an early stage. Risk exposure is limited by applying limits and budgets for both loss potential in natural catastrophe risks and possible man-made losses.

An important means of managing underwriting risks is to reduce risks to the strategically defined retention through reinsurance programmes. Non-proportional reinsurance provides protection against the loss incurred from a single or accumulated event. To calculate the reinsurance needs, the actuarial function and the RMF will regularly analyse the exposure in the insurance portfolios and the effect of the reinsurance on solvency.

Due to the high credit standing of the most important reinsurers, the Company assumes that the reinsurers will meet their liabilities even in stress situations (e.g. a major insurance market loss).

Reinsurance strategy

GLLS's reinsurance strategy will align with its risk and capital strategy in order to achieve an optimised risk composition between insurance, credit and other risks. The key drivers behind GLLS's reinsurance strategy is to facilitate the GLLS's business model, to ease new business strain, to reduce GLLS's exposure to catastrophe losses and to limit its exposure to adverse loss frequency.

The rules and processes laid down in the underwriting guidelines ensure that gross exposures assumed can be appropriately mitigated by the reinsurance programmes. As reinsurance programs will be placed with reinsurers usually rated A- or better, we assume that the reinsurers will meet their liabilities even in stress situations (e.g. a major market loss). Moreover, GLLS has agreed a 'funds withheld' reinsurance basis for cession to companies within the Munich Re Group to mitigate credit risk.

Risk sensitivity

Table 2: Underwriting risk sensitivity

Percentage point (pp) movement in SCR	2022
Improvement in market conditions and increased premium revenue • 2% reduction in Ultimate Loss Ratios ("ULRs") per annum • 10% increase in GWP per annum for all MGAs • £2m absolute reduction in non-regulatory expenses • 0.5% increase in total investment return	(19pp)
General worsening in the insurance and investment markets • 4% absolute increase in ULRs across all agents • 5% increase in GWP per annum for all MGAs • £5m increase in non-regulatory expenses • 0.5% decrease in total investment return across all bonds and cash investments	(10pp)
Market deterioration • 11% absolute increase in ULRs across all agents • 10% increase in GWP per annum for all agents • £5m absolute increase in regulatory expenses • 1% decrease in total investment return across all bonds and cash investments	(23pp)

The Company has performed stress and scenario testing in performing its Own Risk and Solvency Assessment ("ORSA") which will be carried out at least annually. The table above shows the percentage impact on 2023 planned SCR in respect of a number of scenarios that were included as part of this exercise.

C.2. Market risk

We define market risk as the risk of economic losses resulting from price changes in the capital markets. It includes equity risk, general interest-rate risk, specific interest-rate risk (spread risk), property risk, currency risk, inflation risk and commodities price risk.

Risk exposure

GLLS's investment strategy is based on the principle of matched assets and liabilities. This means that the currency and terms of the investments must match those for the liabilities and the underlying cash flows of the Company. While in principle the Company's risk appetite is low for investment risk, deviations from the strict asset liability management-driven allocation within the limits and regulations stipulated in GLLS's Investment Mandate are permitted.

GLLS's investment portfolio takes account of the general investment principles of prudence, profitability, liquidity, and diversification. GLLS has defined a conservative investment strategy – with the majority of investment assets held in high quality and liquid fixed income securities such as government, corporate and covered bonds. The investment strategy considers the currencies and durations of the insurance contract liabilities. GLLS will therefore not be exposed exchange rate risk since the assets and liabilities will be both denominated in Pound Sterling (GBP).

Risk concentration

At 98%, fixed-interest securities accounted for the bulk of the Company's investments as at 31 December 2022. Of those, 85% were held in government bonds and 12% in corporate bonds. Term deposits at banks accounted for 3% of total investments. As at 31 December 2022, GLLS had no investments in equities, participations, property or derivatives.

Risk mitigation techniques

The risk mitigation techniques for market risks are aimed at reducing the occurrence probability and size of losses. Asset- liability management principles are applied across the board to provide sustainable protection. GLLS quantifies market risk by measuring the mismatch between assets and liabilities. The objective is not to suffer from unexpected market events that could erode the value of the assets relative to the liabilities such that the latter are not fully covered more often than one in 200 years. GLLS has some appetite to generate investment returns. However, this should not be at the expense of GLLS's main business focus of generating value mainly from insurance and credit risks under its business model. GLLS further has no desire to concentrate or accumulate investment in a single asset without adequate risk mitigation. Concentration or accumulation of market risks, e.g. in order to generate investment returns, should not impact GLLS's ability to meet policyholders' claims.

The following key risk indicator, as per the Risk Strategy, will be used to express and monitor the risk:

Mismatch between assets and liabilities expressed as a % VaR of the investment volume (ideally ≤ 6.5% with the limit set at < 9%) at the Company level.

C.3. Credit risk

We define credit risk as the financial loss that GLLS could incur as a result of a change in the financial situation of a counterparty, such as an issuer of securities or other debtor with liabilities. It therefore includes both the risk of downgrading of a counterparty and the resulting default risk. In addition to credit risks arising out of investments in securities and payments to and from clients, GLLS notably will assume credit risk through its internal and external reinsurance programmes. Further credit risks will arise from debts owed by policyholders and business partners.

Risk exposure

Credit Risk for GLLS arises from:

- Reinsurance programs. The reinsurance programs will have different forms (proportional reinsurance and non-proportional reinsurance), depending on the concerned MGAs.
- Investments
- Receivables from MGA Agreements.

The main exposure to credit risk as at the balance sheet date is in respect of the Company's financial investments.

Risk concentration

GLLS is prepared to accept a reasonable level of reinsurance credit risk in exchange of generating value through its business model. There are controls and strategy in place that will manage the amount of losses that would not compromise the ability to meet policyholder claims.

Other concentrations, notably in investments, are monitored with reference to the type of counterparty and credit rating.

Risk mitigation techniques

We monitor and manage credit risks on investments using the counterparty and sector limits defined in the Company's Investment Mandate and risk strategy. We manage the credit risk in our fixed-interest investments by selecting issuers of suitable quality and observing limits defined in our risk strategy.

We use both internal and external issuer ratings. Our quality requirements for issuers are very high. The majority of our investments is in paper issued by issuers with a very high credit standing. At the end of the financial year, 82% of the investments in interest carriers had a rating of very high category ("strong"). This corresponds to a Standard & Poor's "AA" rating or higher.

Receivables from insurance business will comprise mainly premium receivables not yet settled by intermediaries. We will manage this default risk by carefully selecting and performing checks on our intermediaries, applying rules for payments and ongoing monitoring of the financial strength of our most important business partners. Due care in the wording of contracts or product information/description of the insurance transaction will be taken in order to limit credit exposure at the source. MGA-related cash flows will also be channelled through cash trust accounts to mitigate any risk of not receiving premiums.

To mitigate credit risk arising from reinsurance cession, reinsurance programs will be placed with reinsurers usually rated A- or higher. Moreover, GLLS has agreed a 'funds withheld' reinsurance basis for cession to companies within the Munich Re Group in order to further mitigate credit risks.

As at 31 December 2022, the Company did not have any insurance or reinsurance receivables as no underwriting activity took place in the 2022 financial year.

C.4. Liquidity risk

Risk exposure

Liquidity risk is defined as the risk of incurring financial losses resulting from the inability to meet payment obligations when they fall due, due to holding insufficient liquid assets. It can arise in particular in correlation with underwriting risks (especially when large claims payments must be made) and is adequately managed through our liquidity-risk management processes. The liquidity risk is not included within the standard formula SCR calculation.

Material risk concentration

Due to the high volume of liquid investments, there are no concentrations of liquidity risk.

The total amount of expected profits in future premiums as at 31 December 2022 was NA.

Risk-mitigation techniques

As noted above, the Company places a substantial portion of its investments in liquid and highly marketable instruments in order to be able to meet additional payment obligations at all times.

C.5. Operational risk

We define operational risk as the risk of losses resulting from inadequate or failed internal processes, incidents caused by the actions of personnel or system malfunctions, or external events. This includes criminal acts committed by employees or third parties, insider trading, infringements of external requirements (for example sanctions, regulatory requirements, licences, antitrust law), business interruptions, inaccurate processing of transactions, non-compliance with reporting obligations, and disagreements with business partners.

Risk assessment measures

We use the ORCS ("Operational Risk Control System") to identify, analyse, assess and manage the operational risks directly linked to our business activity. The qualitative assessment is performed by assessing both the quality of controls and the residual net risk. This is undertaken at least once a year jointly by the responsible process owner and the RMF.

As at 31 December 2022, the solvency capital requirement for operational risk before diversification effects was £NA.

Risk-mitigation techniques

We manage operational risks using the operational risk control system, which is standard throughout the Munich Re Group. Using this approach, significant risks and the related key controls across all processes can be identified, analysed and assessed via the Risk and Control Assessment ("RCA") process, where improvements and control procedures are also defined. The internal control system systematically provides a link between all risks and procedures. The result is a "risk map", on which the most important operational risks and associated control points are highlighted.

In terms of information security, we are observing a continuously changing risk environment for GLLS. Growing regulatory security requirements and dynamic risks relating to new technologies, new cyber aggressors, and new attack scenarios pose major challenges for GLLS as a globally operating company. Information security risks have become a significant threat to our business.

In the area of business interruption, we see not only risks from information security but also increasing threats to the continuation of our business activities from global trends such as climate change, political unrest, or interrupted supply chains. GLLS is countering these trends and threats by continuously expanding its business continuity management ("BCM"). This will enable GLLS to maintain business functions through predefined processes after a business interruption. To this end, appropriate measures are being improved and corresponding monitoring processes implemented.

C.6. Other material risk

Outsourcing risk

We define outsourcing risk as the risk of economic loss or other adverse impacts to GLLS resulting from the failure to adequately implement, monitor and control the performance of third-party providers who are delegated to perform one of more of GLLS's functions. From 2023 onwards, GLLS's business portfolio will rely on a significant number of outsourcing relationships to other entities within the Munich Re (Group), as well as to external third party service providers, primarily managing general agents (MGAs) and claims and policy related third party administrators (TPAs).

The Company uses stringent due diligence processes in selecting external service providers, which will include ongoing regular reviews, on-site visits and independent audits to manage this risk. The risk exposure is mitigated by requirements and processes outlined in the Outsourcing Policy, valid for both group internal and external outsourcing arrangements. The Outsourcing Policy ensures proper oversight over third parties within all stages in the lifecycle of the third party, from onboarding to offboarding. Therefore, the risk is mitigated with stringent due diligence processes and strong rights and obligations contained in the contractual agreement. The outsourcing lifecycle will be managed through ongoing regular reviews and monitoring, onsite visits and independent audits and careful planning with regard to the offboarding of a third party. All stages of the third party lifecycle will be accompanied by high interaction between first and second line of defence.

Even though the financial impact of an unexpected failure of a mid- to large-sized established MGA or TPA is limited (with limited underwriting risk exposure), the non-financial risk for GLLS and its business model as well as the insureds could be material.

Additionally, GLLS will identify legal and regulatory developments with regard to the enhancement of outsourcing requirements by the PRA and FCA on an ongoing basis. GLLS has implemented, as part of the entity's set-up, the PRA requirements concerning outsourcing and third party risk management.

Strategic risks

GLLS defines strategic risk as the risk of economic loss or other adverse impacts arising from making incorrect business decisions, implementing decisions poorly, or being unable to adapt to changes in the business operating environment. Existing and new potential for success creates strategic risks, which we manage by carrying out risk analyses for significant strategic issues and regularly monitoring the implementation of measures deemed necessary. The Company's strategy is regularly reviewed and assessed as part of the ORSA process.

GLLS will manage a wide range of outsourcing partners and, to a greater of lesser extent, our strategy is partially dependent on these firms continued operational effectiveness. Challenges associated with outsourced functions may have consequences for GLLS both financially and from a regulatory perspective.

Reputational risk

Reputational risk is the risk of adverse publicity or perception regarding GLLS business practices and associations, whether accurate or not, causing a loss of confidence in the integrity of the institution. Reputational risks can arise directly as a result of an action taken (or lack thereof) by GLLS or as a consequence of actions by third parties and other risk events.

GLLS is integrated into Munich Re's governance system that strengthens the awareness of employees regarding (potential) reputational risk and defines appropriate rules of procedures that govern structure, operational activities and documentation to create efficient conditions for early identification.

Emerging risks

Emerging risks are either new, developing or changing risks. They include trends as well as potential shock events and are characterized by a high degree of uncertainty in terms of occurrence probability and loss amounts. On the one hand, emerging risks can have a substantial negative impact on an organization's insurance lines and balance sheet. On the other hand, they might also offer new business opportunities. GLLS has therefore created a sophisticated framework in which emerging risks are examined from different angles and drawing on different sources. Due to the highly uncertain nature of emerging risks, our approach for assessing them is based on expert judgement (also referred to as a think tank approach).

The risk management associated with these emerging risks is by nature dominated by information-sharing and close monitoring activities in cooperation with Munich Re. Sufficient understanding of the risk aspects of underlying environmental, technological, social, economic, and legal changes is critical as emerging risks are difficult to quantify in terms of frequency and severity. The following aspects, for example, were analysed as emerging risks in 2022: increase in regulatory changes, change in customer behaviour regarding insurance claims, economic worldwide recession, reputational risk on the brand GLLS. These risks are documented annually in the ORSA report.

Sustainability risk

Sustainability risk is defined as all events or conditions relating to the environment, social issues or corporate governance ("ESG"), the occurrence of which may have actual or potential significant negative impacts on the net assets, financial position and results of operations, as well as on the reputation of the Company. We do not consider sustainability risks as a separate type of risk, but rather as factors that impact on known types of risk.

In this context, we are seeing increasing regulatory requirements worldwide and also growing interest on the part of insurance clients and consumers. This is increasingly resulting in new tasks for all lines of business, and in risk management and reporting.

Cyber risk

The threat of cyber risk continues to evolve and therefore remains a significant risk to GLLS. GLLS is exposed to an indirect cyber risk in its non-cyber business. GLLS is further exposed to Data Protection and Information Security Risks, relating to data required for all products.

Other risks

We also take into consideration legal, compliance (including regulatory), and tax risks. Regulation has been growing in scale and complexity which requires the Company to continuously respond to changes in requirements as and when these occur. There are no specific other risks identified.

Valuation for solvency purposes

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D. VALUATION FOR SOLVENCY PURPOSES

Differences between figures in accordance with Solvency II and the UK Generally Accepted Accounting Practice ("UK GAAP")

There are no differences between the structure of a solvency balance sheet and a balance sheet prepared in accordance with UK GAAP for the year-ending 31 December 2022

Table 3: Balance sheet as at 31 December 2022

£'000	Solvency II value	Statutory accounts value
Deferred tax assets	708	713
Investments (other than assets held for index-linked and unit-linked contracts)	218,506	218,506
Bonds	213,505	213,505
Government bonds	186,229	186,229
Corporates	27,276	27,276
Deposits other than cash equivalents	5,001	5,001
Receivables (trade, not insurance)	56	56
Cash and cash equivalents	3,605	3,605
Total assets	222,875	222,880
Total excess of assets over liabilities	222,875	222,880

The recognition and valuation of assets, technical provisions and other liabilities are based on the assumption of a going concern and the principle of individual valuation.

Valuation for the solvency balance sheet is consistent with the economic value, which is defined as the market price. Provided that the Solvency II regulations do not prescribe any other method, the valuation is performed in accordance with the International Financial Reporting Standards ("IFRS").

Application of IFRS figures for solvency purposes:

GLLS prepares and publishes its annual financial statements in accordance with UK GAAP. For consolidation purposes, Munich Re Group also draws up figures for GLLS in accordance with the IFRS in the context of preparing the IFRS consolidated financial statements. In developing Solvency II, the general aim was to create a recognition and measurement model aligned with international accounting standards. Thus, IFRS values for certain balance sheet items may also be used for solvency purposes.

We use basic risk-free interest-rate curves for the discounting (where relevant). The basic risk-free interest rate curve is calculated separately for each currency and maturity based on all relevant data and information relating to the currency and maturity concerned. They shall be determined in a transparent, prudent, reliable and objective manner that is consistent over time.

The conversion rates used in the solvency balance sheet are the same as those used in preparing the UK GAAP annual financial statements.

D.1. Assets

We describe below the principles, methods and main assumptions on which valuation for solvency purposes is based for each class of asset. We also explain the main differences from valuation under UK GAAP.

Use of judgements and estimates in recognition and measurement

Where valuation has to be based on models because no market prices are available for the calculation of the fair values required, discretion must be exercised and estimates and assumptions used, which impact the assets reported in the solvency balance sheet.

Our internal processes are geared to determining amounts as accurately as possible taking into account all the relevant information and ensuring that they are documented and verifiable. The basis for determining amounts is management's best knowledge regarding the items concerned at the reporting date. Nevertheless, it is in the nature of these items that estimates may have to be adjusted in the course of time to take account of new knowledge.

In the sections below, we provide a separate description of the bases, methods and main assumptions used for the recognition, measurement and reporting of each material class of assets in the solvency balance sheet and in financial reporting under UK GAAP.

Deferred tax assets

The basis for the calculation of deferred taxes under Solvency II is Article 15 in conjunction with Article 9 of Delegated Regulation (EU) 2015/35

The recognition and valuation of assets and liabilities are, according to Article 9 (1) and (2) of the Delegated Regulation, governed by the IFRS rules provided they conform to Rule 2 of the valuation chapter of the PRA rulebook. Therefore, under Solvency II, deferred tax assets are recognised and valued in accordance with IAS 12.

The calculation of the deferred tax assets is based on the difference between the recognition and valuation of the assets pursuant to PRA Rulebook, Rule 2.1 and the recognition and valuation of the assets for tax purposes. Deferred taxes are determined on the basis of the tax rates of the countries concerned. Changes in tax rates and tax legislation that have already been adopted at the balance sheet date are taken into account.

Deferred tax assets are recognised in cases where asset items have to be valued lower, or liability items higher, in GLLS's solvency balance sheet than in its tax accounts and these differences will be eliminated at a later date with a corresponding effect on taxable income (therefore representing temporary differences). Also recognised are deferred tax assets derived from tax loss carry-forwards.

Deferred tax assets are posted as assets in the balance sheet where there are sufficient taxable temporary differences that are expected to be eliminated in the same period as the deductible temporary differences. For any additional deductible temporary differences, deferred tax assets are recognised only to the extent that it is probable that future profits are available in the same period in which the deductible temporary differences are expected to reverse. This is based on the planned financial result for the Company.

GLLS had a deferred tax asset on the Solvency II balance sheet as at 31 December 2022 of £708k. The deferred tax asset on the statutory balance sheet was £713k. The difference is in respect of the adoption of IFRS 9 for the purposes of preparing the year-end 2022 statutory financial statements as permitted under UK GAAP.

Bonds

In the solvency balance sheet, we value bonds listed on stock exchanges at the price quoted on the stock exchange on the balance-sheet date if we classify the market as active (level 1). If no price is quoted in an active market, the valuation is based on valuation models, in which observable market parameters are used as far as possible. For these valuations (level 2), we use parameters for the financial instrument to be valued that can be observed in the market – directly or indirectly – but are not yet quoted market prices. Prices quoted in active markets for similar assets or liabilities and prices quoted in non-active markets for identical or similar assets are also classified as level 2 valuations. If the financial instrument concerned has a fixed contract period, the parameters used for valuation must be observable for the whole of this period. We essentially allocate bearer bonds, bond funds, loans and covered bonds to level 2. For investments allocated to level 3, we use valuation techniques based on parameters not observable in the market. This is only permissible insofar as no observable market data is available. The parameters used reflect our assumptions regarding the factors that market players would consider in their pricing. We use the best available information for this, including internal company data.

We assess on a regular basis whether the allocation of our investments to the levels in the valuation hierarchy is still appropriate. If changes in the basis of valuation have occurred – for instance, if a market is no longer active or the valuation was performed using parameters that make it necessary to change the allocation – we make the necessary adjustments. No investments were allocated to level 3 as at the balance-sheet date. For UK GAAP, the same valuation method is applied.

All of the bonds held by the Company as at 31 December 2022 are classified as Level 2 in the fair value hierarchy.

Deposits excluding cash equivalents

In the solvency balance sheet, we value deposits with a residual term of under one year that are not shown as cash or cash equivalents (available at any time) at face value. Under UK GAAP, they are also valued at their nominal amount and reported under investments. We take account of the default risk by performing regular reviews of impairment, undertaking any write-downs necessary.

Impairment

Under UK GAAP, lower carrying amounts from prior periods are retained if the impairment is expected to be permanent. If the market value as at the balance sheet date exceeds the prior-year carrying amounts on a permanent basis, write-downs are reversed up to the original acquisition or production cost or amortised cost.

As all assets in the solvency balance sheet are shown at fair value, no impairment rules are required.

Reinsurance recoverables

The treatment of reinsurance receivables under Solvency II and UK GAAP is described in section D.2 Technical provisions. There were no reinsurance recoverables as at 31 December 2022.

Receivables (trade, not insurance)

We show all other receivables under this item in the solvency balance sheet. As at the balance sheet date, this primarily includes tax receivables and receivables from clearing accounts to which payments not yet allocated are posted. Other receivables are valued at fair value.

For materiality reasons, we do not discount receivables with a residual term of up to one year. We discount receivables with a residual term of more than one year on the basis of term and currency. We take the default risk on receivables into adequate consideration. If possible, we derive the default probability applied from external ratings issued by recognised agencies.

In the UK GAAP balance sheet, we value receivables at face value less any provisions raised against them which is deemed a close approximation of fair value. The difference in amount results from the negative adjustment for the default risk in the solvency balance sheet.

Cash and cash equivalents

In the solvency balance sheet, we value these items (which primarily comprise bank balances) at nominal value. For UK GAAP, we value all deposits at nominal value. Cash and cash equivalents consist of cash at bank and in hand as at the balance sheet date and is deemed to be readily available..

D.2. Technical provisions

In the solvency balance sheet, technical provisions are created for all insurance and reinsurance obligations to policyholders, cedants and rightful claimants. The amount of the technical provisions corresponds to the amount that GLLS would currently have to pay if insurance and reinsurance obligations were immediately transferred to another insurance or reinsurance company. The calculation of technical provisions must make use of and be consistent with information provided by the financial markets and generally available data on underwriting risks. Technical provisions must be calculated in a best estimate reliable and objective manner. Following the principles set out above, the calculation of technical provisions is carried out as described below.

The amount of the technical provisions equates to the sum of the best-estimate and a risk margin. The best estimate of a technical provision is the present value of future cash flows calculated using the relevant risk-free yield curve. The projection of the future cash flows takes into account all inflows and outflows required for the settlement of insurance liabilities up to their maturity.

The best estimate of insurance obligations arising out of business non-similar to life techniques is in turn broken down into premium, loss, and if appropriate, annuity reserves. A risk margin is then determined on the basis of standard formula.

For the calculation of the technical provisions, we divide our insurance and reinsurance obligations into homogeneous risk groups. A segmentation appropriate for the Solvency II reporting is achieved by a specific accumulation of the segments required for the statutory reporting. For reporting purposes, a breakdown by currency and region is also performed.

No transitional arrangements were used for the relevant risk-free interest-rate curve and no volatility or matching adjustment was undertaken.

Best estimate

Technical provisions are calculated using established principles for actuarial valuation. The best estimate equates to the probability-weighted average future cash flows taking into account future developments and uncertainties. It also allows for discounting effects and is determined using the relevant risk-free interest-rate curve.

The calculation of the best estimate is based upon up-to-date and credible information and realistic assumptions, and is performed using adequate, applicable and relevant actuarial and statistical methods. Expenses are assessed on a going-concern basis. The cash-flow projection used in the calculation of the best estimate takes account of all the cash inflows and outflows required to settle the insurance and reinsurance obligations over their lifetime. The best estimate is calculated gross, i.e. without deduction of reinsurance recoverables. Those amounts are calculated and reported separately.

The best estimates for the premium and loss reserves are calculated separately. The premium reserve is created for future losses that are covered by insurance and reinsurance obligations within contract boundaries. Provisions for claims outstanding are established for claim events that have already occurred, regardless of whether the claims arising from those events have been reported or not.

Risk margin

The risk margin is set at such a level as to ensure that the value of the technical provisions as a whole (best estimate plus risk margin) is equivalent to the amount that insurance and reinsurance undertakings would be expected to require in order to take over and meet the insurance and reinsurance obligations.

The general principle for the calculation of the risk margin assumes that all of the insurance and reinsurance obligations of the Company calculating the risk margin are taken over by another company. The risk margin covers the underwriting risk, parts of the credit risk and the operational risk. It is calculated by projecting the solvency capital requirement (SCR), covering the above risk categories and using appropriate risk drivers. The cash flows for the above-mentioned risks are allocated to the Solvency II lines of business proportionally on the basis of the best estimate for each development year. The present value of the total solvency capital requirements is then multiplied by the cost-of-capital rate of 6% prescribed under Solvency II.

Valuation of financial guarantees and contractual options

The were no financial guarantees or contract options as at the balance-sheet date.

Simplifications used in the calculation of technical provisions

For the calculation of best estimates, GLLS does not make use of simplifications as described in the Delegated Regulation, Title I, Chapter III, Section 6.

Uncertainty associated with the amount of technical provisions

The best estimate for the technical provisions is substantially based on available data and actuarial models in conjunction with expert estimates.

2022 year-end technical provision assessment

The Company performed an assessment as at 31 December 2022 to determine the value of the technical provisions. As the Company commenced underwriting from 1 January 2023 there were no in force policies as at the balance sheet date. The Company has no insurance reserves in its UK GAAP statutory financial statements.

In accordance with Solvency II technical provision methodology, as set out above, a premium reserve is calculated in determining the overall gross best estimate liability. This specifically includes policies that were bound at the balance sheet date but incept in future financial periods.

The Company has carried out an assessment of the value of the gross and net best estimate that would be required to be held in respect of such premium reserve. This also includes the associated risk margin. It was concluded that the value of the premium reserve and risk margin as at 31 December 2022 was not material and therefore no amounts have been included on the solvency balance sheet.

Reinsurance recoverables under Solvency II

The recoverables from reinsurance contracts are calculated according to the same principles as technical provisions. Specifically, recoverables include claims on the counterparty less payments due to the counterparty (e.g. reinsurance premiums). Contract boundaries and insurance obligations are taken into account in accordance with the Solvency II rules.

When calculating amounts recoverable from reinsurance contracts, the time difference between recoverables and direct payments is taken into account. For the purpose of calculating the amounts recoverable from reinsurance contracts, cash flows only include payments in relation to compensation of insurance events and unsettled insurance claims. Payments in relation to other events or settled insurance claims are accounted for outside the amounts recoverable from reinsurance contracts and other elements of the technical provisions. Where a deposit has been made for the cash flows, the amounts recoverable are adjusted accordingly to avoid a double counting of the assets and liabilities relating to the deposit.

The cash flows relating to provisions for claims outstanding include the compensation payments relating to the claims accounted for in the gross provisions for claims outstanding of the insurance or reinsurance company ceding the risks. The cash flows relating to premium provisions include all other payments.

The result from the calculation of the best estimate is adjusted to take account of expected losses due to default of the counterparty. That adjustment is based on an assessment of the probability of default of the counterparty and the average loss resulting therefrom.

The adjustment to take account of expected losses due to default of a counterparty shall be calculated as the expected present value of the change in cash flows underlying the amounts recoverable from that counterparty, that would arise if the counterparty defaults, including as a result of insolvency or dispute, at a certain point in time. The calculation takes into account possible defaults over the lifetime of the reinsurance contract and possible fluctuations in the probability of default over time. The calculation is performed separately for each counterparty and in non-life insurance is also performed separately for the premium and loss reserves. With proportional contracts, the reinsurance recoverables are derived from the reinsurance quota share. In the case of non-proportional contracts, reserves for individual cases plus IBNR reserves are used as a basis.

As set out above, the Company has concluded that the reinsurance recoverables under Solvency II in respect of the gross best estimate are not material and therefore no amounts have been included on the solvency balance sheet.

D.3. Other liabilities

The Company had no other liabilities as at 31 December 2022.

All expense recharged from MRUKS were settled in cash before the balance sheet date.

D.4. Alternative methods for valuation

In the year under report, we did not make use of any valuation methods other than those reported for the individual items.

D.5. Any other information

All material information on Section D "Valuation for solvency purposes" can be found in the above sections. The Company has no further significant information to provide for the reporting year.

Capital management

E

E. CAPITAL MANAGEMENT

E.1. Own funds

Aims, policies and processes to manage own funds

GLLS actively manages its capital to ensure that its capital level is appropriate at all times. The available own funds thus always cover the capital required by the supervisory authorities. Our intention is for our financial strength to open up profitable growth opportunities, but also for it to be maintained even after major loss events or substantial fluctuations in our assets. For GLLS, appropriate capitalisation also means that capital should not exceed the level required over a long period.

The Company’s overall capital management strategy is to optimise the usage of capital in line with its business strategy, economic risk profile, appetite and management philosophy, subject to fulfilling all applicable regulatory capital requirements. Capital management decisions must thus achieve a balance between efficient use of capital and policyholder protection.

At company level, day-to-day capital management decisions are affected by risk and capital issues (e.g. changes in risk profile, regulatory changes, internal model changes), financial factors (e.g. cash flow, accounting results or costs, investment transactions) and by strategic direction (e.g. new business opportunities).

The Company’s approach to measuring capital for the purpose of assessing capital management decisions is governed by risk criteria defined by the GLLS Board on the basis of the overall portfolio. The purpose of these risk criteria for the overall portfolio is as follows:

- Avoiding unplanned capital injections - relates to the monitoring of a risk indicator designed to prevent the need for capital injections, except in cases of material changes in the Company’s business strategy, economic risk profile or management philosophy.
- Financial strength – designed to reflect the Company’s solvency and hence the level of financial confidence that policyholders expect in order to do business with GLLS.

These criteria will provide the GLLS Board with a regular risk-based overview for capital management decisions.

On the basis of the above measures, any capital management actions and decisions must not cause any of the whole portfolio risk criteria to breach the tolerance levels. Regulatory capital and capital requirements are also an important component of our annual planning cycle, in which we project available own funds and the capital requirements over a planning horizon of four years. All significant factors are used as a basis for the projections, but in particular premium growth before and after reinsurance and the development of our investments.

The Company’s overall capital management strategy is owned by the GLLS Board. The Company’s Capital Management Policy sets out the strategy, responsibility, processes and reporting procedures, applicable to all capital management activities and decisions made in GLLS.

Structure, amount and quality of own funds

The tables below show the composition of capital as at 31 December 2022.

Table 4: Composition of own funds

£'000	Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
					31 Dec. 2022
Basic own funds before deduction for participations in other financial sectors within the meaning of Article 68 of Delegated Regulation (EU) 2015/35					
Ordinary share capital (gross of own shares)	225,000	225,000	0	0	0
Reconciliation reserve	(2,833)	(2,833)	0	0	0
Amount equal to the value of net deferred tax assets	708	0	0	0	708
Total basic own funds after deductions	222,875	222,167	0	0	0
Available and eligible own funds					
Total eligible own funds to meet the SCR	222,875	222,167	0	0	708
Total eligible own funds to meet the MCR	222,167	222,167	0	0	0
SCR	62,064				
MCR	15,516				
Ratio of eligible own funds to SCR	359%				
Ratio of eligible own funds to MCR	1431%				

GLLS had the following Tier 1 capital as at the balance sheet date:

- Ordinary share capital (gross of own shares) £225,000k (2021: £1)
- Reconciliation reserve (£2,833k) (2021:NA)

As disclosed in Section A.1 of this report, the Company received two share capital injections from GLISE totalling £225,000k. Both share capital injections have been classified as Tier 1 capital.

The reconciliation reserve arises out of the excess of assets over liabilities less the paid-up ordinary share capital, the capital reserve and the net deferred tax assets.

The template S.23.01.01 for own funds provides an overview of the individual components of own funds as at 31 December 2022. No percentages other than those used in the QRT mentioned are used. On the basis of our current business strategy, we do not see any necessity for returning capital.

Differences between UK GAAP equity and Solvency II excess of assets over liabilities

As summarised in Section D, there are no material differences between UK GAAP equity and Solvency II excess of assets over liabilities.

E.2. Solvency capital requirement and minimum capital requirement

Overview of the Company's solvency capital requirement and minimum capital requirement as at the end of the reporting period and material changes in the reporting period

GLLS uses the standard formula to calculate the solvency capital requirement. This section provides a breakdown of the solvency capital requirement by risk category.

The table below gives the breakdown of the solvency capital requirement by risk category as at the end of the reporting period:

Table 5: SCR by risk category

£'000		
Solvency capital requirement for undertakings on standard formula	31 Dec. 2022	31 Dec. 2021
Market risk	7,532	0
Counterparty default risk	355	0
Life underwriting risk	0	0
Health underwriting risk	7,347	0
Non-life underwriting risk	58,890	0
Diversification	(12,060)	0
Solvency capital requirement (SCR)	62,064	0

Appended to this report, Template S.25.01 "Solvency capital requirement – for undertakings on standard formula" presents the breakdown of SCRs by risk category.

GLLS’s total SCR amounted to £62,064k. As this is the first SCR produced by the Company, there is no reference point with which to explain the development of the SCR.

The Minimum Capital Requirement (“MCR”) as at 31 December 2022 is £15,516k. The MCR is calculated in accordance with Article 129 of the Solvency II directive and has been set at 25% of the SCR.

E.3. Use of the duration-based equity risk sub-model in the calculation of the solvency capital requirement

GLLS does not use the duration-based equity sub-model in calculating the SCR.

E.4. Differences between the standard formula and any internal model used

GLLS does not use an internal model to calculate the SCR.

E.5. Non-compliance with the minimum capital requirement and non-compliance with the solvency capital requirement

GLLS met both the minimum capital requirement and the solvency capital requirement during the reporting period

E.6. Any other information

All material information on Section E “Capital management” can be found in the above sections.

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Appendix

Balance sheet

Entity: GLISEUK_S - Great Lakes Insurance UK Limited
Scenario: 2022SOL2
Period: Annual
Currency: GBP - Pound sterling
EIOPA QRT: S.02.01

Balance Sheet

		Solvency II value
		C0010
Assets		
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	
Deferred tax assets	R0040	708
Pension benefit surplus	R0050	0
Property, plant & equipment held for own use	R0060	
contracts)	**R0070**	**218,506**
Property (other than for own use)	R0080	
Holdings in related undertakings, including participations	R0090	
Equities	*R0100*	
Equities - listed	R0110	
Equities - unlisted	R0120	
Bonds	*R0130*	*213,505*
Government Bonds	R0140	186,229
Corporate Bonds	R0150	27,276
Structured notes	R0160	
Collateralised securities	R0170	
Collective Investments Undertakings	R0180	
Derivatives	R0190	
Deposits other than cash equivalents	R0200	5,001
Other investments	R0210	
Assets held for index-linked and unit-linked contracts	R0220	
Loans and mortgages	**R0230**	
Loans on policies	R0240	
Loans and mortgages to individuals	R0250	
Other loans and mortgages	R0260	
Reinsurance recoverables from:	**R0270**	
Non-life and health similar to non-life	R0280	
Non-life excluding health	R0290	
Health similar to non-life	R0300	
linked	R0310	
Health similar to life	R0320	
Life excluding health and index-linked and unit-linked	R0330	
Life index-linked and unit-linked	R0340	
Deposits to cedants	R0350	
Insurance and intermediaries receivables	R0360	
Reinsurance receivables	R0370	
Receivables (trade, not insurance)	R0380	56
Own shares (held directly)	R0390	
paid in	R0400	
Cash and cash equivalents	R0410	3,605
Any other assets, not elsewhere shown	R0420	
Total assets	**R0500**	**222,875**
Liabilities		
Technical provisions - non-life	**R0510**	
Technical provisions - non-life (excluding health)	**R0520**	
Technical provisions calculated as a whole	R0530	
Best Estimate	R0540	
Risk margin	R0550	
Technical provisions - health (similar to non-life)	**R0560**	
Technical provisions calculated as a whole	R0570	
Best Estimate	R0580	
Risk margin	R0590	
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	
Technical provisions - health (similar to life)	**R0610**	
Technical provisions calculated as a whole	R0620	
Best Estimate	R0630	
Risk margin	R0640	
linked)	**R0650**	
Technical provisions calculated as a whole	R0660	
Best Estimate	R0670	
Risk margin	R0680	
Technical provisions - index-linked and unit-linked	**R0690**	
Technical provisions calculated as a whole	R0700	
Best Estimate	R0710	
Risk margin	R0720	
Other technical provisions	R0730	
Contingent liabilities	R0740	
Provisions other than technical provisions	R0750	
Pension benefit obligations	R0760	
Deposits from reinsurers	R0770	
Deferred tax liabilities	R0780	
Derivatives	R0790	
Debts owed to credit institutions	R0800	
Financial liabilities other than debts owed to credit institutions	R0810	0
Insurance & intermediaries payables	R0820	
Reinsurance payables	R0830	
Payables (trade, not insurance)	R0840	0
Subordinated liabilities	**R0850**	
Subordinated liabilities not in Basic Own Funds	R0860	
Subordinated liabilities in Basic Own Funds	R0870	
Any other liabilities, not elsewhere shown	R0880	
Total liabilities	**R0900**	**0**
Excess of assets over liabilities	**R1000**	**222,875**

Premiums, claims and expenses by line of business

Entity: GLISEUK_S - Great Lakes Insurance UK Limited
Scenario: 2022 Solvency II
Period: Annual
Category: Solvency II: Statutory Account
Currency: GBP - Pound sterling
EIOPA QRT: S.05.01

Premiums, claims and expenses by line of business

		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	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written																		
Gross - Direct Business	R0110																	0
Gross - Proportional reinsurance accepted	R0120																	0
Gross - Non-proportional reinsurance accepted	R0130																	0
Reinsurers' share	R0140																	0
Net	**R0200**																	0
Premiums earned																		
Gross - Direct Business	R0210																	0
Gross - Proportional reinsurance accepted	R0220																	0
Gross - Non-proportional reinsurance accepted	R0230																	0
Reinsurers' share	R0240																	0
Net	**R0300**																	0
Claims incurred																		
Gross - Direct Business	R0310																	0
Gross - Proportional reinsurance accepted	R0320																	0
Gross - Non-proportional reinsurance accepted	R0330																	0
Reinsurers' share	R0340																	0
Net	**R0400**																	0
Changes in other technical provisions																		
Gross - Direct Business	R0410																	0
Gross - Proportional reinsurance accepted	R0420																	0
Gross - Non-proportional reinsurance accepted	R0430																	0
Reinsurers' share	R0440																	0
Net	**R0500**																	0
Expenses incurred	**R0550**																	0
Other expenses	R1200																	2,865
Total expenses	**R1300**																	2,865

		Line of Business for: life insurance obligations						Life reinsurance obligations		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410									0
Reinsurers' share	R1420									0
Net	**R1500**									0
Premiums earned										
Gross	R1510									0
Reinsurers' share	R1520									0
Net	**R1600**									0
Claims incurred										
Gross	R1610									0
Reinsurers' share	R1620									0
Net	**R1700**									0
Changes in other technical provisions										
Gross	R1710									0
Reinsurers' share	R1720									0
Net	**R1800**									0
Expenses incurred	**R1900**									0
Other expenses	**R2500**									
Total expenses	**R2600**									

Munich RE

Premiums, claims and expenses by country

Entity: GLISEUK_S - Great Lakes Insurance UK Limited
Scenario: 2022 Solvency II
Period: Annual
Category: Solvency II: Statutory Account
Currency: GBP - Pound sterling
EIOPA QRT: S.05.02

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							
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	R0110							0
Gross - Proportional reinsurance accepted	R0120							0
Gross - Non-proportional reinsurance accepted	R0130							0
Reinsurers' share	R0140							0
Net	**R0200**							**0**
Premiums earned								
Gross - Direct Business	R0210							0
Gross - Proportional reinsurance accepted	R0220							0
Gross - Non-proportional reinsurance accepted	R0230							0
Reinsurers' share	R0240							0
Net	**R0300**							**0**
Claims incurred								
Gross - Direct Business	R0310							0
Gross - Proportional reinsurance accepted	R0320							0
Gross - Non-proportional reinsurance accepted	R0330							0
Reinsurers' share	R0340							0
Net	**R0400**							**0**
Changes in other technical provisions								
Gross - Direct Business	R0410							0
Gross - Proportional reinsurance accepted	R0420							0
Gross - Non-proportional reinsurance accepted	R0430							0
Reinsurers' share	R0440							0
Net	**R0500**							**0**
Expenses incurred	**R0550**							0
Other expenses	**R1200**							2,865
Total expenses	**R1300**							**2,865**

		Home Country	Top 5 countries (by amount of gross premiums written) - life obligations					Total Top 5 and home country
		C0150	C0160	C0170	C0180	C0190	C0200	C0210
	R01400							
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
Premiums written								
Gross	R1410							0
Reinsurers' share	R1420							0
Net	**R1500**							**0**
Premiums earned								
Gross	R1510							0
Reinsurers' share	R1520							0
Net	**R1600**							**0**
Claims incurred								
Gross	R1610							0
Reinsurers' share	R1620							0
Net	**R1700**							**0**
Changes in other technical provisions								
Gross	R1710							0
Reinsurers' share	R1720							0
Net	**R1800**							**0**
Expenses incurred	**R1900**							0
Other expenses	**R2500**							
Total expenses	**R2600**							**0**

Munich RE

Life and Health SLT Technical Provisions

Entity: GLISEUK_S - Great Lakes Insurance UK Limited
Scenario: 2022 Solvency II
Period: Annual
Category: Solvency II: Solo Purpose
Currency: GBP - Pound sterling
EIOPA QRT: S.12.01

Life and Health SLT Technical Provisions

			Index-linked and unit-linked insurance			Other life insurance						Health insurance (direct business)					
		Insurance with profit participation		Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	**Total (Life other than health insurance, including Unit-Linked)**		Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	**Total (Health similar to life insurance)**
		C0020	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0150**	**C0160**	**C0170**	**C0180**	**C0190**	**C0200**	**C0210**
Technical provisions calculated as a whole	**R0010**										0						0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0020										0						0
Technical provisions calculated as a sum of BE and RM																	
Best Estimate																	
Gross Best Estimate	**R0030**										0						0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080										0						0
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	R0090										0						0
Risk Margin	**R0100**										0						0
Amount of the transitional on Technical Provisions																	
Technical Provisions calculated as a whole	R0110										0						0
Best estimate	R0120										0						0
Risk margin	R0130										0						0
Technical provisions - total	**R0200**										0						0

Non - life Technical Provisions

Entity: GLISEUK_S - Great Lakes Insurance UK Limited
Scenario: 2022 Solvency II
Period: Annual
Category: Solvency II: Solo Purpose
Currency: GBP - Pound sterling
EIOPA QRT: S.17.01

Non - life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance:				Total Non-Life obligations
		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
Technical provisions calculated as a whole	R0010																	0
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	R0050																	0
Technical Provisions calculated as a sum of BE and RM																		
Best estimate																		
Premium provisions																		
Gross	R0060																	0
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140																	0
Net Best Estimate of Premium Provisions	R0150																	0
Claims provisions																		
Gross	R0160																	0
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240																	0
Net Best Estimate of Claims Provisions	R0250																	0
Total Best estimate - gross	R0260																	0
Total Best estimate - net	R0270																	0
Risk margin	R0280																	0
Amount of the transitional on Technical Provisions																		
Technical Provisions calculated as a whole	R0290																	0
Best estimate	R0300																	0
Risk margin	R0310																	0
Technical provisions - total																		
Technical provisions - total	R0320																	0
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330																	0
Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total	R0340																	0

Non-life Insurance Claims Information

Entity: GLISEUK_S - Great Lakes Insurance UK Limited
Scenario: 2022 Solvency II
Period: Annual
Currency: GBP - Pound sterling
Category: Solvency II: Solo Purpose
1 - Accident year
EIOPA QRT: S.19.01

Non-life Insurance Claims Information

Gross Claims Paid (non-cumulative)

		Development year										
		0	1	2	3	4	5	6	7	8	9	10 & +
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110
Prior	R0100											
2013	R0160											
2014	R0170											
2015	R0180											
2016	R0190											
2017	R0200											
2018	R0210											
2019	R0220											
2020	R0230											
2021	R0240											
2022	R0250											

		In Current year	Sum of years (cumulative)
		C0170	C0180
	R0100		
	R0160		
	R0170		
	R0180		
	R0190		
	R0200		
	R0210		
	R0220		
	R0230		
	R0240		
	R0250		
Total	R0260		

Gross undiscounted Best Estimate Claims Provisions

		Development year										
		0	1	2	3	4	5	6	7	8	9	10 & +
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300
Prior	R0100											0
2013	R0160											
2014	R0170											
2015	R0180											
2016	R0190											
2017	R0200											
2018	R0210											
2019	R0220											
2020	R0230											
2021	R0240											
2022	R0250											

		Year end (discounted data)
		C0360
	R0100	
	R0160	
	R0170	
	R0180	
	R0190	
	R0200	
	R0210	
	R0220	
	R0230	
	R0240	
	R0250	
Total	R0260	

Munich RE

Non-life Insurance Claims Information

Entity: GLISEUK_S - Great Lakes Insurance UK Limited
Scenario: 2022 Solvency II
Period: Annual
Currency: GBP - Pound sterling
Category: Solvency II: Solo Purpose
2 - Underwriting year
EIOPA QRT: S.19.01

Non-life Insurance Claims Information

Gross Claims Paid (non-cumulative)

		Development year													In Current year	Sum of years (cumulative)
		0	1	2	3	4	5	6	7	8	9	10 & +				
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110			C0170	C0180
Prior	R0100													R0100		
2013	R0160													R0160		
2014	R0170													R0170		
2015	R0180													R0180		
2016	R0190													R0190		
2017	R0200													R0200		
2018	R0210													R0210		
2019	R0220													R0220		
2020	R0230													R0230		
2021	R0240													R0240		
2022	R0250													R0250		
													Total	R0260		

Gross undiscounted Best Estimate Claims Provisions

		Development year													Year end (discounted data)
		0	1	2	3	4	5	6	7	8	9	10 & +			
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300			C0360
Prior	R0100											0		R0100	
2013	R0160													R0160	
2014	R0170													R0170	
2015	R0180													R0180	
2016	R0190													R0190	
2017	R0200													R0200	
2018	R0210													R0210	
2019	R0220													R0220	
2020	R0230													R0230	
2021	R0240													R0240	
2022	R0250													R0250	
													Total	R0260	

Impact of long term guarantees measures and transitionals

Entity: GLISEUK_S - Great Lakes Insurance UK Limited
Scenario: 2022 Solvency II
Period: Annual
Category: Solvency II: Solo Purpose
Currency: GBP - Pound sterling
EIOPA QRT: S.22.01

Impact of long term guarantees measures and transitionals

		Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	C0030	C0050	C0070	C0090
Technical provisions	R0010					
Basic own funds	R0020					
Eligible own funds to meet Solvency Capital Requirement	R0050					
Solvency Capital Requirement	R0090					
Eligible own funds to meet Minimum Capital Requirement	R0100					
Minimum Capital Requirement	R0110					

Munich RE

Own funds

Entity: GLISEUK_S - Great Lakes Insurance UK Limited
Scenario: 2022 Solvency II
Period: Annual
Category: Default Original Amount
Currency: GBP - Pound sterling
EIOPA QRT: S.23.01

Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	225,000	225,000			
Share premium account related to ordinary share capital	R0030					
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Surplus funds	R0070					
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	-2,833	-2,833			
Subordinated liabilities	R0140					
An amount equal to the value of net deferred tax assets	R0160	708				708
specified above	R0180					
represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions	**R0290**	222,875	222,167			708
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Other ancillary own funds	R0390					
Total ancillary own funds	**R0400**					
Available and eligible own funds						
Total available own funds to meet the SCR	**R0500**	222,875	222,167			708
Total available own funds to meet the MCR	**R0510**	222,166	222,167			
Total eligible own funds to meet the SCR	**R0540**	222,875	222,167			708
Total eligible own funds to meet the MCR	**R0550**	222,166	222,167			
SCR	**R0580**	62,064				
MCR	**R0600**	15,516				
Ratio of Eligible own funds to SCR	**R0620**	359.10%				
Ratio of Eligible own funds to MCR	**R0640**	1431.84%				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	222,875
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	225,708
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	**R0760**	-2,833
Expected profits		
Expected profits included in future premiums (EPIFP) - Life Business	R0770	
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	
Total Expected profits included in future premiums (EPIFP)	**R0790**	

Munich RE

Solvency Capital Requirement - for undertakings on Standard Formula

Entity: GLISEUK_S - Great Lakes Insurance UK Limited
Scenario: 2022 Solvency II
Period: Annual
Category: Solvency II: Solo Purpose
Currency: GBP - Pound sterling
EIOPA QRT: S.25.01

Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
Market risk	R0010	7,533		
Counterparty default risk	R0020	355		
Life underwriting risk	R0030			
Health underwriting risk	R0040	7,347		
Non-life underwriting risk	R0050	58,890		
Diversification	R0060	-12,061		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	**R0100**	**62,064**		

Calculation of Solvency Capital Requirement

		C0100
Operational risk	R0130	
Loss-absorbing capacity of technical provisions	R0140	
Loss-absorbing capacity of deferred taxes	R0150	0
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/4	R0160	
Solvency capital requirement excluding capital add-on	R0200	62,064
Capital add-on already set	**R0210**	
Solvency capital requirement	R0220	62,064
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirements for matching adjustment port	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

Approach to tax rate

		Yes/No
		C0109
Approach based on average tax rate	R0590	2 - No

Calculation of loss absorbing capacity of deferred taxes

		LAC DT
		C0130
LAC DT	R0640	
LAC DT justified by reversion of deferred tax liabilities	R0650	
LAC DT justified by reference to probable future taxable economic profit	R0660	
LAC DT justified by carry back, current year	R0670	
LAC DT justified by carry back, future years	R0680	
Maximum LAC DT	R0690	

Munich RE

Solvency Capital Requirement - for undertakings using the standard formula and partial internal model

Entity: GLISEUK_S - Great Lakes Insurance UK Limited
Scenario: 2022 Solvency II
Period: Annual
Category: Solvency II: Partial Internal Model
Currency: GBP - Pound sterling
EIOPA QRT: S.25.02

Solvency Capital Requirement - for undertakings using the standard formula and partial internal model

Unique number of component	Components description	Calculation of the Solvency Capital Requirement	Amount modelled	USP	Simplifications
C0010	C0020	C0030	C0070	C0090	C0120

Calculation of Solvency Capital Requirement		C0100
Total undiversified components	R0110	
Diversification	R0060	
2003/41/EC	R0160	
Solvency Capital Requirement excluding capital add-on	R0200	
Capital add-ons already set	**R0210**	
Solvency capital requirement	R0220	
Other information on SCR		
Amount/estimate of the overall loss-absorbing capacity of technical provisions	R0300	
Amount/estimate of the overall loss-absorbing capacity of deferred taxes	R0310	
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

Approach to tax rate		Yes/No C0109
Approach based on average tax rate	R0590	

Calculation of loss absorbing capacity of deferred taxes		LAC DT C0130
Amount/estimate of LAC DT	R0640	
Amount/estimate of LAC DT justified by reversion of deferred tax liabilities	R0650	
Amount/estimate of LAC DT justified by reference to probable future taxable economic profit	R0660	
Amount/estimate of AC DT justified by carry back, current year	R0670	
Amount/estimate of LAC DT justified by carry back, future years	R0680	
Amount/estimate of Maximum LAC DT	R0690	

Solvency Capital Requirement - for undertakings on Full Internal Models

Entity: GLISEUK_S - Great Lakes Insurance UK Limited
Scenario: 2022 Solvency II
Period: Annual
Category: Solvency II: Solo Purpose
Currency: GBP - Pound sterling
EIOPA QRT: S.25.03

Solvency Capital Requirement - for undertakings on Full Internal Models (Annual Solo)

Unique number of component	Components description	Calculation of the Solvency Capital Requirement
C0010	C0020	C0030

Calculation of Solvency Capital Requirement		**C0100**
Total undiversified components	R0110	
Diversification	R0060	
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency capital requirement excluding capital add-on	**R0200**	
Capital add-ons already set	R0210	
Solvency capital requirement	**R0220**	
Other information on SCR		
Amount/estimate of the overall loss-absorbing capacity of technical provisions	R0300	
Amount/estimate of the overall loss-absorbing capacity of deferred taxes	R0310	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirement for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

Approach to tax rate		**Yes/No**
Approach based on average tax rate	R0590	

Calculation of loss absorbing capacity of deferred taxes		**LAC DT** **C0130**
Amount/estimate of LAC DT	R0640	
Amount/estimate of LAC DT justified by reversion of deferred tax liabilities	R0650	
Amount/estimate of LAC DT justified by reference to probable future taxable economic profit	R0660	
Amount/estimate of LAC DT justified by carry back, current year	R0670	
Amount/estimate of LAC DT justified by carry back, future years	R0680	
Amount/estimate of Maximum LAC DT	R0690	

Munich RE

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

Entity: GLISEUK_S - Great Lakes Insurance UK Limited
Scenario: 2022 Solvency II
Period: Annual
Category: Solvency II: Solo Purpose
Currency: GBP - Pound sterling
EIOPA QRT: S.28.01

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

Linear formula component for non-life insurance and reinsurance obligations

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

Linear formula component for life insurance and reinsurance obligations

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

		Non-life activities	Life activities
		C0010	C0040
MCRNL Result	R0010		
MCRL Result	R0200		

Overall MCR calculation

		C0070
Linear MCR	R0300	
SCR	R0310	62,064
MCR cap	R0320	27,929
MCR floor	R0330	15,516
Combined MCR	R0340	15,516
Absolute floor of the MCR	R0350	

		C0070
Minimum Capital Requirement	**R0400**	**15,516**

Munich RE

Minimum capital Requirement - Both life and non-life insurance activity - Public Disclosure

Entity: GLISEUK_S - Great Lakes Insurance UK Limited
Scenario: 2022 Solvency II
Period: Annual
Category: Solvency II: Solo Purpose
Currency: GBP - Pound sterling
EIOPA QRT: S.28.02

Minimum capital Requirement - Both life and non-life insurance activity

		Non-life activities	Life activities
		C0010	C0020
Linear formula component for non-life insurance and reinsurance obligations	R0010		

Linear formula component for non-life insurance and reinsurance obligations

MCR calculation Non Life		Non-life activities		Life activities	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0030	C0040	C0050	C0060
Medical expense insurance and proportional reinsurance	R0020				
Income protection insurance and proportional reinsurance	R0030				
Workers' compensation insurance and proportional reinsurance	R0040				
Motor vehicle liability insurance and proportional reinsurance	R0050				
Other motor insurance and proportional reinsurance	R0060				
Marine, aviation and transport insurance and proportional reinsurance	R0070				
Fire and other damage to property insurance and proportional reinsurance	R0080				
General liability insurance and proportional reinsurance	R0090				
Credit and suretyship insurance and proportional reinsurance	R0100				
Legal expenses insurance and proportional reinsurance	R0110				
Assistance and proportional reinsurance	R0120				
Miscellaneous financial loss insurance and proportional reinsurance	R0130				
Non-proportional health reinsurance	R0140				
Non-proportional casualty reinsurance	R0150				
Non-proportional marine, aviation and transport reinsurance	R0160				
Non-proportional property reinsurance	R0170				

Linear formula component for life insurance and reinsurance obligations

MCR calculation Life		Non-life activities		Life activities	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0090	C0100	C0110	C0120
Obligations with profit participation - guaranteed benefits	R0210				
Obligations with profit participation - future discretionary benefits	R0220				
Index-linked and unit-linked insurance obligations	R0230				
Other life (re)insurance and health (re)insurance obligations	R0240				
Total capital at risk for all life (re)insurance obligations	R0250				

		Non-life activities	Life activities
		C0070	C0080
Linear formula component for life insurance and reinsurance obligations	R0200		

Overall MCR calculation		C0130
Linear MCR	R0300	
SCR	R0310	
MCR cap	R0320	
MCR floor	R0330	
Combined MCR	R0340	
Absolute floor of the MCR	R0350	

		C0130
Minimum Capital Requirement	R0400	

Notional non-life and life MCR calculation		Non-life activities	Life activities
		C0140	C0150
Notional linear MCR	R0500		
Notional SCR excluding add-on (annual or latest calculation)	R0510		
Notional MCR cap	R0520		
Notional MCR floor	R0530		
Notional Combined MCR	R0540		
Absolute floor of the notional MCR	R0550		
Notional MCR	R0560		